

2 February 2017

Chris Bailey
Australian Securities Exchange
Level 40, Central Park
152 St Georges Terrace
PERTH WA 6000

BY EMAIL: chris.bailey@asx.com.au

Dear Chris

MMJ PhytoTech Limited – Aware Letter

We refer to your letter dated 30 January 2017 (Letter). In response to your questions outlined in the Letter, and using the same definitions as included in your Letter, the Board provides the following information:

1. The Company does consider the Information to be information that a reasonable person may expect to have an effect on the price or value of its securities.
2. N/A
3. The Company's management was aware of the Information and became aware that it had ceased to be confidential on becoming aware it had been released on Marketwired by Harvest One on Friday evening.
4. The Company had not made any announcement prior to the release of the Information on Monday. The Company's management prepared the relevant draft announcement over the weekend and provided that draft announcement to the Company's Board on Monday morning for review and release. The Board finalised the release on Monday morning and released it to ASX immediately upon it being finalised. Whilst the Company recognises that it may have been more ideal for the Information to be released to ASX prior to the market open on Monday, any delay that occurred to cause the release to be made after the market open was administrative in nature only. The Company has acted to ensure more timely information flow in future.
5. The Company confirms it is now in compliance with the Listing Rules, in particular Listing Rule 3.1.
6. The Company confirms its responses to the above questions have been authorised and approved by its Board.

Please do not hesitate to contact me if further information is required.

Yours faithfully,



Andreas Gedeon
Managing Director



30 January 2017

Mr Winton Willesee
Non-Executive Director
MMJ Phytotech Limited
Suite 25, 145 Stirling Highway
Nedlands WA 6009

By Email

Dear Mr Willesee

MMJ PHYTOTECH LIMITED (THE “ENTITY”) – ASX AWARE QUERY

ASX Limited (“ASX”) refers to the following:

- A. The Entity’s announcement entitled “MMJ Receives Superior Offer To List Core Assets on TSX-V” lodged on the ASX Market Announcements Platform (“MAP”) on 3 November 2016, disclosing, inter alia, that the Entity had signed a binding terms sheet with Harvest One Capital Corp (“Harvest One”) to sell 100% of the issued capital of United Greeneries Holdings Ltd and Satipharm AG, two of the Entity’s wholly owned subsidiaries, to Harvest One (the “Transaction”).
- B. The Entity’s announcement entitled “Harvest One Launches C\$15M Equity Raising” lodged on MAP 18 January 2017, disclosing that Harvest One had launched a C\$15,000,000 private placement as part of the Transaction.
- C. Harvest One’s announcement on Marketwired, an online news distribution service provider, on Friday 27 January 2017 at 8:55pm AWST, disclosing that the size of the private placement had increased from C\$15,000,000 to up to C\$25,000,000 (the “Information”).
- D. The Entity’s announcement entitled “Harvest One Increases Equity Raising to C\$25M” lodged on MAP at 09:56 am AWST and released at 10:07 am AWST on Monday 30 January 2017, disclosing the Information (the “Announcement”).
- E. A change in the price of the Entity’s securities on Monday 30 January 2017 from an opening price of \$0.20 to a closing price of \$0.215, reaching an intra-day high of \$0.24 at approximately 8:19 am AWST.
- F. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- G. Footnote 213 of ASX Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* (“Guidance Note 8”) which states, in part, as follows:

“Under [paragraph 15 of Accounting Standard AASB 1031 Materiality (July 2004)] ... an amount equal to or greater than 10% of the applicable base amount was generally presumed to be material,

and an amount equal to or less than 5% of the applicable base amount was generally presumed not to be material, unless, in either case, there was evidence or convincing argument to the contrary.”

- H. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 “When does an entity become aware of information”.

- I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- J. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view with specific reference to footnote 213 of Guidance Note 8.
3. When did the Entity first become aware of the Information?
4. If the answer to question 1 is “yes” and the Entity first became aware of the Information before lodging the Announcement, did the Entity make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that the Entity’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of Entity with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **3:00pm AWST on Thursday 2 February 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Chris.Bailey@asx.com.au and copied to tradinghaltsperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Chris Bailey

Adviser, Listings Compliance (Perth)