



ASX RELEASE

25 May 2015

Merger Update – Completion of Due Diligence

- Successful completion of mutual due diligence process
- Merger of PhytoTech and MMJ on track and expected to complete on or around 2 July 2015
- CDN\$1 million advanced to MMJ under a secured loan agreement to fund MMJ's working capital requirements, with PhytoTech also agreeing to increase this loan amount by a further CDN\$350,000
- Members of the MMJ management team to be appointed to the Board post merger – further strengthening the management team
- Shareholder approval expected 29 June 2015
- Completion of merger positions PhytoTech as a fully integrated medical cannabis company

PhytoTech Medical Limited (ASX:PYL) ("PhytoTech" or the "Company") is pleased to provide an update on the proposed merger with MMJ Bioscience Inc ("MMJ").

As announced on 24 March 2015, PhytoTech will, subject to conditions precedent, acquire 100% of the issued capital of MMJ, a Canadian based multinational medical



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cannabis company, with MC growing facilities in Canada and R&D operations in the Canadian and European markets.

The Company advises that the mutual due diligence of PhytoTech and MMJ has been successfully completed and the Company has advanced CDN\$1 million to MMJ under a secured loan agreement to fund working capital requirements of MMJ and has also agreed to increase this loan amount by a further CDN\$350,000.

Both companies are satisfied with the due diligence and the merger will position the business as a leading, fully integrated, Medical Grade Cannabis (MGC) company.

The only substantive outstanding condition precedent to completion of the acquisition is approval from PhytoTech's shareholders, which is due to occur at a general meeting to be held on 29 June 2015.

Upon completion of the merger, up to three nominees of MMJ will be appointed to the PhytoTech board of directors, subject to shareholder approval. The nominees of MMJ are currently intended to be Andreas Gedeon, Ross McKay and Jason Bednar. The Company will also seek shareholder approval to change its name to "**MMJ PhytoTech Limited**" to equally represent both PhytoTech and MMJ upon completion of the merger.

Boaz Wachtel, Managing Director of PhytoTech Medical Limited commented:

"The board is encouraged by the successful completion of the due diligence period. Early indications following the due diligence process are very positive and we look forward to providing further updates on the merger and the combined businesses operations going forward."

A Notice of General meeting seeking approval for the transaction will be dispatched shortly, with the meeting to be held on 29 June 2015.



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About PhytoTech Medical Limited

PhytoTech Medical Limited is a medical cannabis company, which aims to commercialise Medical Grade Cannabis (MGC) and high potential cannabis based therapeutics products to the rapidly growing international market with regulated medical cannabis laws. With research facilities located in Israel, a global leader in medical cannabis research, the Company is strategically positioned to become a key player in the global MGC market.

The Company is focused on the research, development and commercialisation of products for administering MGC, and on new treatments utilizing MGC therapeutic components for various medical conditions. In addition, the Company aims to grow proprietary strains of MGC in California, Uruguay and other jurisdictions.



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Using proprietary technology, PhytoTech's vision is to administer ground breaking health benefits of cannabinoids in oral preparations, vapor form, and other routes of administration in safe and effective ways.

About MMJ Bioscience Inc.

MMJ is a Canadian-based, global, vertically-integrated, cannabis-focused bioscience company specialising in supply chain optimisation and product development for the emerging global cannabis market. Its Canadian subsidiary, United Greeneries, is currently in the final stage of applying for a federal license under the Marihuana for Medical Purposes Regulations ("MMPR"). An integral part of MMJ's strategy is to approach medicinal cannabis in a multi-tiered fashion, with a global perspective and a strategy that positions the company in key segments of the legal cannabis supply chain. MMJ aims to continuously incorporate higher value verticals into the Company's product and service offerings in a disciplined and incremental fashion. United Greeneries will provide a robust cannabis and cannabinoid production capacity, enabling our group to actualise the medical potentials of Cannabis. Satipharm is MMJ's European pharma-initiative focused on the research, development and distribution of cannabis-based pharmaceutical, nutraceutical and cosmetic products. Satipharm's goal is to be the leader in this space by capitalising on its first-mover opportunities. To date, Satipharm has been able to create a platform by closing the loop from 'Farm to Pharma'. The European base allows Satipharm to take advantage of favourable narcotics laws in different countries and provinces within the European Union ('Jurisdictional Synergies'). MMJ has established a number of key international partnerships placing us well ahead of the curve when it comes to developing and distributing cannabis and cannabinoid-based pharmaceutical, nutraceutical and wellness products.

<http://mmj.ca/>