

28 July 2015

The Manager
Company Announcements Office
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

PhytoTech Medical Limited (ASX: PYL) (“the Company”) gives this notice pursuant to section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Company advises that it has issued ordinary fully paid shares in the capital of the Company, options to acquire ordinary fully paid shares in the capital of the Company and performance rights (“Securities”) as per the Appendix 3B following this notice

The Company advises that

1. the Company issued the Securities without disclosure under Part 6D.2 of the Corporations Act; and
2. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of the Corporations Act; and
3. as at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

Yours sincerely



Winton Willesee
Director

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

PhytoTech Medical Limited (to be renamed MMJ PhytoTech Limited)

ABN

91 601 236 417

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- 1 +Class of +securities issued or to be issued

Fully paid ordinary shares
Class B Performance Rights
Class D Options (\$0.40, 24 July 2018)
Class C Options (\$0.20, 24 July 2018)

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. MMJ Acquisition:
 - 51,000,000 Shares
2. MMJ Merger Introducers Fee:
 - 1,530,000 Shares
3. Class A Performance Rights Conversions:
 - 5,541,666 Shares
 - 5,541,666 Class B Performance Rights
4. Class B Performance Rights Conversions:
 - 5,541,666 Shares
5. Class C Performance Rights Conversions
 - 1,000,000 Shares
6. Director Incentive Options
 - 3,500,000 Class D Options (40c, 24 Jul 18)
 - 1,500,000 Class E Options (20c, 24 Jul 18)

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

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| <p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p> | <p>Class B Performance Rights - upon the satisfaction of the attaching milestone, (being that the 5 day volume weighted average price of Shares on the ASX is \$0.60 or higher), each Class B Performance Right may be converted into 1 fully paid ordinary share for nil consideration at the election of the Performance Rights holder. As the performance milestone has been satisfied, all Class B Performance Rights now vest immediately upon the holder giving notice to the Company.</p> <p>Class D Options are unlisted options, exercisable at 40 cents on or before 24 July 2018.</p> <p>Class E Options are unlisted options, exercisable at 20 cents on or before 24 July 2018 and subject to vesting criteria.</p> <p>Refer to the Notice of Meeting dated 25 May 2015 for full terms and conditions of the above securities.</p> |
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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares – Yes</p> <p>Class B Performance Rights, Class D Options and Class C Options each represent a new security and do not rank equally in all respects to an existing class of quoted securities.</p>
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. MMJ Acquisition: <ul style="list-style-type: none"> - Issued in consideration for the acquisition of MMJ Biosciences inc. (nil cash consideration). 2. MMJ Merger Introducers Fee: <ul style="list-style-type: none"> - Issued for introductory services in relation to the acquisition of MMJ Biosciences inc. (nil cash consideration) 3. Class A Performance Rights Conversions: <ul style="list-style-type: none"> - Issued in accordance with the terms and conditions of the Performance Rights (nil cash consideration) 4. Class B Performance Rights Conversions: <ul style="list-style-type: none"> - Issued in accordance with the terms and conditions of the Performance Rights (nil cash consideration) 5. Class C Performance Rights Conversions <ul style="list-style-type: none"> - Issued in accordance with the terms and conditions of the Performance Rights (nil cash consideration) 6. Director Incentive Options <ul style="list-style-type: none"> - Nil cash consideration <p>Full details can be found in the Notice of Meeting dated 25 May 2015.</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. MMJ Acquisition: - Acquisition of 100% of MMJ Bioscience Ltd. 2. MMJ Merger Introducers Fee: - Payment in lieu of cash Introducers Fee 3. Class A Performance Rights Conversions: - Vesting of Class A Performance Rights 4. Class B Performance Rights Conversions: - Vesting of Class B Performance Rights 5. Class C Performance Rights Conversions: - Vesting of Class C Performance Rights 6. Director Incentive Options - Issued as non-cash, incentive-based remuneration to certain Directors of the Company.
6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b The date the security holder resolution under rule 7.1A was passed	
6c Number of +securities issued without security holder approval under rule 7.1	
6d Number of +securities issued with security holder approval under rule 7.1A	
6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	
6f Number of +securities issued under an exception in rule 7.2	
6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	

+ See chapter 19 for defined terms.

6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements					
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR7.1 – 16,391,307				
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	27 July 2015				
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>86,992,050</td><td>Fully paid ordinary shares</td></tr></table>	Number	+Class	86,992,050	Fully paid ordinary shares
Number	+Class					
86,992,050	Fully paid ordinary shares					

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9	7,200,000	Fully paid ordinary shares (<i>escrowed to 16/9/2015</i>)
	15,083,332	Fully paid ordinary shares (<i>escrowed to 22/1/2017</i>)
	4,458,334	Class A Performance Rights* (<i>escrowed to 22/1/2017</i>)
	9,000,000	Class C Performance Rights (<i>escrowed to 22/1/2017</i>)
	10,000,000	Class D Performance Rights (<i>escrowed to 22/1/2017</i>)
	2,500,000	Class A Options (\$0.20, 8 Jan 2018) (<i>escrowed to 22/1/2017</i>)
	4,500,000	Class B Options (\$0.20, 6 May 2019)
	350,000	Class C Options (\$0.31, 6 May 2019)
	3,500,000	Class D Options (\$0.40, 24 Jul 2018)
	1,500,000	Class E Options (\$0.21, 24 Jul 2018)
		* Milestones attaching to Class A Performance Rights have been satisfied and can vest at any time upon the election of holder. Each Class A Performance Right converts into 1 fully paid ordinary share and 1 Class B Performance Right. Milestones attaching to Class B Performance Rights have also been satisfied and may be converted into 1 fully paid ordinary share any time at the election of the holder. Shares issued upon vesting remain escrowed on the same terms as the underlying Performance Right.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

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|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Issue date | |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)

- (a) ☒ +Securities described in Part 1

Application for quotation is for the following securities only:

1. MMJ Acquisition: 51,000,000 Shares
2. MMJ Introducers Fee: 1,530,000 Shares

- (b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

+ See chapter 19 for defined terms.

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:

 - the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)

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- 42 Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in clause 38)

Number	⁺ Class

Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

- 2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before

⁺ See chapter 19 for defined terms.

+quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .....
Company secretary

Date: 28 July 2015

Print name: Erlyn Dale

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital		
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated		
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	Fully paid ordinary shares on issue upon listing on the ASX on 22 January 2015 44,662,050	
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	24/07/2015 51,000,000 24/07/2015 1,530,000 24/07/2015 5,541,666 24/07/2015 5,541,666 24/07/2015 1,000,000	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-	
“A”	109,275,382	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	16,391,307
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“C”	-
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	16,391,307
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.15] – “C”	16,391,307 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	<div style="text-align: right;">Not Eligible</div> <div style="text-align: right;"><i>Note: this is the remaining placement capacity under rule 7.1A</i></div>

+ See chapter 19 for defined terms.