

ASX RELEASE

23 February 2017

Harvest One Closes C\$25M Placement to Finalise Acquisition of United Greeneries and Satipharm

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ" or "the Company") is pleased to advise that Canadian-based Harvest One Capital Corp. (TSXV NEX: WON.H) ("Harvest One") has closed the previously reported (January 27, 2017) private placement ("the Placement"), raising C\$25,000,500 before costs. Pursuant to the Placement, Harvest One issued 33,334,000 Subscription Receipts at a price of C\$0.75.

The Subscription Receipts were sold on a private placement basis through a syndicate of agents led by Mackie Research Capital Corporation (the "Lead Agent") and including Canaccord Genuity Corp., Eight Capital and GMP Securities L.P. (the "Agents"). The Agents exercised in full their option to purchase an additional 4,000,000 Subscription Receipts for additional gross proceeds of \$3,000,000.

Funds received from the Placement will be used to finalise the acquisition of the MMJ's core cannabis subsidiaries United Greeneries Holdings Ltd ("**UG**") and Satipharm AG ("**Satipharm**") respectively. Post transaction, MMJ shareholders will have a 60% ownership in Harvest One - a fully-financed company with two strategic cannabis brands operating in one of the fastest growing cannabis markets globally.

A full copy of the announcement released by Harvest One on the Toronto Venture Exchange, outlining full details of the Placement has been provided below.

MMJ PhytoTech's Managing Director, Andreas Gedeon, commented:

"We are very pleased with the robust level of support received to date from the Canadian investment community, as it further validates the Company's strategy to list its core cannabis brands on the TSX-V.

Following completion of the Harvest One transaction, MMJ's shareholders will have direct exposure to one of the fastest growing cannabis markets globally, providing leverage to the significant investor demand for cannabis related equities in the Canadian capital market.

We look forward to providing our shareholders with further corporate and operational updates in the near-term."

-ENDS-

For media and investor inquiries please contact:

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

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Released through Sam Burns, Six Degrees Investor Relations, M: +61 400 164 067



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

About MMJ PhytoTech Limited

MMJ PhytoTech Limited (ASX. MMJ) is focused on becoming a large-scale cannabis producer, targeting direct supply to the growing Canadian medical and recreational markets which will have an estimated combined value of C\$8-9 billion by 2024. The Company controls operations across the entire medicinal cannabis value chain through three business units, strategically located in favourable jurisdictions with supportive regulatory frameworks in place.

MMJ has signed a definitive agreement with Canadian-based Harvest One Capital Corp. (TSXV NEX: WON.H) for the sale to Harvest One of 100% of the issued shares of United Greeneries Holdings Ltd and Satipharm AG.

United Greeneries Holding Ltd. has established world-class growing facilities in Canada, including the fully licensed Duncan Facility. MMJ is the first Australian-based company to receive a Canadian medicinal cannabis cultivation licence, and one of only a few companies globally with the capacity to commercially cultivate medicinal grade cannabis in a federally regulated environment.

The Company's Swiss-based, medicinal products division operates under its 100% owned subsidiary, **Satipharm AG**, and is currently focused on developing regulatory compliant, unique oral delivery technologies that have the potential to deliver safe, effective and measured doses of medicinal cannabis to patients. MMJ began production of its first capsule product in May 2015, and is committed to providing novel treatment options throughout regulated markets globally.

PhytoTech Therapeutics Ltd is MMJ's Israel-based subsidiary responsible for the clinical research and development activities. In March 2016, PhytoTech Therapeutics completed a phase 1 clinical study which highlighted the safety and performance of Satipharm's capsule formulations in delivering CBD compounds to trial subjects.

NEWS RELEASE – For Immediate Distribution

HARVEST ONE CAPITAL INC.

