

22 November 2017

Harvest One Corporate Update

MMJ PhytoTech Limited (ASX: MMJ) (“MMJ” or “the Company”) is pleased to advise that TSX-V listed Harvest One Cannabis Inc. (TSX-V: HVST) (“Harvest One”), which is 59% owned by MMJ, has released an update in relation to the financing agreement entered into with Mackie Research Capital Corporation (see ASX announcement dated 21 November).

A full copy of the Harvest One announcement has been attached below and can also be found on the Harvest One website at <https://www.harvestone.com>.

– 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 ~59% 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



ASX RELEASE

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.

NEWS RELEASE – For Immediate Distribution

HARVEST ONE CANNABIS INC.

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TSX-V – HVST

November 21, 2017

Harvest One Announces Upsize of its Previously Announced Bought Short form Prospectus Offering of Convertible Debenture Units to \$17.5 Million

Harvest One Cannabis Inc. (TSXV:HVST) ("**Harvest One**" or the "**Company**") is pleased to announce that it has entered into a revised engagement letter with Mackie Research Capital Corporation (as the lead underwriter and sole bookrunner), on behalf of a syndicate of Underwriters, including Haywood Securities Inc., and Eight Capital (collectively, the "**Underwriters**") to increase the size of the previously announced bought short form prospectus offering to 17,500 convertible debenture units of the Company (the "**Debenture Units**") at a price of \$1,000 per Debenture Unit (the "**Offering Price**"), for aggregate gross proceeds of \$17,500,000 (the "**Offering**").

The Company has also granted the Underwriters an option (the "**Over-Allotment Option**") exercisable in whole or in part, at any time up to 30 days after the closing of the Offering to purchase up to an additional 2,625 Debenture Units at the Offering Price. If the Over-Allotment Option is exercised in its entirety, the aggregate gross proceeds of the Offering will be \$20,125,000.

Under the Offering each Debenture Unit will consist of \$1,000 principal amount of 8.0% unsecured convertible debentures of the Company (the "**Convertible Debentures**") and 458 common share purchase warrants of the Company (the "**Warrants**").

The Convertible Debentures will bear interest from the date of closing at 8.0% per annum, payable semiannually on June 30 and December 31 of each year and will mature 5 years from the date the Debenture Units are issued (the "**Maturity Date**"). The Convertible Debentures will be convertible at the option of the holder into common shares of the Company ("**Common Shares**") at any time prior to the close of business on the Maturity Date at a conversion price of \$0.84 per share (the "**Conversion Price**"). The Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not more than 60 days' and not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than \$1.40 for the consecutive 30 trading days preceding the notice.

Upon a change of control of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the change of control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding, plus accrued and unpaid interest thereon (the "**Offer Price**"). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the change of control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price.

Each Warrant entitles the holder thereof to acquire one Common Share for an exercise price equal to \$1.09 at any time up to 36 months following the closing of the Offering (subject to adjustment in certain customary events). Provided that if, at any time prior to the expiry date of the Warrants, the closing price of the Common Shares on the TSX Venture Exchange equals or exceeds \$1.64 for 10 consecutive trading days, the Company may, within 15 days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating

the expiry date of the Warrants to the date that is 30 days following the date of such notice (the "**Accelerated Exercise Period**"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

The Company intends to use the net proceeds of the Offering for working capital and general corporate purposes. Closing of the Offering is expected to occur on or about December 11, 2017. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSX Venture Exchange.

The Debenture Units will be offered by way of a short-form prospectus to be filed in those provinces of Canada (other than Québec) as the Underwriters may designate, pursuant to National Instrument 44-101–*Short Form Prospectus Distributions* and, may be offered in the United States on a private placement basis pursuant to appropriate exemptions from the registration requirements of the United States Securities Act of 1933, as amended.

About Harvest One

Harvest One 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 favorable jurisdictions with supportive regulatory frameworks in place. United Greeneries has received a Canadian medicinal cannabis cultivation and sales license, making Harvest One one of only a few companies globally with the capacity to commercially cultivate and sell cannabis in a federally regulated environment.

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Certain statements contained in this press release may be deemed "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws. 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 Offering, the use of the net proceeds from the Offering, the timing and ability of the Company to close the Offering, if at all, the number of Debenture Units offered or sold, the gross proceeds of the Offering, the timing and ability of the Company to obtain all necessary approvals, the terms of the Offering and any other information herein that is not a historical fact. The forward-looking information contained in this press release is made as of the date hereof and the Company and is subject to change after such date. The Company disclaims any intention or obligation to revise any forward-looking statements, whether as a result of new information, further events or otherwise, other than as required by law. 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.

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