

ASX RELEASE

8 December 2016

DEFINITIVE AGREEMENT FOR QUALIFYING TRANSACTION SIGNED WITH HARVEST ONE

- **Definitive agreement signed with Harvest One to vend in 100% of issued capital of United Greeneries Holdings and Satipharm AG**
- **Represents a key milestone for MMJ and unlocks considerable shareholder value**
- **MMJ will hold ~70% of Harvest One and benefit from the Company's continued growth and development, plus access to North American capital markets**
- **Harvest One to be renamed Sol Growth Corp (TSX-V: SOL) following successful recapitalisation**

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ" or the "Company") today confirms that it has signed a definitive agreement with Canadian-based Harvest One Capital Corp. ("**Harvest One**") (TSXV NEX: WON.H). The definitive agreement outlines the sale of 100% of issued and outstanding shares (collectively, the "**Purchased Shares**") of United Greeneries Holdings Ltd ("**UG**") and Satipharm AG ("**Satipharm**") to Harvest One. Completion of this transaction will constitute Harvest One's "**Qualifying Transaction**" in accordance with the policies of the TSX Venture Exchange (the "**Exchange**").

Prior to completing the Qualifying Transaction, Harvest One will complete a consolidation of its issued and outstanding common shares (the "**Harvest Shares**" and each a "**Harvest Share**") at a 1.179 for 1 consolidation ratio.

As consideration for the Purchased Shares, Harvest One has agreed to pay C\$2 million and issue 53,333,333 common shares in the capital of Harvest One (on a post-consolidation basis), to a wholly-owned subsidiary of MMJ. This will be at an ascribed price of C\$0.75 per Harvest Share, representing approximately 98% of the issued and outstanding Harvest Shares pre-financing.

Completion of the Qualifying Transaction is subject to, among other things, (i) approval from the Exchange and MMJ shareholders, which will be sought at a meeting of shareholders on 9 January 2017; and (ii) completion of a financing for a minimum of C\$15 million. Post financing, MMJ will own approximately 70% of Harvest One.

Following the completion of the Qualifying Transaction, Harvest One will be renamed Sol Growth Corp. (TSXV: SOL).

The binding agreement represents a key milestone for MMJ and unlocks considerable value for shareholders, who will gain exposure to a 70%-owned publicly-listed entity that will have the necessary financial flexibility to grow and expand the UG and Satipharm assets. Importantly, Sol Growth will also have access to the large North American capital markets to underpin future advancement of both subsidiaries.

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MMJ PhytoTech's Managing Director, Andreas Gedeon, commented: "This development will deliver considerable value to MMJ's shareholders, and subject to final shareholder approval, means the Company will now benefit from far greater exposure to the much larger and faster-growing North American cannabis market, and further benefit from access to larger pools of capital. This will provide us with the necessary financial flexibility to significantly scale up Sol Growth's operations and join the ranks of the larger North American cannabis companies.

"MMJ is in excellent shape and we look forward to finalising this transaction during Q1 2017 and updating shareholders on other developments in the near term."

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About MMJ PhytoTech Limited

MMJ PhytoTech Limited (ASX. MMJ) is focused on becoming a large-scale cannabis producer, targeting direct supply to the growing Canadian medical and recreational markets which will have an estimated combined value of C\$8-9 billion by 2024. The Company controls operations across the entire medicinal cannabis value chain through three business units, strategically located in favourable jurisdictions with supportive regulatory frameworks in place.

United Greeneries Holding Ltd. has established world-class growing facilities in Canada, including the fully licensed Duncan Facility. MMJ is the first Australian-based company to receive a Canadian medicinal cannabis cultivation licence, and one of only a few companies globally with the capacity to commercially cultivate medicinal grade cannabis in a federally regulated environment.

The Company's European, cannabis-based, pharmaceutical, nutraceutical and cosmetics division operates under its 100% owned subsidiary, **Satipharm AG**. MMJ began production of its Gelpell® Microgel Capsules in May 2015, and is committed to boosting the sales of its flagship product throughout regulated markets globally.

MMJ's Israel-based subsidiary, **PhytoTech Therapeutics Ltd**, is responsible for the Company's R&D activities, with a key focus on the development and commercialisation of new

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and existing delivery systems and devices that have the potential to deliver safe, effective and measured doses of medicinal cannabis to patients.

The Exchange has in no way passed upon the merits of the Qualifying Transaction and has neither approved nor disapproved the contents of this press release.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

The statements used in this press release may contain forward-looking statements, and are based on the opinions and estimates of management, or on opinions and estimates provided to, and accepted by, management. These opinions and estimates are used by management, and speak only as of the date of this press release. Forward-looking statements in this press release include, but are not limited to, the closing of the Qualifying Transaction and the anticipated benefits from the Qualifying Transaction. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions, including with respect to the closing of the Qualifying Transaction, the timing and receipt of all applicable regulatory approvals and third party consents, the anticipated benefits from the Qualifying Transaction and the satisfaction of other conditions to the completion of the Qualifying Transaction. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ, possibly significantly. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual events or results will be consistent with these forward-looking statements. Except as required by applicable law, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise. Readers are therefore cautioned not to place undue reliance on any forward-looking statements.