

9 March 2017

MMJ SIGNIFICANTLY EXPANDS DUNCAN FACILITY PRODUCTION CAPACITY WITH LAND LEASE AGREEMENT

- **Agreement with Cowichan Tribes secures additional 13 acre land package located directly adjacent to existing Duncan Facility**
- **United Greeneries ready to commence Phase 1 Expansion Strategy targeting cannabis production capacity of approx. 8,500kg p.a. by YE 2017**
- **Potential to add additional 20 acres of greenhouse space through JV with Cowichan Tribes – further boosting production capacity to approx. 50,000kg p.a.**
- **Land lease agreement fulfills second last escrow requirement for release of CAD\$25M Harvest One financing – funds expected to be received during March**
- **Harvest One RTO transaction nearing completion – resulting issuer Harvest One Cannabis (TSX-V: HVST) to commence trading on TSX-V by late March**

MMJ PhytoTech Limited (ASX: MMJ) (“MMJ” or “the Company”) is pleased to advise that its wholly-owned subsidiary United Greeneries Holdings Ltd (“**UG**”) has executed an agreement with Cowichan Tribes (“**Cowichan**”) in respect to the leasing of a 13-acre land package (“**Expansion Land**”) located adjacent to the Company’s existing Duncan Facility.

The Expansion Land will underpin UG’s Phase 1 Expansion Strategy, initially supporting up to three acres of additional greenhouse production space, increasing production capacity to approx. 8,500kg of dried cannabis buds by the end of calendar year 2017.

The agreement also provides scope for a potential Joint Venture (“JV”) with Cowichan to further expand UG’s landholding with an additional 20 acres of greenhouse production space. This would drive production capacity at the Duncan Facility to approx. 50,000kg p.a. by 2020, potentially establishing UG as one of the largest cannabis producers in Canada.

The rapid scaling up of production is a significant near-term catalyst for MMJ, as it will enable the Company to establish a first-mover advantage in the soon to be legalised Canadian recreational market - with conservative estimates forecasting annual sales in the vicinity of ~C\$5 billion.

Importantly, the execution of the land lease agreement with Cowichan meets one of the final escrow requirements for the release of funds from the recently oversubscribed CAD\$25M Harvest One Capital Corp. (TSXV NEX: WON.H) placement (see announcement dated 23 February 2017).

MMJ expects the Reverse-Take-Over (“RTO”) of Harvest One to be finalised and the resulting issuer, Harvest One Cannabis (TSX-V: HVST), to commence trading on the Toronto Stock Exchange Venture (“TSX-V”) by late March.

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Post transaction, MMJ shareholders will have a 60% ownership in Harvest One, and exposure to two strategic cannabis brands (United Greeneries and Satipharm AG) operating in one of the fastest growing cannabis markets globally.

MMJ PhytoTech’s Managing Director, Andreas Gedeon, commented:

“The expansion of United Greeneries’ landholding at Duncan is a significant milestone that provides the business with the operational flexibility to rapidly scale up cannabis production ahead of the anticipated legalisation of the Canadian recreational market later this year.

Importantly, the business is now fully-financed to roll-out its aggressive Phase 1 Expansion Strategy, following the recently oversubscribed CAD\$25 million placement executed by Harvest One to finalise the acquisition of both United Greeneries and Satipharm.

Cannabis cultivation activities are well-advanced at the Duncan Facility, with the first harvest due this quarter. The Company looks forward to providing shareholders with further corporate and operational updates in the coming weeks.”

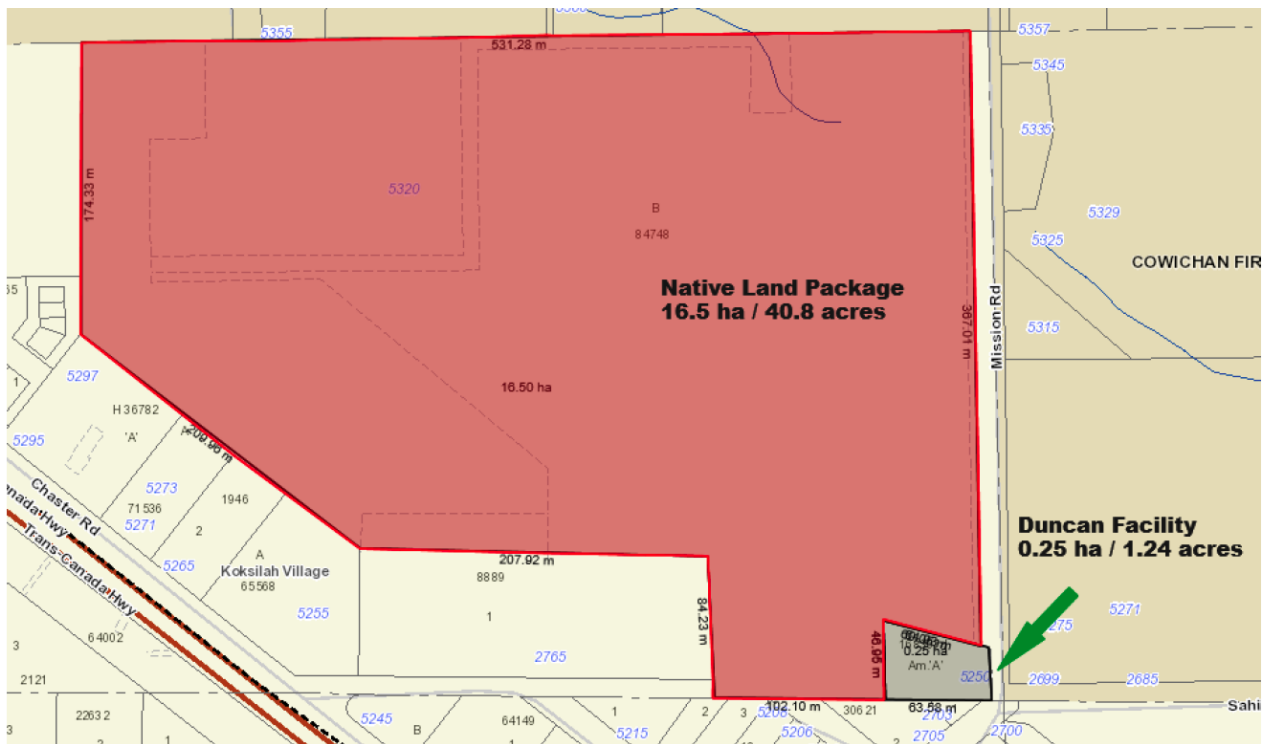


Figure 1: Expansion Land package located adjacent to Duncan Facility

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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.

MMJ has signed a definitive agreement with Canadian-based Harvest One Capital Corp. (TSXV NEX: WON.H) for the sale to Harvest One of 100% of the issued shares of United Greeneries Holdings Ltd and Satipharm AG.

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 Swiss-based, medicinal products division operates under its 100% owned subsidiary, **Satipharm AG**, and is currently focused on developing regulatory compliant, unique oral delivery technologies that have the potential to deliver safe, effective and measured doses of medicinal cannabis to customers. MMJ began production of its first capsule product in May 2015, and is committed to providing novel treatment options throughout regulated markets globally.

PhytoTech Therapeutics Ltd is MMJ's Israel-based subsidiary responsible for the clinical research and development activities. In March 2016, PhytoTech Therapeutics completed a phase 1 clinical study which highlighted the safety and performance of Satipharm's capsule formulations in delivering CBD compounds to trial subjects.