

ASX RELEASE

14 October 2016

## Completion of Capital Raising

**MMJ PhytoTech Limited (ASX:MMJ)** (the “Company”) is pleased to advise that it has completed the placement to institutional and sophisticated investors (“Placement”) as announced on 11 October 2016.

The Company raised \$4,000,000 under the Placement, and has today issued 19,512,196 fully paid ordinary shares in the capital of the Company at a price of 20.5 cents per share as set out in the attached Appendix 3B.

The funds raised will provide the Company with additional working capital as it focuses on executing the spin out of its core cannabis subsidiaries, United Greeneries Holdings Ltd and Satipharm AG on the TSX-V.

The Placement received strong interest from institutional and sophisticated investors and the Company wishes to take this opportunity to thank its investors for their ongoing support.

### **Notice Under Section 708A(5)(e) of the Corporations Act**

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act).

The Company advises that the Securities were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) section 674 of the Corporations Act.

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.

**– ENDS –**

### **For media and investor inquiries please contact:**

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

# 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

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<br>Class I Options (\$0.24, 6 Jun 2019)<br>Class J Options (\$0.24, 1 Sep 2020)   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (i) <i>Placement:</i><br>- 19,512,196 Fully paid ordinary shares<br><br>(ii) <i>Incentive Options:</i><br>- 4,000,000 Class I Options (\$0.24, 6 Jun 2019)<br>- 3,000,000 Class J Options (\$0.24, 1 Sep 2020)   |
| 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) | (i) <i>Placement:</i><br>Fully paid ordinary shares<br><br>(ii) <i>Incentive Options:</i><br>Unlisted Class I Options are exercisable at \$0.24 on or before 6 June 2019 and are subject to vesting conditions.<br><br>Unlisted Class J Options are exercisable at \$0.24 on or before 1 September 2020 and are subject to vesting conditions. |

+ See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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<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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Fully paid ordinary shares - Yes</p> <p>Class I &amp; J Options – No. Class I &amp; J Options are new classes of unlisted securities. Shares issued upon the exercise of these Options will rank equally with existing quoted fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>(i) <i>Placement:</i> \$0.205 per Share to raise \$4 million before costs.</p> <p>(ii) <i>Incentive Options:</i> Options were issued for nil consideration under the Company's shareholder approved Incentive Option Scheme.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(i) <i>Placement:</i> \$0.205 per Share to raise \$4 million (before costs).</p> <p>(ii) <i>Incentive Options:</i> Options were issued to certain key employees and consultants under the Company's Incentive Option Scheme.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>24 November 2015</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>19,512,196</p>

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+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	7,000,000				
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.	Nil				
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	Nil				
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 – 6,239,976 LR7.1A – 17,168,115				
7	+Issue dates  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.  Cross reference: item 33 of Appendix 3B.	14 October 2016				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>166,360,011</td><td>Fully paid ordinary shares</td></tr></table>	Number	+Class	166,360,011	Fully paid ordinary shares
Number	+Class					
166,360,011	Fully paid ordinary shares					

+ See chapter 19 for defined terms.

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**New issue announcement**

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<div> 24,833,332 Fully paid ordinary shares (escrowed to 21/1/2017)  83,334 Class A Performance Rights* (escrowed to 21/1/2017)  9,000,000 Class C Performance Rights (escrowed to 21/1/2017)  9,000,000 Class D Performance Rights (escrowed to 21/1/2017)  2,500,000 Class A Options (\$0.20, 8 Jan 2018) (escrowed to 21/1/2017)  4,500,000 Class B Options (\$0.20, 6 May 2019)  350,000 Class C Options (\$0.31, 6 May 2019)  2,833,333 Class D Options (\$0.40, 27 Jul 2018)  1,500,000 Class E Options (\$0.20, 27 Jul 2018)  10,811,475 Class F Options (\$0.45, 8 Sep 2018)  11,916,666 Class G Options (\$0.36, 1 Mar 2019)  1,330,891 Class H Options (\$0.27, 31 Jan 2020)  4,000,000 Class I Options (\$0.24, 6 Jun 2019)  3,000,000 Class J Options (\$0.24, 1 Sep 2020) </div> <p>* 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 Rights.</p>
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?	

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+ See chapter 19 for defined terms.

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13	Ratio in which the <sup>+</sup> securities will be offered	
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	
15	<sup>+</sup> 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	

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<sup>+</sup> See chapter 19 for defined terms.

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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    **Shares Only**
- (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

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+ See chapter 19 for defined terms.

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*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

+ See chapter 19 for defined terms.



## Appendix 3B

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41 Reason for request for quotation now

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

(if issued upon conversion of another <sup>+</sup>security, clearly identify that other <sup>+</sup>security)

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42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the <sup>+</sup>securities in clause 38)

Number	<sup>+</sup> Class

### Quotation agreement

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

2 We warrant the following to ASX.

- The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
- An offer of the <sup>+</sup>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 <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
- If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>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.

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<sup>+</sup> See chapter 19 for defined terms.

- 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 +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: 14 October 2016

Print name:

Erlyn Dale

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+ 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		
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>		
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue		<b>44,662,050</b>
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul>		
	27/07/2015	51,000,000
	27/07/2015	1,530,000
	27/07/2015	5,541,666
	27/07/2015	5,541,666
	27/07/2015	1,000,000
	5/08/2015	16,000,000
<b>Note:</b>		
• Include only ordinary securities here – other classes of equity securities cannot be added	5/08/2015	313,333
• Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed	26/08/2015	8,750,000
• It may be useful to set out issues of securities on different dates as separate line items	22/10/2015	6,754,099
	1/03/2016	16,150,000
	4/03/2016	4,683,333
	8/07/2016	9,755,000
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period		-
<b>“A”</b>		<b>171,681,147</b>

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15  <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	25,752,172
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of <sup>+</sup>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"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">14/10/2016</div> <div style="text-align: right;">19,512,196</div> </div>
<b>“C”</b>	<b>19,512,196</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b>  <i>Note: number must be same as shown in Step 2</i>	25,752,172
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	19,512,196
<b>Total [“A” x 0.15] – “C”</b>	<b>6,239,976</b>  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

<sup>+</sup> See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	<b>171,681,147</b>
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	<b>17,168,115</b>
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of <sup>+</sup> equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <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></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	-
<b>“E”</b>	-

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+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b>  <i>Note: number must be same as shown in Step 2</i>	17,168,115
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	-
<b>Total [“A” x 0.10] – “E”</b>	17,168,115  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.