

15 December 2016

Canadian Government Submits Final Report into Cannabis Legalization and Regulation

- **Federal Report outlines the steps needed to legalize the recreational use of marijuana in Canada which, according to industry analysts, is forecasted to reach approx. CAD\$7-10 billion per annum**
- **MMJ currently restructuring wholly-owned cannabis subsidiaries, United Greeneries Holdings and Satipharm AG, via reverse takeover of TSX-V listed Harvest One (TSX-V: WON.H)**
- **Report notes Canada's current Access to Cannabis for Medical Purposes Regulations (ACMPR), could be used as a starting point for a new national system for legalized and regulated cannabis production**

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ" or "the Company") is pleased to provide the below statement following the Canadian Federal Government's Final Report into Cannabis Legalization and Regulation (the "Report"). The Report has been based on the findings and recommendations submitted by the Health Canada instigated Task Force.

One of the major themes put forward by the Task Force was the need for a safe and responsible production system, with the development of regulatory framework to support commercial production by the private sector a key priority.

The Report also noted that the current federal system of cannabis for medical purposes, whereby Licensed Producers are required to comply with stringent rules to meet safety and quality standards and security provisions, could be used as an entry point for a new national system for legalized and regulated cannabis production.

MMJ believes its Canadian-based United Greeneries Holdings Ltd ("United Greeneries"), a Licensed Producer under Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"), is strategically positioned to build out large-scale horticultural operations to meet forecasted commercial production demand for the Canadian recreational cannabis market which, according to industry analysts, is forecasted to reach CAD\$7-10 billion per annum.

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

"MMJ welcomes the Canadian Government's Final Report, which outlines the framework required to legalize the recreational use of marijuana in Canada.

The Board is very encouraged by the Task Force's finding that the current federal system governing cannabis use for medical purposes could also be used as the framework for commercial production. This would be a significant catalyst for United Greeneries as a current Licensed Producer, allowing it to establish a first moving advantage in the recreational market.

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The Report, combined with the strong investor demand for Cannabis focused equities, has further strengthened Canada's position as a leader in large-scale investment in the responsible, secure and safe production of legalized cannabis for medical and recreational uses."

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About United Greeneries Holdings Ltd:

United Greeneries is a Canadian ACMPR Licensed Producer and is expected to be the horticultural arm and recreational brand of **Sol Growth Corp. (TSX-V: SOL)**, via reserve takeover. United Greeneries' Duncan Facility is licensed to cultivate medical marihuana by Health Canada pursuant to the Access to Cannabis for Medical Purposes Regulations ('ACMPR'). Located on Vancouver Island, B.C., the flagship Duncan Facility is a state-of-the-art cannabis cultivation operation with approximately 10,000 ft² of cultivation area, a Level 8 Narcotics Vault, and a full service in-house biochemical and analytical laboratory. With cultivation capacity of approximately 1,000 kg/year, Duncan has significant excess processing capacity that could potentially be utilized later by United Greeneries to process internal or third-party materials. On August 13, 2016, United Greeneries executed a binding letter of intent ("LOI") with Cowichan Tribes to option 13+ acres of a 40 acre land package immediately adjacent to the existing Duncan Facility, for the purposes of large scale greenhouse expansion of the Duncan Facility. United Greeneries has developed a preliminary Duncan 3-phase greenhouse expansion plan for the full 40 acre land package that, if fully implemented, would result in the Duncan Facility's production capacity growing from ~1,000kg/year to an estimated 57,500 kg/year by YE 2020. United Greeneries second Canadian facility, the Lucky Lake Facility, located in Saskatchewan, is at the ACMPR security clearance stage of review.

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 CAD\$8-9 billion by 2024. The Company controls

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operations across the entire medicinal cannabis value chain through three business units, strategically located in favourable jurisdictions with supportive regulatory frameworks in place.