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MMJ PHYTOTECH RECEIVES MEDICAL CANNABIS PRODUCTION LICENSE IN CANADA

Highlights:

- Health Canada grants Marihuana for Medical Purposes Regulations (“MMPR”) production license for flagship Duncan Production Facility
- MMJ is the first Australian-based company to secure a Canadian medical cannabis production license, proving the Group’s ability to navigate complex regulatory systems
- MMPR licensing considered high value strategic asset in global MC industry

MMJ PhytoTech Limited (ASX: MMJ) (“MMJ” or “the Company” or “the Group”) is pleased to advise that its wholly-owned Canadian subsidiary United Greeneries (“UG”) has been approved by Health Canada (“HC”) as an authorized Licensed Producer (“LP”) at its flagship Duncan Facility under the Marihuana for Medical Purposes Regulations (“MMPR”).

This makes MMJ the first Australian-based company to receive a Canadian medical cannabis (“MC”) cultivation license, and one of a select group of companies globally with the capacity to commercially cultivate medicinal grade cannabis in a federally regulated system.

The Company’s Duncan Facility is a state of the art MC operation with ~ 10,000 ft² of cultivation area. To date MMJ has expended approximately CAD\$8 million on the construction and establishment of the Duncan Facility, which includes high compliance items such as a Level 8 Narcotics Vault and a full service in-house biochemical and analytical laboratory.

Since the establishment of the MMPR system in July 2013, Health Canada has granted a total of 32 MMPR licenses. UG first submitted its license application and has since undergone a rigorous approval and inspection process. There have been in excess of 1,200 MMPR applications with almost 1,000 rejected or withdrawn, highlighting the stringent nature of this process.

The significance of the Canadian MMPR and of being licensed by the Canadian authorities results from the fact that those regulations are under federal Canadian law, which permits import and export across national borders. The Canadian MMPR is also the most sophisticated MC regulatory environment worldwide, allowing for wide and easy consumer access and for the large scale commercial production of MC and Cannabis extracts, including the plant’s narcotic compound THC.



Figure 1: Duncan Facility Cultivation Area.



Figure 2: Duncan Facility Hydroponic Set-Up.

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MMJ PhytoTech Limited's Managing Director, Andreas Gedeon, commented:

"The granting of the Duncan MMPR license is a significant milestone for MMJ, as it underpins the evolution of our "*Farm to Pharma*" strategy. As the first Australian-based company to receive a Canadian production license, we are very encouraged by Health Canada's endorsement of our facilities.

The Duncan license positions MMJ not only as a supplier to the existing Canadian MMPR patients, but also to the potential future regulated recreational market. The federal nature of the Canadian licensing system will also provide a potential gateway for the exporting of our products and will establish credibility with regulators for the Group when entering new markets.

While the team at UG in Canada is now firmly focused on the ramping up of production at our Duncan Facility, MMJ's management will continue to implement and expand the Company's global vertical pharmaceutical R&D and delivery technology platform to unlock maximum value for our shareholders."

The grant of the MMPR license satisfies the first of two key performance milestones under the terms of merger between the Company and MMJ Bioscience Inc in July 2015 and gives rise to the issue of 8,500,000 Shares (being the "First Deferred Shares") to the original vendors of MMJ Bioscience Inc.

The performance milestones attaching to 1,000,000 Class D Performance Rights have also been satisfied and may vest at the election of the performance right holder.

– ENDS –

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About MMJ PhytoTech Limited

MMJ PhytoTech is a Medical Cannabis company, which aims to commercialise Medical Grade Cannabis (MGC) and high potential cannabis based therapeutics products to the rapidly growing international market with regulated medical cannabis laws. The Company operates three subsidiaries with operations across the entire Medical Cannabis value chain, encompassing the Company's "Farm to Pharma" strategy.

Its **United Greeneries** subsidiary has growing facilities in Canada and is fully integrated with Agrichem Analytical, its quality control and testing laboratory. **Satipharm** has a number of key international distribution partnerships for the distribution of cannabinoid-based pharmaceutical, nutraceutical and wellness products.

Through its **PhytoTech Therapeutics** subsidiary in Israel the Company has an exclusive research and licensing agreement with Yissum, the prestigious Research Development and technology transfer Company of Hebrew University in Jerusalem, Israel, a global leader in medical cannabis research.

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