

ASX RELEASE (3 July 2018)

## Due Diligence Period Extended For Organic Cannabis Site

### Key Points:

- **Final agreements nearing completion for Medicinal Cannabis Growth and Supply Agreements**
- **Completion target 23 July 2018**
- **USDA Certified Organic Site incorporating spring water resource to be developed as growth facility for THC and Ascent *Cannabis sativa* strains**
- **Off-take agreement for THC's Medicinal Cannabis and purchase of Meluka Health's Tea Tree Extract for use in THC's Medicinal Cannabis products to be finalised shortly**

The Hydroponics Company Limited ("THC" or "the Company") advised on 3 May 2018 that it had entered into a binding term sheet for the exclusive leasing rights of organic certified land in northern New South Wales which THC proposes to use for the growing of Medicinal Cannabis subject to necessary statutory and regulatory approvals.

THC also agreed to enter into an off-take agreement for the use of THC's medicinal cannabis in Meluka Honey products.

The binding term sheet is between THC, Jenbrook Pty Ltd (**Jenbrook**), and Meluka Health Pty Ltd (**Meluka Health**) (together, the Parties). EVE Investments Limited (ASX: **EVE**) owns 50% of Meluka Health and is in the process of acquiring 100% of Jenbrook.

Negotiations between the Parties have progressed well with the parties nearing finalisation of material terms.

The parties have agreed to extend the due diligence period, which would have ended 2 July 2018, by a further 21 days to finalise the drafting of the full form agreements, being:

- Medicinal cannabis supply agreement where THC will provide exclusive access to THC's medicinal cannabis for use in honey products by Meluka Health in its Meluka Honey (the **Cannabis Off-Take Agreement**);
- Tea Tree Extract supply agreement with Meluka for THC to access Meluka's extract product for use in development of new medicinal cannabis products (the **Tea Tree Extract Agreement**); and
- Lease agreement with Jenbrook for the use of Jenbrook's northern NSW property for the growing of medicinal cannabis (the **Lease Agreement**),

(together, the **Agreements**) and have agreed a target date for completion of 23 July 2018.

Steven Xu, Chairman of THC commented, "The agreements represent a substantial component in establishing THC's supply chain for medicinal cannabis products in Australia and realising export opportunities through alliance partners. The finalisation of the Jenbrook and Meluka Health Agreements support THC's roll-out of strain access including with Ascent, world-class manufacturing facilities and off-take agreements that support future Australian and International demand for medicinal cannabis."



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**About THC** [www.thcl.com.au](http://www.thcl.com.au)

THC is at the forefront of developing a leading, diversified worldwide cannabis business, focusing on two core business units: Development and delivery of medicinal cannabis, and manufacturing and distribution of hydroponics equipment, materials and nutrients.

**About EVE Investments Limited (ASX: EVE)**

EVE Investments is an Australian Securities Exchange investment company that invests in technology companies with a focus on the medical nutrition sector.

**About Meluka Health Pty Ltd**

Meluka Health 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.