ASX RELEASE

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MMJ RECEIVES APPROVAL TO CONDUCT PHASE 2 CLINICAL TRIAL FOR TREATMENT OF MULTIPLE SCLEROSIS SYMPTOMS

Highlights:

- **100%-owned subsidiary, PhytoTech Therapeutics, receives Clinical Site and Ministry of Health approvals to conduct Phase 2 clinical trial of PTL201**
- **Phase 2 clinical trial is aimed at measuring safety and efficacy of the PTL201 capsules in treating spasticity related symptoms in multiple sclerosis (MS) patients**
- **Phase 2 clinical trial is double-blind, randomised, placebo-controlled, parallel-group study in 70 MS patients**
- **Success of Phase 2 will be a major step towards commercial development of the PTL201 drug for treatment of MS debilitating symptoms**
- **Phase 2 clinical trial of PTL101 to treat refractory epilepsy in paediatric patients is proceeding as planned**

MMJ PhytoTech Limited (ASX: MMJ) (**"MMJ"** or **"the Company"**) is pleased to advise that its wholly-owned, Israeli-based subsidiary PhytoTech Therapeutics Limited ("PTL"), has received Helsinki (IRB of Sheba Clinical Site) and Ministry of Health ("MOH") approvals for the conducting of its Phase 2 clinical study into the safety and efficacy of its PTL201 capsules in treating spasticity related symptoms of multiple sclerosis ("MS") patients.

The study will be undertaken at MS Center encompasses treatment facilities for 2000 patients at the Sheba Hospital, the largest hospital in Israel under the supervision of Prof. Achiron as the PI (Principle Investigator), a world-renowned MS researcher and medical expert. The Center is well known for its multi-disciplinary clinical approach that integrates patient-care and rehabilitation activities reinforced by self developed innovative technologies associated with improved assessment of the MS disease process as well as patient's quality of life.

The Phase 2 study of PTL201 will be undertaken simultaneously with the ongoing PTL101 clinical trial, and follows the highly successful Phase 1 study (announced 3 March 2016), which highlighted the safety and high performance of the Gelpell-CBD™ oral capsule technology.

The PTL201 capsules are utilising proprietary formulation developed through the Company's Gelpell-CBD™ product technology.

The Multiple Sclerosis Foundation estimates that approx. 2.5 million people suffer from MS globally, with spasticity involuntary muscle stiffness and spasms the most common and most debilitating symptoms affecting up to 84% of patients. Left untreated, spasticity can lead to serious complications, including contractures and pressure sores.

It is widely recognised that currently available treatments are limited in their effectiveness in treating these symptoms, and frequently uncontrolled.

Phase 2 Clinical Trial Background – PTL201 Capsules

The Phase 2 study is a double-blind, randomized, placebo-controlled, parallel-group, single-center study to evaluate the safety, tolerability, and efficacy of orally administered PTL201 containing THC & CBD in 70 MS patients with spasticity-related symptoms.

The efficacy endpoints will assess the change in spasticity numerical rate scoring (sNRS scores), change in walking velocity, and Clinical Global Impression improvement (CGI-I). Improvement of spasm frequency, sleep disturbance, decrease in pain, and more.

The PTL201 drug beads contain organically derived, highly purified tetrahydrocannabinol (THC) and cannabidiol (CBD) bound to and thereby protected by seamless gelatin matrix beadlets, packed in gastro-resistant capsules. The beads do not contain filling material or emulsifiers which help to avoid irritation of gastric mucosa.

The gelatin matrix pellets dispense over the gastrointestinal (GI) system to achieve a constant GI-transit time. Maximised surface to volume ratio also contributes to enhanced bioavailability.

In addition to the above investigational product virtues, the Company is expecting high patient compliance as they are going to consume, easy to swallow, tasteless oral capsules.

The study will be conducted in accordance with the International Conference on Harmonisation guidelines for Good Clinical Practice (ICH E6) and the Code of Federal Regulations on the Protection of Human Subjects (45 CFR Part 46).

MMJ PhytoTech's Managing Director, Andreas Gedeon, commented, "PhytoTech Therapeutics is continuing to implement our ambitious clinicial development plan, which is the result of our group's synergistic global positioning and our focus on science based product development in the medical cannabis field.

The current Phase 2 clinical trials have the capacity to create significant value for our shareholders not only on their stand-alone merits in the pharmaceutical development chain, but also by supporting the commercialization of Satipharm's Gelpell products, which have been exclusively licensed to Phytotech Therapeutics in the Rx field on a royalty free basis, for the international medical cannabis and dietary supplement markets.

We look forward to providing additional updates on the progress of our Phase 2 clinical trials, in conjunction with further updates from our Canadian cannabis cultivation operations in the near-term."

– ENDS –

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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 its ~60% interest in TSX-V listed **Harvest One Cannabis Inc** (TSXV: HVST) and its 100% interest in Israeli research and development subsidiary, **PhytoTech Therapeutics Ltd**, both of which are strategically located in favourable jurisdictions with supportive regulatory frameworks in place.

About Harvest One Cannabis Inc.

Harvest One Cannabis Inc. (TSXV: HVST) controls operations across the entire cannabis value chain through three business units, with Harvest One serving as the umbrella company over horticultural arm United Greeneries and medical arm Satipharm AG. Each business is strategically located in favourable jurisdictions with supportive regulatory frameworks in place. United Greeneries has received a Canadian medicinal cannabis cultivation licence, making Harvest One one of only a few companies globally with the capacity to commercially cultivate cannabis in a federally regulated environment.