ASX RELEASE

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MMJ PHYTOTECH LIMITED
Q2 2015 Quarterly Report

Significant Milestones Achieved Across All Business Operations; Well Positioned to Drive Growth and Deliver Revenues in H2 2015

Highlights

- Shareholders approved merger transaction with MMJ Bioscience Inc. Subsequent to the end of the quarter, the Company completed the merger, becoming "MMJ PhytoTech Limited" (ASX code: MMJ), an integrated Medical Cannabis company with operations spanning the entire value chain.
- **United Greeneries'** Duncan facility in Canada received a "confirmation of readiness letter" from Health Canada and inspection expected in September
- **PhytoTech Therapeutics** extended licensing agreement with Yissum to include a third patent application for an improved new innovative nanoparticle formulation
- Key documents submitted to the Institutional Review Board (IRB or Helsinki Committee) and National Clinical Trial Committee in Israel to allow clinical studies to commence, expected in Q4 2015

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- **Satipharm** commenced production of its proprietary Cannabidoil (CBD) capsules with first batch released for distribution in Europe in August
- Agreement with Ai Fame GmbH significantly expands the Company's product portfolio with the addition of five more Active Pharmaceutical Ingredients (API)
- Company enters H2 2015 in a strong position, with key near-term catalysts imminent, including first revenues and approvals under MMPR to commence growing at the Duncan facility

MMJ PhytoTech Limited (ASX:MMJ) ("MMJ PhytoTech" or the "Company") today announces its activities report for the quarter ended 30 June 2015.

Corporate

In the previous quarter the Company announced the acquisition with MMJ Bioscience Inc. to create Australia's first listed multinational, vertically integrated Medical Cannabis company. On 29 June 2015 full shareholder approval was received and on 28 July 2015 the merger was completed, with the Company having now changed its name to "MMJ PhytoTech" and its ASX code to "MMJ".

The merger brings together operations spanning the entire Medical Cannabis value chain, from cultivation, development and distribution of pharmaceutical and nutraceutical products, solidifying the Company's 'Farm to Pharma' strategy.

As a result of the merger, the executive management and board has been consolidated and the Company now has medical cannabis experience across the entire value chain and multiple jurisdictions.

Andreas Gedeon has been appointed Managing Director of the combined group, with Boaz Wachtel becoming Head of International Business Development.

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The acquisition was purely scrip based, with MMJ PhytoTech having recently issued an initial 51,000,000 ordinary shares to the vendors of MMJ Bioscience Inc. Up to an additional 17,000,000 ordinary shares may also be issued to the vendors in two tranches upon the achievement of key milestones.

Post the quarter the Company also announced a successful capital raising of $4.8 million in an oversubscribed equity placement, which received strong interest from institutional and sophisticated investors. The funds raised are expected to be used to accelerate the expansion of the Company's European operations with Satipharm.

Operational

United Greeneries Duncan facility in Canada received a "confirmation of readiness letter" from Health Canada that precedes the scheduling of a pre-licensing inspection. MMJ is currently conducting an internal audit and working with a highly qualified team to place the facility in the best position to eliminate any potential hurdles and fast track through to license approval.

PhytoTech Therapeutics extended its exclusive licensing agreement with Yissum to include a third patent application for an improved new innovative nanoparticle formulation. The proprietary formulation is intended to further enhance the oral bioavailability of cannabinoids, addressing the currently inherent problem of very low bioavailability of cannabinoids, when administered orally. This agreement further solidifies the partnership with Yissum and adds to the formulations and devices already licensed by PhytoTech Therapeutics.

PhytoTech Therapeutics also announced it had submitted key documents, including a Clinical Study Protocol and Investigative Brochure, to the Institutional Review Board (IRB or Helsinki Committee) and National Clinical Trial Committee in Israel to allow clinical studies of the formulations to commence. Phase 1 Clinical Study is expected to commence in Q4 2015 and will focus on the two oral Tetrahydrocannabinol (THC) and Cannabidoil (CBD) formulations licensed from Yissum. Following completion of the Phase 1 Study the Company will progress to a Phase 2 Clinical Study in 2016 to assess the drugs capacity to relieve pain and spasticity in Multiple Sclerosis (MS) patients.

Satipharm announced it commenced production of its proprietary Good Manufacturing Practice (GMP) produced Cannabidoil (CBD) capsules in Switzerland. The first batch is ready for distribution and will be marketed and sold throughout the European Union. The food supplement capsules will be sold in 30 x 10mg micro-gel capsules and first revenues from the sales are expected in August.

Satipharm also announced it had signed an agreement with Ai Fame GmbH (Ai Fame) to market and distribute its medical cannabis products globally. As part of the agreement Satipharm has been appointed as the exclusive marketing and distribution partner, giving it the exclusive rights across all medical cannabis products manufactured and developed by Ai Fame. The partnership significantly expands the Company's product portfolio with the addition of five more Active Pharmaceutical Ingredients (API), which can be sold externally to other producers and R&D companies for use in clinical research and pharmaceutical products.

Outlook

The Company enters the coming quarter with a number of near-term catalysts expected to significantly change the business profile. With sales of the CBD food supplements expected to commence in August the Company will soon become revenue generating and positioned to become a non-dilutive Medical Cannabis company.

The Company expects the CBD pills to generate strong demand from an early stage in the E.U as it differs from other products in the market, due to its

GMP Quality Control Process and superior extraction processes, which have created a highly concentrated formulation.

The Company has been encouraged by the initial pre-clinical study tests of the formulations, which have indicated a potentially high bioavailability when administered as an oral capsule and is confident of receiving approvals from the IRB and National Clinical Trial Committee to commence Phase 1 Clinical Study in Q4 2015.

Finally, licensing at United Greeneries' Duncan facility is in progress. Following the "confirmation of readiness letter" from Health Canada the Company expects to Health Canada to schedule inspection for September and providing no substantial hurdles are met the Company will be able to commence growing at the facility in H2 2015.

-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 four subsidiaries with operations across the entire Medical Cannabis value chain, encompassing the Company's "Farm to Pharma" strategy.

It's United Greeneries subsidiary has growing facilities in Canada and is fully intergrated 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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