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14 January 2016

MMJ Receives Date from Health Canada for Duncan Facility's MMPR Pre-License Inspection

- MMJ PhytoTech Limited ("MMJ") notified by Health Canada ("HC") that a Pre-License Inspection of the Company's Duncan Facility will commence February 1, 2016
- A successful Pre-License Inspection is the final step to receiving a cultivation license from HC under the Marihuana for Medical Purposes Regulations ("MMPR")
- Notice of Pre-License Inspection is considered the most significant value catalyst for MMPR applicants
- In all cases known to MMJ, every MMPR applicant that has received notice of Pre-License Inspection has subsequently been granted an MMPR license
- MMJ is well positioned to soon be one of only 25⁽¹⁾ companies legally allowed to produce Medical Cannabis ("MC") in Canada

MMJ PhytoTech Limited (ASX:MMJ) ("MMJ" or the "Company") is pleased to announce its wholly-owned subsidiary United Greeneries ("UG") has received notification from Health Canada ("HC") that an MMPR Pre-License Inspection of UG's Duncan Facility will be conducted on February 1, 2016. This announcement marks the most important milestone passed to date by UG and positions MMJ well to become one of the few companies worldwide legally allowed to produce MC within a federally regulated regulatory framework.

Andreas Gedeon, Managing Director of MMJ PhytoTech, commented:

"Notice from Health Canada of an imminent Pre-License Inspection of the Duncan Facility is extremely positive news. For MMJ and its shareholders, an MMPR license at the Duncan Facility will have enormous strategic and fundamental value. Further, Duncan's status as a Licensed Producer will be key to MMJ's evolution into a diversified, revenue generating, integrated medical cannabis company. This is a significant event for the Company, its employees and its shareholders."

¹ Currently there are 23 companies that own 27 licensed producers Canada-wide. 25 assumes that Supreme Pharmaceuticals and MMJ receive MMPR cultivation licenses in the near-term and, together with the existing 23 companies, make up a total of 25 companies legally allowed to produce MC in Canada

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Notice of MMPR Pre-License Inspection

On January 12th, 2016 (PST) UG received verbal and written confirmation from HC of its intention to conduct an MMPR Pre-License Inspection of UG's Duncan Facility over a two and a half day period commencing February 1, 2016. The inspection will take place onsite at the Duncan Facility and is designed to verify that the information submitted to HC is accurate and to assess compliance with the applicable sections of the MMPR prior to licence approval. Having undergone a pre-licence inspection does not guarantee issuance of a licence, however, to MMJ's knowledge an MMPR license has been issued in every such case to date.

Key Value Catalyst

Notice of Pre-License Inspection is considered to be the key value catalyst for an MMPR applicant during the licensing process. This is due to the fact that every MMPR applicant that has received Notice of Pre-License Inspection has subsequently been issued an MMPR Licensed Producer license, making the Notice of Pre-Inspection the value catalyst as opposed to the actual granting of a MMPR license. This is supported by recent comparable situations where publicly traded MMPR applicants received Notice of Pre-License inspection and experienced significant appreciation in share price and market valuation in the near-term. Most notably, the recent announcement by Supreme Pharmaceuticals Inc. (CSE:SL) ("Supreme") made after market close on December 3, 2015. In Supreme's case, Notice of Pre-License Inspection and completion of the Pre-License Inspection (with no indication of the potential outcome of the Pre-License Inspection) appears to be the only relevant significant news announced during a period in which the company's stock price appreciated 143% from C\$0.20 on December 3, 2015 to C\$0.485 on January 12, 2016. Supreme has, as of today, not received an actual MMPR Licensed Producer license.

Strategic Importance of MMPR License

The Duncan MMPR license will provide MMJ with a secure and legal source of MC, creating options to generate near-term revenues from the sale of dried produce direct to registered MMPR patients in Canada, to other Licensed Producers or for export into other jurisdictions with medical cannabis regulations. Management will also explore other options to maximize revenue streams from UG.

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The leading character and federal positioning of the Canadian MMPR will allow for knowledge and expertise transfer into new and emerging MC markets globally. This knowledge and expertise will be key to MMJ's Australian strategy in the near-term as well as all other international business endeavours going forward.

Longer-term, Duncan's MMPR license will provide a solid base for MMJ's evolution into a stable, diversified, integrated cannabis company.

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For more information please contact

Andreas Gedeon
Managing Director
+1 (250) 713 6302
agedeon@mmj.ca

For media enquiries

Market Eye
Rob Gundelach, Director
+61 424 930 789
robert.gundelach@marketeye.com.au

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About MMJ PhytoTech Limited

MMJ PhytoTech Limited is a vertically integrated medical cannabis (MC) company operating globally. The Company aims to commercialise MC and a growing portfolio of sophisticated MC delivery technologies to the rapidly expanding international market for legal medical cannabis. The Company operates under three main subsidiaries with operations across the entire Medical Cannabis value chain, encompassing the Company's "Farm to Pharma" strategy.

United Greeneries is MMJ's Canadian-based MC cultivation subsidiary. UG has two facilities with pending MMPR applications, the Duncan Facility on Vancouver Island, BC, and Lucky Lake located in SK. The Company's flagship MMPR applicant is the Duncan Facility which has received notice from Health Canada of a Pre-License Inspection commencing February 1, 2016. The Duncan Facility is a state-of-the-art MC cultivation facility with a capacity of up to 1000 KG of dried MC production per year.

Satipharm is the company's pharmaceutical processing subsidiary with global subsidiaries for regional operation (Switzerland, Australia and Canada). Satipharm is involved with the extraction, refinement & sales of derivative MC products contained in exclusive proprietary delivery technologies such as special microgel capsules which dramatically increase bioavailability of fat soluble Cannabinoids and a unique new process of creating water soluble solutions from fat soluble cannabinoids through nano technology.

Through its **PhytoTech Therapeutics** subsidiary in Israel the Company conducts R&D for the larger group and performs pharmaceutical clinical trials for the development of prescription drugs based on MC compounds.

<http://www.mmjphytotech.com.au>