

ASX RELEASE

18 January 2017

Harvest One Launches C\$15M Equity Raising

MMJ PhytoTech Limited (ASX: MMJ) (“MMJ” or “the Company”) is pleased to advise that Canadian-based Harvest One Capital Corp. (TSXV NEX: WON.H) (“Harvest One”) has launched a C\$15 million private placement (“the placement”) to finalise the acquisition of the Company’s cannabis subsidiaries United Greeneries Holdings Ltd (“UG”) and Satipharm AG (“Satipharm”) respectively.

The placement follows the signing of a definitive agreement by both parties on 8th December 2016, which outlined the sale of 100% of the issued and outstanding shares of UG and Satipharm to Harvest One.

A full copy of the announcement released by Harvest One to the Toronto Venture Exchange outlining further details of the placement and the transaction has been attached below.

-ENDS-

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<http://www.mmjphytotech.com.au>

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.

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

NEWS RELEASE – For Immediate Distribution

HARVEST ONE CAPITAL INC.

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NEX – WON.H

January 17, 2017

Harvest One Launches Financing Related To Acquisition of ACMPR Licensed Medical Cannabis Producer United Greeneries and Swiss Medical Cannabis-Based Health Products Company Satipharm AG

Private Placement of Subscription Receipts

Harvest One Capital Inc. (NEX:WON.H) ("**Harvest One**" or the "**Company**") announces that it has appointed a syndicate of agents led by Mackie Research Capital Corporation (as the "**Lead Agent**" and sole bookrunner) and including Canaccord Genuity Corp., Dundee Capital Partners Limited, and GMP Securities L.P. (collectively, the "**Agents**") to sell by way of a private placement a minimum of 20,000,000 subscription receipts (the "**Subscription Receipts**") at a price of \$0.75 per Subscription Receipt for aggregate gross proceeds of no less than \$15,000,000 (the "**Private Placement**").

If the Escrow Release Time (as defined herein) occurs on or prior to 5:00 p.m. (Toronto) on the date that is 120 days following the Closing Date, the Escrowed Funds (as defined herein) shall be released to the Company and each Subscription Receipt shall be automatically exchanged, for no additional consideration, into one unit of the Company (a "**Unit**"), with each Unit being comprised of: (i) one common share of the Company and (ii) one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "**Warrant**") after giving effect to the Consolidation (as defined below). Each Warrant shall entitle the holder thereof to acquire one common share of the Company (a "**Warrant Share**") at a price of \$1.00 per Warrant Share at any time during the period commencing on the Escrow Release Time and ending on the date which is 36 months from the Escrow Release Time.

On the Closing Date, the gross proceeds of the Private Placement (less 50% of the cash commission payable to the Agents and the reasonable expenses of the Agents) (the "**Escrowed Funds**") will be deposited in escrow with a subscription receipt agent (the "**Escrow Agent**") and held in trust by the Escrow Agent pending the receipt by the Escrow Agent of a joint written direction (the "**Direction**") from MMJ PhytoTech Limited ("**MMJ**"), the Company and the Lead Agent confirming that all conditions precedent to the release of the Escrowed Funds have been satisfied or waived (the "**Escrow Release Conditions**"). The date on which the Escrow Release Conditions are satisfied or waived and the Direction is delivered to the Escrow Agent is herein referred to as the "**Escrow Release Time**".

Members of the board and management will be participating in the Private Placement alongside investors.

The net proceeds of the Private Placement will be used to (i) make a \$2,000,000 cash payment to MMJ as partial consideration for the Transaction (as defined below), (ii) fund a \$9,000,000 Phase 1 expansion at the Duncan Facility, and (iii) for working capital and general corporate purposes.

The Company has also granted the Agents an option to increase the size of the Private Placement by up to 3,000,000 Subscription Receipts (the "**Option**"), exercisable by the Lead Agent providing the Company with written notice on behalf of the Agents any time up to 48 hours prior to the closing date of the Private Placement (the "**Closing Date**").

The Subscription Receipts will be offered in all provinces of Canada and such other jurisdictions as the Company and the Lead Agent may agree where the Private Placement can be sold without the requirement to file a prospectus or similar document.

Closing of the Private Placement is expected to occur by mid-February 2017.

Qualifying Transaction

The Private Placement is being conducted pursuant to a share exchange agreement (the "**Definitive Agreement**") dated December 6, 2016 among the Company, MMJ, United Greeneries Holdings Ltd. ("**United Greeneries**") Satipharm AG ("**Satipharm**" and together with United Greeneries, the "**Spin Out Companies**"). Pursuant to the Definitive Agreement, Harvest One will, subject to certain conditions, acquire 100% of the issued and outstanding shares ("**Spin Out Companies Shares**") of the Spin Out Companies, both wholly-owned subsidiaries of MMJ, a vertically integrated medical cannabis company trading on the Australian Stock Exchange ("**ASX**") under the symbol "MMJ" (the "**Transaction**"). The Company after giving effect to the Transaction is referred to herein as the "**Resulting Issuer**".

