



ASX RELEASE

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PhytoTech Significantly Expands Medical Cannabis Product Portfolio

- PhytoTech/MMJ's wholly owned subsidiary Satipharm signs agreement with Ai Fame for the exclusive right to all Ai Fame Medical Cannabis products
- Agreement expands the Company's portfolio with the addition of five new Active Pharmaceutical Ingredients (API) and Hemp-flower extract by Q4 2015
- Agreement brings together Ai Fame's licensed production facility and Satipharm's well-established distribution network in Europe, making Satipharm the first Company globally to supply the APIs above the quantities permitted for research and in pharmaceutical quality
- MMJ estimates that based on the potential production volumes and the value of the additional APIs, this agreement could potentially add up to approximately \$30 million in revenue for 2016 to the Company
- Agreement furthers the Company's 'Farm to Pharma' strategy with the addition of five new APIs used in cannabis based pharmaceuticals

PhytoTech Medical Limited (ASX:PYL) ("PYL" or the "Company") is pleased to announce that Satipharm AG ("Satipharm"), a 100% controlled entity of MMJ Bioscience Limited ("MMJ"), has signed an agreement with Ai Fame GmbH ("Ai Fame") to market and distribute its Medical Cannabis products globally.



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As part of the agreement, Satipharm has been appointed as the exclusive marketing and distribution partner of Ai Fame, giving it the exclusive rights across all Medical Cannabis (MC) products manufactured and developed by Ai Fame.

Through the exclusive agreement with Ai Fame, Satipharm has significantly expanded its MC product portfolio with the addition of five more Active Pharmaceutical Ingredients (API), which can be sold externally to other producers and R&D companies for use in clinical research and pharmaceutical products.

Ai Fame's product portfolio includes extracts of five Active Pharmaceutical Ingredients (API) including: Tetrahydrocannabinol (THC), Tetrahydrocannabinolic Acid (THC-A), Cannabidoil (CBD), Cannabidiolic Acid (CBD-A) and Cannabichromene (CBC) and wholesome Hemp-flower extract.

These APIs require production under Good Manufacturing Practice and high quality control processes throughout the entire extraction procedure, including a full analysis of all substances within the extract.

Ai Fame is able to extract the organically derived APIs and intends to begin scaling its production capacity in September 2015. This agreement brings together Ai Fame's licensed production facility and Satipharm's well-established distribution network in Europe.

The agreement makes Satipharm the only company globally to have the ability to supply the organically derived APIs to research groups and pharmaceutical companies in quantities beyond the levels permitted for research purposes and in pharmaceutical quality. Currently, within the market, there are only synthetic compounds, which do not have the same effectiveness as organically produced compounds.

MMJ has estimated that the sale of these API's could potentially be worth up to approximately \$30 million per year in revenue to the Company from 2016.



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Andreas Gedeon, CEO, MMJ commented:

"This is an important agreement for the group as it expands our product portfolio, giving us a wider scope in the medical cannabis market. We're focused on our 'Farm to Pharma' strategy of having operations spanning the entire MC value chain and this agreement furthers our ambition by providing the Company with a further five Active Pharmaceutical Ingredients, which are used within cannabis based pharmaceuticals."

Satipharm has been working with Ai Fame since 2014. Its CBD pill 'Sativol', which is currently in production for distribution throughout Europe was developed in partnership with Ai Fame and the CBD extract is currently supplied by Ai Fame.

As part of the agreement, MMJ has also agreed to provide financing to Ai Fame in the form of a loan for up to CHF \$2 million for the purpose of scaling the production capacity for the products.

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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.

On 23 March 2015, the Company announced that it had entered into an agreement to acquire 100% of the issued capital of MMJ Bioscience Inc., a Canadian-based multinational vertically integrated MC company. Under the terms of the agreement, the two companies will combine in a “Merger of Equals” via a three-stage deal structure based on MMJ achieving key milestones. The combined group will form a vertically integrated MC company which will be involved with the production, research and development and distribution of MC products.

Having obtained shareholder approval on 29 June 2015, the Company is now progressing towards settlement of the merger in the coming days.

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



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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/>

About AI Fame

AI Fame GmbH is an integrated cannabis-focused pharmaceutical compound manufacturer based in St. Gallen Switzerland. AI Fame GmbH is a GMP-certified company that has been active since 2000. It specialises in the production, breeding, cultivation, harvesting and processing of cannabis plants for food and medicine.