

ASX RELEASE (29 AUGUST 2019)

THC Global Southport Facility Opened by Federal Minister for Health

Key Points:

- The Australian Federal Minister for Health, The Hon. Greg Hunt MP toured the Southport Facility yesterday and conducted an official opening ceremony
- The Southport Facility is the largest bio-pharma manufacturing facility in the Southern Hemisphere
- Pharmaceutical grade GMP certified API extracts to be produced commencing early 2020
- Capacity to support the entire Australian near term patient demand and be a major exporter with annual expected capacity of 12,000kg of API
- Low cost production capability will allow supply to Australian patients at a far lower cost than current imported products, increasing patient accessibility
- Significant competitive advantage in the global medicinal cannabis market with quality meeting or exceeding global standards whilst producing and processing at low cost

THC Global Group Limited (THC Global or the Company) (ASX:THC) is pleased to advise that yesterday, THC Global's Southport Facility was opened by the Federal Minister for Health, The Honourable Greg Hunt MP, following a tour of the Facility earlier in the day.

The Southport Facility has an expected initial capacity for annual production of 12,000kg of Good Manufacturing Practices (**GMP**) certified Active Pharmaceutical Ingredient (**API**) isolates, or equivalent quantities of full-spectrum and broad-spectrum extracts. The Company also expects to be able to further process these extracts into finished medicines such as oils, tinctures, and capsules following granting of additional approvals. This capacity is far more than enough to support the Australian Government's near term expectation for patient demand whilst still able to be a major exporter in the global medicinal cannabis market.

THC Global expects to complete product validation at the Southport Facility by the end of 2019, with first commercial production in early 2020. This product will be made available to Australian patients, Australian study trials, and for the global export market. THC Global will be highly competitive in this market due to achieving a low cost of production from both its Farm to Pharma integrated production, and the benefits of the Southport Facility's world-class technology and capability.



THC Global expects to be the first commercial scale producer of Australian medicinal cannabis products for Australian patients and in the global export market, as a result of owning the largest processing facility of its kind in the Southern Hemisphere.

In addition to Minister Hunt, the Southport Facility was also toured by two local parliamentarians, Ms Angie Bell MP, the Federal Member for Moncrieff, and Mr Rob Molhoek MP, the Queensland State Member for Southport.

The Southport Facility is not only a major asset for Australian medicinal cannabis patients, but also brings new opportunities for medical research within Australia as well as education and employment within the local area.

Addressing the opening ceremony, THC Global's Chairman Steven Xu commented:



“THC Global will be making high quality medicinal cannabis more accessible to Australian patients in need, both in terms of heavily reduced cost as well as increases in available supply. We also expect to support clinical trials and study trials in Australia, which are currently almost exclusively serviced by expensive imported products. We look forward to commencing commercial production at the most significant medicinal cannabis operation in Australia, right here in Southport, by early next year”.

In addition to producing pharmaceutical grade GMP certified API extracts and isolates from medicinal cannabis at the Southport Facility, THC Global will utilise its world-class botanicals extraction capabilities to explore the extraction of other botanicals which could be formulated into a ‘Next Generation of Medicinal Cannabis’.

THC Global expects to be achieving revenue generating sales of medicinal cannabis products from the Southport Facility and the Company's other medicinal cannabis facilities by early 2019.



Above: THC Global CEO, Ken Charteris discussing the Southport Facility and its significance with THC Global Chairman, Steven Xu, Ms Angie Bell MP, the Federal Minister for Health The Honourable Greg Hunt MP, THC Global's API Manager Dr Michael Harrison, and Mr Rob Molhoek MP.

THC Global's Bundaberg Medicinal Cannabis Facility

In parallel with Minister Hunt's opening of the Southport Facility yesterday, the Company's Bundaberg Facility hosted an event with the Bundaberg Region Mayor, Cr Jack Dempsey, noting the significance of the Bundaberg Facility to the local region in terms of employment opportunities, agri-tech and bio-tech research activities, and creating another potential export for the region.

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THC Global operates under a 'Farm to Pharma' pharmaceutical model, now holding all three key cannabis licences being a Cannabis Research Licence, a Medicinal Cannabis Licence (Cultivation), and two Manufacture Licences through its domestic medicinal cannabis subsidiaries THC Pharma and Candeo. THC Global has secured a significant cannabis growing capacity over multiple cultivation projects. and owns a licenced GMP ready high-volume bio-pharma extraction facility with attached testing and product development laboratory.

THC Global is in prime position to commence medicinal cannabis production to service both domestic patients and the global export market. THC Global is active globally with operations in Australia, New Zealand, and Canada and partnerships across Europe, Asia, and the Middle East. In addition to its core Australian medicinal cannabis assets, THC Global has a significant Canadian presence – both in cannabis and in hydroponics equipment. THC Global's Canadian cannabis operation, Vertical Canna, holds property in Nova Scotia, Canada being developed into a large scale cannabis production site. THC Global's hydroponics equipment division, Crystal Mountain, is a revenue generating manufacturer, wholesaler, and retailer of hydroponics equipment and supplies for cannabis cultivation.