The Transaction provided for in the Definitive Agreement:

- constitutes the Company's "Qualifying Transaction" under the policies of the TSX Venture Exchange ("**TSXV**");
- is an arm's length transaction and will not require approval of the shareholders of Harvest One; and
- is subject to MMJ shareholder approval, which was obtained at the meeting of shareholders of MMJ on January 9, 2017.

Further, the Definitive Agreement provides that:

- immediately prior to the Company acquiring the Spin Out Shares, the Company shall complete a share consolidation on the basis of one (1) post-consolidation common share of the Company for each 1.79 pre-consolidation common shares of the Company (the "**Consolidation**");
- as consideration for the Spin Out Shares, the Company shall (i) issue to MMJ 53,333,333 post-consolidated common shares of the Company at an ascribed price of \$0.75 per

common share and (ii) pay to MMJ \$2,000,000 cash for a deemed purchase price of approximately \$42,000,000;

Harvest One presently has 4,493,120 fully diluted shares outstanding consisting of 4,093,120 common shares outstanding and 400,000 options outstanding at \$0.10 conversion price. Upon the issuance of the Units at the Escrow Release Time and the issue of the above common shares of the Company to MMJ on the closing of the Transaction, the Company will have approximately 75,633,333 post-consolidation shares issued and outstanding on a non-diluted basis (assuming no exercise of the Option).

Harvest One is expected to be renamed **Harvest One Cannabis Inc.** following the successful recapitalization. Additionally, upon closing of the Transaction, it is expected that the Company will be a Tier 1 or 2 Life Sciences or Industrial Issuer and MMJ will be an insider of the Resulting Issuer by virtue of holding more than 10% of the issued and outstanding common shares of the Resulting Issuer.

Other than the incoming board of directors and management of the Resulting Issuer, as described below, the Company does not anticipate any additional insiders being formed on completion of the Transaction.

About the Incoming Board of Directors and Management:

The anticipated board of directors and management of the Resulting Issuer are as set out below:

Andreas Gedeon, Dipl.-Paed. – Proposed CEO and Director

Mr. Gedeon, a former Officer in the German Navy, holds a degree in Educational Science from the University of Federal Armed Forces Munich. He is an experienced businessman with proven expertise in large-scale and HR intensive projects. His previous areas of business include media production, horticulture and commercial construction. As the founder of MMJ, Mr. Gedeon currently oversees the global expansion strategy of the MMJ group.

Peter Wall, LLB, BComm, MAppFin, FFin – Proposed Chairman

Mr. Wall is a corporate lawyer based in Perth, Western Australia and is a Partner at one of Australia's leading corporate and commercial law firms. He graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance) and subsequently completed a Masters of Applied Finance and Investment with FINSIA (formerly the Securities Institute of Australia).

Mr. Wall was a founding director and shareholder in PhytoTech Medical Limited, the first medical cannabis company to list on the ASX, which subsequently was renamed "MMJ PhytoTech Limited" after a merger with MMJ Bioscience Inc.

Mr. Wall has a wide range of experience in all forms corporate and commercial law, with a particular focus on mergers and acquisitions, IPOs, back door listings and capital markets transactions.

Mr. Wall is the Non-Executive Chairman of ASX listed companies, MMJ Phytotech Limited (formerly PhytoTech Medical Limited), Minbos Resources Limited, Activistic Limited, MyFiziq

Limited, Zyber Holdings Limited, Sky and Space Global Ltd and Transcendence Technologies Limited and he is also a Non-Executive Director of Ookami Limited.

Jason Bednar, BComm, CA – Proposed Director

Mr. Bednar is a Chartered Accountant with more than 18 years of direct professional experience in the financial and regulatory management of companies listed on the Toronto Stock Exchange, TSXV, American Stock Exchange and ASX.

He is currently the CFO of Canacol Energy Ltd., a Colombian focused oil and gas exploration and production company with an enterprise value of approximately USD\$650,000,000.

Mr. Bednar has been the past CFO of several international oil and gas E&P companies, most notably the founding CFO of Pan Orient Energy Corp., a South East Asia exploration company, which during his tenure grew organically to operate 15,000 barrels of oil per day and had a market capitalization of \$700,000,000. He previously sat on the board of directors of several internationally-focused exploration and production companies, including being the past Chairman of Gallic Energy Ltd.

Mr. Bednar holds a Bachelor of Commerce degree from the University of Saskatchewan.

