

September 30, 2020



# Marijuana Company of America Announces Strategic Shift to hempSMART® with Dissolution of Joint Venture with Global Hemp Group, Inc.

ESCONDIDO, Calif., Sept. 30, 2020 /PRNewswire/ --**Marijuana Company of America Inc.** ("**MCOA**" or the "**Company**") (OTCQB: MCOA), an innovative hemp corporation, announced today that in an effort to shift to fully focus on its hempSMART™ CBD Consumer Products Division it has dissolved itself of a Joint Venture with Canadian-based Global Hemp Group, Inc. (CSE: GHG/ OTC: GBHPF).

According to Jesus Quintero, CEO and CFO, "This was the perfect time for us to exit our Joint Venture as we plan our year end of 2020 and start of 2021 focusing on building up our hempSMART CBD business. We're committed to adapting to the changing cannabis market in order to maximize our Company's growth. We have already begun our new phase of development, and expect to see an increase in revenue during the remainder of the year with added international expansion. We feel confident, that by building this new company strategy together with new Management, we can achieve our goal of becoming one of the most innovative players in the field with product development."

According to the terms of the dissolution:

- GHG accepts to make a two cash payment to MCOA, one on or before September 30, 2020 and the other on or before November 15, 2020.
- GHG will grant to MCOA common stock from its treasury for an amount equal to \$185,000 based on the trading price of GHG's stock at the time the settlement agreement is fully executed before September 30, 2020.
- The parties agree that the settlement results in GHG owning 100% of the Joint Venture implies that there will be no need to liquidate the Joint Venture, save and except for any other ancillary agreements that may be necessary to give full force and effect to the transaction contemplated herein.

## **History of Joint Venture**

Global Hemp Group Oregon Joint Venture; On May 8, 2018, the Company, Global Hemp Group, Inc., a Canadian corporation ("Global Hemp Group"), and TTO Enterprises, Ltd., an Oregon corporation ("TTO") entered into a joint venture agreement.

The purpose of the joint venture was to develop a project to commercialize the cultivation of industrial hemp on a 109 acre parcel of real property owned by the Company and Global Hemp Group in Scio, Oregon, and operating as a joint venture under the Oregon corporation Covered Bridges, Ltd.

On May 30, 2018, the joint venture purchased TTO's 15% interest in the joint venture for \$30,000, and subsequently the Company and Global Hemp Group had equal interests in the joint venture. The joint venture agreement commits the Company to a cash contribution of \$600,000 payable on the following funding schedule: \$200,000 upon execution of the joint venture agreement; \$238,780 by July 31, 2018; \$126,445 by October 31, 2018; and, \$34,775 by January 31, 2019. The Company has complied with its payments.

The 2018 crop of hemp grown on the joint venture's real property consisted of 33 acres of high yielding CBD hemp grown in orchard style cultivation on the property. The 2018 harvest consisted of approximately 37,000 high yielding CBD hemp plants producing 24 tons of biomass that produced 48,000 pounds of dried biomass.

The joint venture partners prepared processing samples ranging in size from 100 lbs. to 2,000 lbs. for sample offers to extraction companies. The biomass is being processed into CBD crude oil with the option to refine it further into isolate, or full spectrum oil, in order to increase its value on the market. As of December 31, 2019, the combined balance of the joint venture investment and related farmland investment was \$0 as the investment was written off as a loss for the period ended December 31, 2019.

### **About Marijuana Company of America, Inc.**

MCOA is a corporation that participates in: (1) product research and development of legal hemp-based consumer products under the brand name "hempSMART™", that targets general health and well-being; (2) an affiliate marketing program to promote and sell its legal hemp-based consumer products containing CBD; (3) leasing of real property to separate business entities engaged in the growth and sale of cannabis in those states and jurisdictions where cannabis has been legalized and properly regulated for medicinal and recreational use; and, (4) the expansion of its business into ancillary areas of the legalized cannabis and hemp industry, as the legalized markets and opportunities in this segment mature and develop.

### **About our hempSMART Products Containing CBD**

The United States Food and Drug Administration (FDA) has not recognized CBD as a safe and effective drug for any indication. Our products containing CBD derived from industrial hemp are not marketed or sold based upon claims that their use is safe and effective treatment for any medical condition as drugs or dietary supplements subject to the FDA's jurisdiction.

### **Forward Looking Statements**

*This news release contains "forward-looking statements" which are not purely historical and may include any statements regarding beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, among other things, the development, costs and results of new business opportunities and words such as "anticipate", "seek", "intend", "believe", "estimate", "expect", "project", "plan", or similar phrases may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with new projects, the future U.S. and global economies, the impact*

*of competition, and the Company's reliance on existing regulations regarding the use and development of cannabis-based products. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that any beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. Investors should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in our annual report on Form 10-K, our quarterly reports on Form 10-Q and other periodic reports filed from time-to-time with the Securities and Exchange Commission. For more information, please visit [www.sec.gov](http://www.sec.gov).*



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