



the**Hydroponics**company

www.thcl.com.au

*to be renamed THC Global Group Limited*

ASX RELEASE (16 OCTOBER 2018)

## Canada – Legalisation of Recreational Cannabis

### Key Points

- **THC Global welcomes legalisation of recreational cannabis in Canada – expansion of THC Global’s addressable market**
- **THC Global incorporating new subsidiary in Canada – Vertical Canna Inc to undertake further investment in the Canadian market**
- **Crystal Mountain expanding warehouse complex and product range to support increased demand including rebranded website to be launched in days**

The Hydroponics Company Limited (to be renamed THC Global Group Limited) (**THC Global** or the **Company**) provides the following information with respect to its Canadian operations.

On Wednesday 17 October 2018 it will be legal for adults in Canada to purchase, possess, or grow recreational cannabis:

- THC’s wholly-owned subsidiary, Crystal Mountain (**CM**), currently manufactures and distributes hydroponic equipment and supplies, with Canada being its principal market;
- CM has expanded its warehouse complex and product range to meet expected demand resulting from the legalisation of recreational cannabis;
- THC Global CEO, Ken Charteris, is currently in Canada with Jason Colquhoun, the Global Head of CM to promote THC Global to the investment community and to further develop strategic alliances across THC Global’s cannabis and hydroponics businesses;
- THC Global’s various partnerships and alliances provide THC Global with market access to Canada in both the medicinal and recreational cannabis sector and through hydroponics equipment which is expected to be in high demand, driven by the multitude of new micro-cultivator and home-growers in Canada; and
- CM will launch a new website and undertake a corporate rebranding to target the Canadian micro-cultivator and home-grower markets.

THC is incorporating a new subsidiary, Vertical Canna Inc which will be used as an investment and operations entity for the Company’s expanded Canadian operations over the coming months.

Ken Charteris commented from Canada,

“This is a historic time to be in Canada, on the eve of legalisation of recreational cannabis.

“Whilst our focus remains on revenue generation from our global medicinal cannabis operations, our expanding presence in the Canadian market through Crystal Mountain and our partners will enable us to take advantage of the broadening of the Canadian market. THC Global has a vertically integrated strategy, providing both the means to grow cannabis to micro-cultivators and home-growers from Crystal Mountain with a view towards selling cannabis products into the Canadian market”.



Jason Colquhoun commented,

“We are excited to be able to expand our operations to take advantage of this new opportunity in Canada. Combined with the launch of our new website and additional focus towards the micro-cultivator and home-grow markets, we expect to see great results over the coming quarters”.

### **The Hydroponics Company Limited (ASX: THC)**

THC Global operates under a ‘farm to pharma’ pharmaceutical model and is currently delivering high quality medicinal cannabis products to Australian patients through existing access schemes. Having secured both a significant growing capacity over two grow sites, and an industry-leading pharmaceuticals biomanufacturing facility with attached testing and product development laboratory, THC is in prime position to service both domestic patients and the export market. THC’s global commercial partners operate across four continents, supporting future international growth. THC also operates a revenue generating global hydroponics business, focusing on the manufacturing and distribution of hydroponics equipment, materials, and nutrients.

### **Crystal Mountain (CM)**

Crystal Mountain is located in Vancouver, Canada. It has been operating for over a decade. CM holds 9 trademarks and two patents. It manufactures and distributes wholesale across North America and is expanding into Europe.

CM has been able to compete with competitors while operating with a very low overhead. This allows CM to be competitive, nimble but also scalable. As a subsidiary of THC, CM is well positioned to take advantage of the rapidly changing cannabis market and growth in personal indoor farming.



CMP's expanded facility in B.C. Canada

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