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NEX – WON.H

February 22, 2017

Harvest One Announces Closing of \$25 Million Financing Related to Acquisition of ACMPR Licensed Medical Cannabis Producer and Swiss Medical Cannabis-Based Health Products Company

Harvest One Capital Inc. (NEX:WON.H) ("**Harvest One**" or the "**Company**") is pleased to announce that it has closed its previously announced private placement (the "**Offering**"), disclosed in news releases of the Company dated January 17, 2017, and January 27, 2017, through a syndicate of agents led by Mackie Research Capital Corporation (the "**Lead Agent**") and including Canaccord Genuity Corp., Eight Capital and GMP Securities L.P. (the "**Agents**"). Pursuant to the Offering, the Company issued 33,334,000 subscription receipts (the "**Subscription Receipts**") at a price of \$0.75 per Subscription Receipt (the "**Purchase Price**"), including 4,000,000 Subscription Receipts issued pursuant to the full exercise of the Agents' Option (as defined herein), for aggregate gross proceeds of \$25,000,500. The Offering was completed in connection with the previously announced acquisition by the Company from MMJ PhytoTech Limited ("**MMJ**") of 100% of the issued and outstanding shares of United Greeneries Holdings Ltd. and Satipharm AG, both wholly owned subsidiaries of MMJ (the "**Acquisition**").

Pursuant to an agency agreement dated February 22, 2017, among the Agents, MMJ and the Company (the "**Agency Agreement**"), the Agents agreed to act as exclusive agents to the Company to arrange for the sale of up to 29,334,000 Subscription Receipts for aggregate gross proceeds of up to \$22,000,500 on a "best efforts" private placement basis. The Agency Agreement also provided the Agents with an option to purchase up to an additional 4,000,000 Subscription Receipts for additional gross proceeds of \$3,000,000 (the "**Agents' Option**"). The Agents exercised the Agents' Option in full, resulting in the sale of 33,334,000 Subscription Receipts for aggregate gross proceeds of \$25,000,500 under the Offering.

The gross proceeds of the Offering less (i) 50% of the Agents' Fee (as defined herein), and (ii) the reasonable fees and disbursements of the Agents' legal counsel and other reasonable out-of-pocket expenses of the Agents, including applicable taxes (the "**Escrowed Funds**") have been delivered into escrow on behalf of the purchasers of Subscription Receipts, to be held by a third party subscription receipt agent (the "**Subscription Receipt Agent**") from the date hereof until the date on which the Escrow Release Conditions (as defined herein) are satisfied (the "**Escrow Release Date**") pursuant to a subscription receipt agreement dated February 22, 2017 among Computershare Trust Company of Canada, the Company, the Lead Agent and MMJ (the "**Subscription Receipt Agreement**").

Pursuant to the Subscription Receipt Agreement, each Subscription Receipt shall be automatically exchanged, without any further action by the holder thereof and for no additional consideration, for one unit (a "**Unit**") of the Company, upon the satisfaction of the Escrow Release Conditions. Each

Unit shall consist of one common share in the capital of the Company (a "**Unit Share**") and one-half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one common share (a "**Warrant Share**", and together with the Units, Unit Shares, and Warrants, the "**Underlying Securities**") for an exercise price of \$1.00 per Warrant Share for a period of 36 months from the issuance of such Warrant.

For their services in connection with the Offering, the Agents received a cash commission (the "**Agents' Fee**"), paid out of the gross proceeds of the Offering, equal to 6.0% of the aggregate gross proceeds of the Offering, including the Agents' Option, 50% of which was paid to the Agents on closing. The balance of the Agents' Fee has been deposited into escrow with the Subscription Receipt Agent and shall be payable by the Company to the Agents upon the satisfaction of the Escrow Release Conditions. Additionally, the Agents will be granted compensation options that will entitle the Agents to acquire that number of Units equal to 6.0% of the number of Subscription Receipt issued pursuant to the Offering, including the Agents' Option, at an exercise price of \$0.75 per Unit at any time on or prior to the date that is 36 months from the Escrow Release Date.

