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MMJ Marks Australian Market Entry with Two Key Strategic Partnerships

Highlights

- Letter of Intent ('LOI') signed with Fresh Therapeutics Compounding Pharmacy to facilitate the importation and dispensation of MMJ's existing products in Australia
- LOI signed with Epilepsy Action Australia to cover research, advocacy and lobbying in Australia

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ" or the "Company") is delighted to announce that it has entered into binding Letters of Intent ("LOI") with two strategic partners to facilitate the Company's entry into the Australian market.

Fresh Therapeutics Compounding Pharmacy ("Fresh Therapeutics"), based in New South Wales, has agreed to partner with MMJ to import and develop a dispensary model for the existing products of MMJ's wholly-owned subsidiary, Satipharm, under the current legal framework in Australia.

The first product the partnership intends to distribute is Satipharm's exclusive Gelpell® gastro-resistant microgell CBD oral capsules ('Capsules'). MMJ recently announced the results of a Phase I clinical study that was designed to assess the safety of the Capsules and their performance in comparison to Sativex®, the commercially available oromucosal spray produced by GW Pharmaceuticals. The trials showed demonstrable safety and tolerability profile with no significant side effects and higher bioavailability in comparison to Sativex®.

The LOI with Fresh Therapeutics also allows scope for the joint development of a dispensary network for all future products produced by MMJ in the rapidly evolving legal environment in Australia.

MMJ has also signed an LOI with Epilepsy Action Australia to advance the availability, access and acceptance of medical cannabis in Australia through research, advocacy and education.

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This will involve cooperation between MMJ and Epilepsy Action Australia to drive the education process, and a joint approach to clinical research in cannabis-based treatment options for epilepsy.

MMJ will also leverage its global experience, and its position as a leader and industry expert in the medical cannabis field, to influence government regulation, in conjunction with the lobbying efforts of Epilepsy Action Australia.

Epilepsy Action Australia is a leading advocacy group for epileptic patients and their families in Australia with a membership of over 100,000 Australia wide.

Commenting on the LOIs, MMJ's Managing Director Andreas Gedeon said, "These agreements set in motion our entry into the Australian market. By partnering with Fresh Therapeutics to import our existing cannabis products into Australia, we are ensuring that we are able to capitalise on regulatory change as it is ratified while still generating cash flow under the existing legislative system."

"Our agreement with Epilepsy Action Australia means that we are partnered with the country's foremost epilepsy research and advocacy group. We have the same goal as Epilepsy Action Australia, which is to ensure patients can access a safe, affordable medical cannabis system to improve their quality of life."

Epilepsy Action CEO Carol Ireland commented "Given the enormous potential of medicinal cannabis treatment options for people with epilepsy, we are delighted to partner with a company as progressive as MMJ. Their pioneering work in alternative delivery systems of medical cannabis is a logical fit for us and we are looking forward to collaborating and progress the development of effective treatments in a space where they are currently so limited."

Duncan Facility Update

United Greeneries ('UG') has been planning for an efficient pre-production and ramp-up of MC cultivation at the Duncan Facility as it waits for a response from Health Canada regarding licensing under the Marihuana for Medical Purposes Regulations ('MMPR'). The Company is not aware of any issue that could potentially delay or prevent the grant of an MMPR license and expects to receive an MMPR license to cultivate at Duncan in due course. As a point of reference, listed Canadian MC company, Supreme Pharmaceuticals completed the Pre-License

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inspection of its facility on 9 December 2015 and was subsequently granted a cultivation license on 11 March 2016 – a period of over 3 months.

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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 growing 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 sophisticated delivery technologies such as special microgel capsules which dramatically increase bioavailability of fat soluble Cannabinoids or a unique new process of creating water soluble solutions from fat soluble cannabinoids.

Through its **PhytoTech Therapeutics** subsidiary in Israel the Company conducts R&D for the larger group and performs clinical trials on various quick-to-market delivery technologies etc.

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