

PHYTOTECH MEDICAL LIMITED
ACN 601 236 417

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the original prospectus dated 20 November 2014 (**Prospectus**) issued by PhytoTech Medical Limited (ACN 601 236 417) (**Company**).

This Supplementary Prospectus dated 5 January 2015 was lodged with ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at <http://www.phytotechmed.com/>.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

1. GENERAL

Under the Corporations Act, the Company has an obligation to update a disclosure document if it becomes aware of new information that is material to investors.

This Supplementary Prospectus has been prepared to provide additional information to investors on items that the Company considers may be material.

2. AMENDMENT TO YISSUM LICENCE AGREEMENT

The Board of the Company and Yissum have entered into a deed of amendment in respect of the Yissum Licence Agreement as summarised in Section 11.1 of the Prospectus to include the addition of an oral formulation for CBD, THC or various combinations thereof (in addition to the transbuccal delivery system already covered by the agreement).

This new oral formulation is covered by a granted U.S. Patent.

In a preclinical study, the formulation was shown to be significantly better in its bioavailability. In addition, in a pilot study on human volunteers using the oral formulation with a certain modification, it showed that the oral formulation has proven to enhance the bioavailability of Cannabidiol (CBD) significantly in comparison to Sativex® (a clinically approved transbuccal spray owned by GW Pharmaceuticals), which is a finding that is of clinical importance to Phytotech.

Moreover, the formulation for the oral capsule, if successfully commercialised, is likely to be easy to manufacture and cost effective. The oily solution to be developed is proposed to be loaded into a common gelatine capsule, which can be taken at ease by the patient. The formulation has a unique biological activity that reduces glucuronidation, part of phase II metabolism, which hinders absorption of the Cannabidiol (CBD).

3. ACCEPTANCE OF OVERSUBSCRIPTIONS

Due to the significant demand for the Offer, the Company has agreed to accept oversubscriptions in the amount of \$932,410.

The main effect of this will be to:

- (a) increase the cash on hand, assets, net assets and equity by \$932,410 (less 6%); and
- (b) increase the number of Shares on issue by 4,662,050.

The Company intends to apply these additional funds as follows:

Allocation of funds	\$
Expenses of the Offer	55,945
Technology Development	500,000
Working Capital	376,465
TOTAL	932,410

4. ACTION BY INVESTORS

As the content of this Supplementary Prospectus is not considered to be materially adverse to investors, no action is needed to be taken by investors.

5. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Mr Peter Wall
CHAIRMAN
For and on behalf of
PHYTOTECH MEDICAL LIMITED