

29 June 2017

HARVEST ONE OPERATIONAL UPDATE

RENEWAL OF ACMPR LICENSE AND SUBMISSION OF SALES AMENDMENT APPLICATION; EXECUTION OF WHOLESALE OFF-TAKE AGREEMENT

- **MMJ's 60%-owned TSX-V listed Harvest One Cannabis Inc. confirms renewal of its ACMPR Cultivation License until 2020**
- **Application submitted to amend ACMPR License to allow the authorised sale and distribution of medical cannabis**
- **Wholesale off-take agreement signed for the sale of first 100kg of cannabis production for CAD\$500,000 - upon receipt of ACMPR License amendment**

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ" or "the Company") is pleased to advise that Harvest One Cannabis Inc. ("Harvest One") (TSXV: HVST), through its wholly-owned subsidiary United Greeneries Ltd. ("UG"), has received a renewal of its *Access to Cannabis for Medical Purposes Regulations* ("AMPR") cultivation license (the "License"), and it has submitted an application to Health Canada to amend its License to allow for the sale and distribution of medical cannabis (the "Amendment").

Renewal of ACMPR License

UG is pleased to announce that it has received the renewal of its License, which is valid until June 26, 2020. Health Canada has removed the previous production and storage capacity of the License, with UG now permitted to store up to CAD\$6,250,000 worth or 625kg of dried cannabis buds at any given time in its Level 8 vault. In terms of pricing, Health Canada has assigned a value of CAD\$10,000 per kg of dried buds.

Sales Amendment

The application for the Amendment follows the harvest of two independent consecutive cannabis crops and the successful completion of certain biochemical quality control standards and analytical requirements. The issuance of the Amendment is subject to, among other things, a regulatory inspection of UG's growing facility in Duncan, BC (the "Duncan Facility") and cannot be guaranteed by the Company.

However, the Company is confident that UG is compliant with all necessary requirements, that the Duncan Facility will pass the required inspection and that the Amendment will be issued in due course.

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Off-take Agreement with Licensed Producer

In addition, UG is pleased to announce that it has entered into a wholesale off-take agreement (the "Wholesale Agreement") with another Licensed Producer ("LP") for the sale of its initial 100kg of cannabis production for a fixed price of CAD\$500,000 (or \$5 per gram), subject to the receipt of the Amendment.

The Wholesale Agreement also includes a right of first refusal for the LP to wholesale purchase UG's further production for a period of 12 months.

Subject to the receipt of the Amendment, UG plans to continue wholesale distribution and to closely collaborate with this LP in the medical cannabis market while the Company builds a retail platform for the recreational cannabis market over the next few months.

Managing Director of MMJ PhytoTech Andreas Gedeon, commented: "I am delighted to report that our operational activities are unfolding according to our business plan and that our strategic efforts to build a leading international cannabis company are coming together.

The issuing of the sales and distribution Amendment to United Greeneries' cultivation license under the ACMPR will constitute a significant value catalyst for our shareholders.

We will be providing the market with further operational updates and a strategic outlook for the months ahead shortly."

– 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,

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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.