Anne B. Chopra BComm, M.I.R (Queen's), J.D. – Proposed Director

Ms. Chopra is a director of Caracara Silver Inc., a junior mining exploration company listed on the TSXV, (since July 2011). In addition Ms. Chopra, since August 2008, holds the office of President, CEO, CFO and is a director of Harvest One. Ms. Chopra served as VP, Corporate and Legal Affairs with Potash One Inc., a TSX-listed resource issuer from November 2007 to its buyout in a \$430,000,000 cash transaction in March 2011. Ms. Chopra has practiced corporate, commercial and securities law with private regional law firms in British Columbia (since February 1997). Ms. Chopra is also the Equity Ombudsperson for the Law Society of British Columbia, a role she has held since May 1999 and the recipient of the 2006 CBA Equality and Diversity Award for her work in this field. Ms. Chopra also holds a B. Comm. degree and Doctor of Law degree, (JD) from the University of Alberta, and a Masters of Industrial Relations from Queen's University.

Kwong Choo (Mr.), CPA, CGA – Proposed CFO

Mr. Kwong Choo is a Certified General Accountant with over 15 years of experience in senior financial roles and public company reporting experience to the Company, having previously served as CFO and Vice President of Finance & Administration with Wex Pharmaceuticals Inc., a TSX-listed biotechnology company. Mr. Choo earned a degree in management accounting from the Chartered Institute of Management Accountants, UK in 1990 and holds a CGA designation in Canada.

Will Stewart – Proposed Director

Mr. Stewart is a seasoned strategic public affairs advisor with significant experience working in both the public and private sectors. Mr. Stewart is currently a Managing Principal at Navigator Ltd. ("**Navigator**"), a leading Canadian public strategy and communications firm, where he

provides strategic planning, research and communications counsel to clients in a diverse variety of sectors. Mr. Stewart is also the founding Principal of Ensign, a strategic partnership of Canadian communications and public affairs firms – Enterprise and Navigator. Prior to joining Navigator and founding Ensign, Mr. Stewart served as Chief of Staff in several portfolios to Ontario ministers responsible for energy and social services, as well as the Government Whip and House Leader. Mr. Stewart has a deep understanding of complex financial transactions, such as foreign investment, sovereign wealth funds and how these issues are viewed by the public and government. Mr. Stewart was honoured to be chosen by the Hill Times as a member of its Top 100 Lobbyists for six consecutive years and was awarded the Queens Diamond Jubilee Medal for his contributions to Canadian public policy.

About the Spin Out Companies:

The Resulting Issuer will be a growth-oriented cannabis producer and cannabis-based health products company focused on supplying Canadian and international cannabis markets through two distinct operating brands:

- *United Greeneries* – Canadian Licensed Producer ("LP") under the ACMPR (as defined below) with focus on large-scale horticultural operations for the upcoming Canadian recreational cannabis market.
- *Satipharm* – International medical cannabis brand with focus on oral delivery technologies for strategic entry in emerging medical cannabis markets and the existing medical cannabis market in Canada.

About United Greeneries:

United Greeneries is a Canadian ACMPR Licensed Producer and will be the Spin Out Companies' horticultural arm and recreational brand. United Greeneries' Duncan Facility is licensed to cultivate medical marijuana by Health Canada ("HC") pursuant to the *Access to Cannabis for Medical Purposes Regulations* ("ACMPR"). Management anticipates that the Duncan Facility will be issued an ACMPR full distribution license in Q2 2017. The Lucky Lake Facility is at the ACMPR security clearance stage of review.

Duncan Facility

On 30 June 2016, MMJ advised that HC had officially approved United Greeneries as an authorized LP at the United Greeneries' flagship Duncan Facility under the *Marijuana for Medical Purposes Regulations* ("MMPR"). MMJ's Duncan Facility is a state of the art cannabis cultivation operation with approximately 10,000 ft² of cultivation area and high compliance items such as a Level 8 Narcotics Vault and a full service in-house biochemical and analytical laboratory. With cultivation capacity approximately 1,000 kg/year, Duncan has significant excess processing capacity that can be potentially utilized later by United Greeneries to process internal or third party materials. On August 13, 2016, United Greeneries executed a binding letter of intent with Cowichan Tribes to option 13+ acres of a 40 acre land package immediately adjacent to the existing Duncan Facility for the purposes of large scale greenhouse expansion of the Duncan Facility. United Greeneries has developed a preliminary Duncan 3-phase greenhouse expansion plan for the full 40 acre land package that, if fully implemented, would result in the Duncan

Facility's production capacity growing from ~1,000kg/year to an estimated 51,000 kg/year by YE 2020.

