

ASX RELEASE (15 MAY 2019)

THC Global Expands Cannabis Cultivation & Granted Export Licence

Key Points:

- **Medicinal Cannabis Export Licence granted by the Office of Drug Control**
- **THC Global expands Northern NSW Growing Capacity with agreement to lease additional land up to 150,000m² on same property**
- **Licence application for existing Northern NSW cultivation site progressing**
- **TGA in-principle advice received allowing both cannabis and non-cannabis production at THC Global's Manufacturing Facility, subject to licencing**
- **Pilot scale extraction of EVE tea-tree product completed at Manufacturing Facility**

THC Global Group Limited (THC Global or the Company) (ASX:THC) is pleased to provide an update on the Company's domestic cannabis operations, including securing an Australian export licence, expanding the Company's Northern NSW cannabis cultivation project, and exploring new product development opportunities.

Medicinal Cannabis Export Licence Granted

THC Global confirms that it has been granted a Medicinal Cannabis Export Licence by the Australian Office of Drug Control (ODC) which is required in order to be able to export medicinal cannabis from Australia. Securing this licence is a key milestone in developing a future export pathway of THC Global's Australian cannabis, and places THC Global in an increasingly stronger position to take advantage of its industry leading manufacturing capability and its global reach.

Northern NSW Cultivation – Increased Cultivation Capacity

THC Global has confirmed its binding intention with EVE Investments Limited (ASX:EVE) to lease additional USDA certified organic land to bring the total leased land for the Northern NSW cannabis cultivation site up to a potential 150,000m². The lease is subject to THC Global confirming that the additional land is suitable for lodgement of a cultivation licence application with the ODC.

The currently leased 60,000m² land is the subject of a medicinal cannabis cultivation licence lodged by THC Global last year, which has now progressed to "assessment phase" by the ODC and is expected to be received this year. Receipt of this licence will allow for the first part of the extended project to commence which is expected to deliver biomass for production at THC Global's bio-pharmaceutical manufacturing facility as well as for supply to EVE under an off-take agreement for Meluka Health's proposed cannabis honey product.



Product Development at Manufacturing Facility

THC Global has received in-principle advice from the Therapeutic Goods Administration (TGA) advising that subject to relevant licencing and approval of procedures, both cannabis and non-cannabis products will be able to be produced from the Company's Queensland bio-pharmaceuticals extraction facility. This will provide THC Global with the ability to monetise excess production capacity through extraction of other botanicals for medical, pharmaceutical, or nutraceutical purposes as the Company progressively increases cannabis extraction activities. Successful pilot-scale extraction of tea-tree product has been completed for EVE as part of the collaboration agreement with THC Global.

The potential to conduct other complex botanical extractions at large scale is being explored, which may enable the formulation of novel cannabis-blended products for sale into other markets.

EVE Partnership

THC Global remains committed to the cannabis off-take agreement with EVE whereby EVE will be able to purchase cannabis cultivated at the Northern NSW site for producing cannabis honey products under their Meluka Health brand. Additionally, THC Global's expansion into new markets such as Canada, New Zealand, and the Asian region may provide stronger routes to market for EVE's cannabis honey product whilst also expanding THC Global's product offering internationally.

Ken Charteris, Chief Executive Officer of THC Global commented: "We are pleased to be able to secure additional land for our cannabis cultivation activities on EVE's USDA certified organic land in Northern NSW. We will formally commit to the lease and settle terms upon confirmation that THC Global will be able to receive a medicinal cannabis cultivation licence over this extension.

Additionally, our success in using our bio-pharmaceutical manufacturing facility for other complex botanical extractions, including EVE's tea-tree product, confirms that we may be able to explore the development of novel cannabis-blended formulations in the near future."

Ben Rohr, Investment Director of EVE commented: "We are very pleased with the initial work we have conducted with THC Global, including pilot extraction at their bio-pharmaceutical manufacturing facility in Queensland. The ability to now explore new product development opportunities enabled by our partnership, taking advantage of THC Global's significant botanicals extraction capabilities is a major asset to both parties. We look forward to THC Global commencing cannabis cultivation on our property once licencing is completed, which will give Meluka Health access to high quality cannabis for our proposed cannabis honey products".

For further information, please contact:



Ken Charteris
Chief Executive Officer
e: corporate@thc.global

Henry Kinstlinger
Company Secretary
e: corporate@thc.global
p: +61 2 8644 0601

Sonny Didugu
Investors & Media
e: media@thc.global
p: +61 2 8088 4760

THC Global Group Limited (ASX: THC) [thc.global]

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 Global is in prime position to service both domestic patients and the export market. THC Global's commercial partners operate across four continents, supporting future international growth.

In addition to its core medicinal cannabis business, THC Global owns two Canadian companies, being Crystal Mountain Products and Vertical Canna Inc. Crystal Mountain Products operates a revenue generating global hydroponics retailer and distributor of equipment, material, and nutrients to cannabis growers and producers. Vertical Canna Inc is an investment vehicle through which THC Global intends to build, through acquisitions and strategic partnerships, a vertically integrated Canadian cannabis producer and retailer. Vertical Canna's existing asset portfolio includes a land-holding in Nova Scotia, Canada to be developed into a large-scale cannabis production facility.

EVE Investments Limited (ASX: EVE) [eveinvestments.com.au]

EVE Investments invests in companies with a focus on the medical nutrition sector. The Company's investment strategy has a three pronged approach.

1. To invest in businesses that are in the early growth phase with the aim to support their expansion programs.
2. To identify products that have unique medicinal properties and a global reach application.
3. Preference for natural organic products that have demonstrated medicinal benefits.

For further information, please visit www.eveinvestments.com.au and follow us on Twitter @EVEInvestments

Meluka Health Pty Ltd is a subsidiary of EVE Investments and is a wellness and nutrition company that develops and sells its naturally derived, organic and ecologically pure products created using its old growth Australian Melaleuca tea tree plantation which are acclaimed for their medicinal activity.