The following are conditions precedent (the "**Escrow Release Conditions**") to the conversion of the Subscription Receipts: (i) receipt of all necessary regulatory and shareholder approvals for Acquisition including approval of the TSX Venture Exchange ("**TSXV**"); (ii) the consolidation of the common shares of the Company on the basis of 1 new share for each 1.79 common shares outstanding having been made effective (the "**Consolidation**"); (iii) United Greeneries Holdings Ltd. having entered into a formal lease agreement in respect of certain aboriginal lands adjacent to its Duncan facility, on terms satisfactory to the Lead Agent acting reasonably; (iv) the distribution of the Underlying Securities being exempt from applicable prospectus and registration requirements of applicable securities laws; (v) subject to the restrictions applicable to a control distributions and applicable TSXV rules and policies, the Underlying Securities issuable upon conversion of the Subscription Receipts will not be subject to any restrictions on trading pursuant to applicable Canadian securities laws; and (vi) receipt of notice by the Subscription Receipt Agent from the Corporation, MMJ and the Lead Agent, confirming that all conditions to the Acquisition have been satisfied, other than release of the Escrowed Funds, and that the Acquisition shall be completed forthwith upon release of the Escrowed Funds.

If the Escrow Release Conditions are not satisfied on or before 5:00 p.m. (Toronto time) on the date which is one hundred twenty (120) days following the date hereof (the "**Escrow Deadline**") or if the Company, before the Escrow Deadline, has provided notice to the Lead Agent that the Escrow Release Conditions will not be satisfied, the Subscription Receipts will immediately become null, void and of no further force or effect and, within the timeframe set forth in the Subscription Receipt Agreement, the Escrowed Funds will be returned to the holders of Subscription Receipts in an amount per Subscription Receipt equal to: (i) the Purchase Price; and (ii) a *pro rata* share of income (including interest or gains), if any, actually received by the Subscription Receipt Agent on the Escrowed Funds to the date such funds are returned to or on behalf of holders of Subscription Receipts. To ensure that each holder of Subscription Receipts receives an amount equal to the aggregate Purchase Price for such Subscription Receipts plus its *pro rata* share of income, if any, actually received by the Subscription Receipt Agent on the Escrowed Funds, MMJ shall contribute such amounts as are necessary to satisfy any shortfall and such funds shall be delivered to the holders of Subscription Receipts on a *pro rata* basis within the timeframe set forth in the Subscription Receipt Agreement.

The Acquisition is subject to a number of conditions precedent, including TSXV approval, and is anticipated to close by March 31, 2017.

The Company will use the net proceeds of the Offering to complete the Acquisition, and for general working capital purposes.

The Underlying Securities issuable upon conversion of the Subscription Receipts will be issued in reliance upon the business combination and reorganization exemption in section 2.11 of National Instrument 45-106 of the Canadian Securities Administrators. As a result, subject to restrictions relating to control distributions and applicable TSXV approvals, the Underlying Securities are expected to be freely tradable in Canada immediately upon closing of the Acquisition and satisfaction of the Escrow Release Conditions.

Unless otherwise expressed, all references herein to securities issuable in the Offering and corresponding subscription prices are made on a post-Consolidation basis.

For more information on MMJ and Harvest One, please contact:

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

Anne B. Chopra, President, CEO, CFO and a Director of
Harvest One Capital Inc.
Telephone: (604) 812-2344
E-mail: achopra1@novuscom.net

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the intention of the parties to complete the Acquisition and certain ancillary transactions contemplated thereby. These transactions are subject to a number of material risks, and there is no assurance that they will be completed on the terms or within the timeframes currently contemplated, or at all. The forward-looking information contained in this press release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities to be distributed pursuant to the Offering have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

All monetary references herein refer to Canadian dollars unless otherwise specified.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release nor have either of them in any way passed upon the merits of the qualifying transaction or in any way approved or disapproved of the contents of this release.