Lucky Lake Facility

The Lucky Lake Facility in Lucky Lake, Saskatchewan is a 62,000 ft² modern, concrete agricultural facility sitting on over 18 acres of land which is 100% owned by United Greeneries. The facility includes a potential residential property for future employees and has a vast supply of water and electricity. The Lucky Lake Facility's MMPR application was submitted in March 2015 and is currently in the security clearance stage of review. Once licensed Lucky Lake's cannabis cultivation capacity is estimated to be up to 11,700kg of cannabis per annum.

Satipharm AG

Satipharm is specialised in the development and manufacturing of cannabis-based health products and will be the company's medical and health brand. Based in Lucerne, Switzerland, Satipharm is a European pharmaceutical, nutraceutical and cosmeceutical company. Satipharm is specialised in development and production of dietary supplements with a focus on legally accessible cannabidiol ("CBD"). Satipharm also has worldwide exclusive rights to the Gelpell ® Microgel process for all cannabis applications.

From this development originated CBD Gelpell Microgel Capsules, a CBD product with a unique, controlled delivery system with enhanced oral bioavailability. Satipharm's vision is to become a global leading company in cannabis-based products utilizing advanced delivery systems.

Satipharm has historical revenue of approximately AUD\$255,340 for the year ending June 30, 2016.

Satipharm Gelpell ® Microgel Capsules

Satipharm 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. The capsules utilize GACP/GMP produced Cannabis extract from Satipharm's partner AI FAME GMBH / Ai LAB SWISS AG, which fulfills all criteria of the European Pharmacopeia and contains 92% purified CBD, with no THC or other cannabinoids present. The extract is then processed under an exclusive technology use agreement by Gelpell AG into proprietary micro-gelatine spheres and packaged under GMP protocols into a 10mg, 50mg and a 100mg presentation.

Gelpell ® Microgel

Satipharm has worldwide exclusive rights to the Gelpell ® Microgel process for all cannabis applications. The Gelpell ® Microgel process results in seamless gelatin pellets under 2mm containing a payload rich in cannabinoids. The cannabinoids are bound and protected by three-dimensional natural gelatin matrix. This in-situ micro emulsion ensures accurate and consistent dosages and substantially enhances the bioavailability of the cannabinoids. Satipharm has sublicensed the pharmaceutical cannabis application of Gelpell ® Microgel process to PhytoTech Therapeutics, MMJ's Israel-based subsidiary responsible for the Company's R&D and clinical development activities. PhytoTech Therapeutics is currently utilizing Gelpell ® Microgel process in two prescription drugs about to enter phase 2 clinical studies. The Gelpell ® Microgel process

was chosen as the oral delivery system in the phase 2 studies after phase 1 studies showed that the Gelpell outperformed commercially available Sativex® demonstrating superior CBD plasma profile. Satipharm extended an existing marketing agreement with Gelpell AG with a license agreement for exclusive use of Gelpell® Microgel technology in pharmaceuticals after the phase 1 results.

Satipharm Marketing

Satipharm is currently preparing a significant marketing campaign to drive sales of 10 MG and 50 MG Satipharm Gelpell® Microgel Capsules focusing first on Germany and Poland followed by entry into additional EU countries in April 2017.

Satipharm plans to introduce Gelpell® Microgel products into the Canadian MMPR market and the Australian market and is in the process of developing strategies to quickly achieve this. Satipharm also plans to license or introduce products into regulated cannabis markets internationally.

Completion of the Transaction is subject to a number of conditions, including but not limited to, diligence investigations by the respective parties, receipt of applicable corporate approvals, completion of the Private Placement, and receipt of TSXV, ASX and other regulatory approvals. There can be no assurance that the Private Placement or the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction or the Private Placement may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company, such as the Company, should be considered highly speculative.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release nor have either of them in any way passed upon the merits of the Transaction or in any way approved or disapproved of the contents of this release.

The Company will be seeking a waiver of any requirement for sponsorship required under TSXV policy in reliance on the Private Placement. Additional information will be provided in a subsequent news release before the Company's shares resume trading.

**For more information on MMJ and Harvest One,
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Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the intention of the parties to complete the Transaction and the Private Placement. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. The material factors and assumptions include the parties to the Definitive Agreement being able to obtain the necessary director, shareholder and regulatory approvals; TSXV policies not changing; licensing and other risks associated with regulated ACMPR entities; and completion of satisfactory due diligence. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things: conditions imposed by the TSXV, the failure to obtain the required approval for the Transaction or the Private Placement; changes in tax laws, general economic and business conditions; and changes in the regulatory regime. The Company cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this press release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

The information in this press release pertaining to MMJ and its affiliates was provided by MMJ. Although Harvest One does not have any knowledge that would indicate that such information is untrue or incomplete, neither Harvest One nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information.

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities to be distributed pursuant to the Private Placement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

All monetary references herein refer to Canadian dollars unless otherwise specified.