

ASX RELEASE

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MMJ Phytotech Welcomes Legalisation of Cannabis-Based Products for Medicinal or Research Purposes in Australia

Key Points:

- **As of 1 November 2016, medicinal cannabis legalised as a controlled prescription drug following changes to the Australian Commonwealth legislation**
- **MMJ is the only ASX listed entity with a medicinal cannabis product that has demonstrated safety under a clinical trial program**
- **MMJ's initial Australian product range will be based on its proprietary Gelpell Microgel Capsule technology - developed and produced by the Company's wholly owned subsidiary, SATIPHARM AG, in Switzerland**
- **SATIPHARM'S Gelpell Microgel Capsule technology is designed for standardised oral delivery and can be loaded with different cannabinoid ratios and dosages to accommodate specific medical requirements**
- **Existing strategic relationships with pharmaceutical distributors have MMJ well positioned to quickly establish a significant foothold in the Australian market**

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ" or "the Company") wishes to advise that it is fully supportive of recent amendments to Australian Commonwealth legislation, legalising cannabis-based products for medicinal or research purposes as controlled drugs.

In Western Australia, specialist doctors who obtain the required authorisations will be able to prescribe medical cannabis products, creating a significant opportunity for MMJ to supply physicians and patients with its sophisticated oral delivery products developed by the Company's wholly-owned subsidiary SATIPHARM AG in Switzerland.

MMJ PhytoTech Managing Director, Andreas Gedeon, commented, "We are very supportive of the latest changes to Australian Commonwealth legislation, as it represents a considerable step forward in the evolution of the Australian medicinal cannabis sector.

A key near-term driver of this market will be the availability of safe and effective medical cannabis products and delivery methods, that medical professionals will be able to prescribe to their patients with full confidence. At present, MMJ is the only ASX-listed company with a medical cannabis product that has clinically proven its safety, and subject to securing the required permits, is available for import into Australia."

SATIPHARM'S Gelpell Microgel Capsules are designed to provide a standardised oral delivery form for the medically active ingredients of the cannabis plant, and thereby overcome the health and dosage issues associated with the of smoking cannabis.

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SATIPHARM'S products are manufactured in Switzerland under strict supervision of Swiss Medic and under GMP regulations (Good Manufacturing Practice) and can be produced with any ratio of purified cannabinoids (THC, THC-A, CBD, CBD-A) or with complete cannabis extracts.

In March 2016, MMJ successfully completed a Phase 1 Clinical Study, which demonstrated the safety of products based on its Gelpell Microgel Capsule technology, with compound loads of 10mg and 100mg of CBD (cannabidiol).

Mr Gedeon added that MMJ would continue to work closely with key stakeholders, including the relevant Federal and State authorities, to provide Australian doctors with access to a wider range of options for treating their patients, as quickly as possible.

"MMJ is committed to being an active participant in the Australian medical cannabis sector, and we look forward to working with relevant authorities and decision makers as the framework around medical cannabis in Australia continues to evolve."

MMJ has also advanced strategic relationships this year to fast-track the Company's entry into the Australian market. As previously announced (ASX release dated 20 April 2016), NSW-based Fresh Therapeutics Compounding Pharmacy has agreed to partner with MMJ to import and develop a dispensary model for the existing products of SATIPHARM.

For Australian media enquires please contact:

Sam Burns, Six Degrees Investor Relations – 0400 164 067

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For further information please contact:

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



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