

### UPDATED STATEMENT OF COMMITMENTS

#### (BASED ON ACTUAL FUNDS RAISED \$5,932,410)

Phytotech Medical Limited (ACN 601 236 417) (**Company**) intends to apply the funds raised under the initial public offer together with the Company's existing cash reserves as follows:

Funds available	(\$)	Percentage of Funds
Existing cash reserves	200,000	3.26%
Funds raised from the Offer	5,932,410	96.74%
<b>Total</b>	<b>6,132,410</b>	<b>100%</b>
Allocation of funds	(\$)	Percentage of Funds
Expenses of the Offer	508,945	8.30%
Technology Development <sup>1</sup>	3,200,000	52.18%
License Fees <sup>2</sup>	40,000	0.65%
Administration Costs <sup>3</sup>	1,000,000	16.31%
Working Capital <sup>4</sup>	1,383,465	22.56%
<b>TOTAL</b>	<b>6,132,410</b>	<b>100%</b>

**Notes:**

- Please refer below for a more detailed breakdown:

Item	(\$)
Development of regulatory strategy	200,000
Research and Development – Hadassah University Hospital	200,000

Vaporiser Prototype Development and Marketing	800,000
Pre-clinical development	300,000
Clinical trial preparation	300,000
Clinical trials*	850,000
Contingency amount which will be applied to development of technology, as required	550,000
<b>TOTAL</b>	<b>3,200,000</b>

\* The Company does not currently have all of the approvals required to conduct the contemplated clinical trials and intends to apply for the necessary approvals in due course. While the Company does not expect there to be any issues in obtaining these approvals, if there is a delay or the approvals are refused, the Company intends to re-allocate the funds into further research and development of existing and new medical cannabis delivery methods (including the vaporiser device) and revision of the Company's regulatory strategy.

2. These amounts are payable to Yisum under the license agreement referred to in Section 11.1 of the Company's prospectus dated 20 November 2014. An exchange rate of US\$0.875:A\$1 has been used.
3. Administration includes salaries, rent and general administration costs.
4. Working is unallocated funds that are intended to be applied towards new business ventures and unanticipated expenses.

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events (including trial success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.