



ASX RELEASE (4 DECEMBER 2019)

First Medicinal Cannabis Processed at Southport Facility

Major milestone in launching Canndeo branded medicinal cannabis in Australia

Key Points:

- First Medicinal Cannabis processed at THC Global's Southport Manufacturing Facility
- Completion represents major milestone for THC Global and the Australian industry with the largest facility in the Southern Hemisphere now producing
- THC Global able to accept cannabis biomass from any licenced and permitted cultivator within Australia as well as its own cultivation facilities
- Southport Facility expected to be capable of 120,000kg annual cannabis biomass throughput with whole plant extraction
- First product from Southport Facility validates capability for plant-to-bottle processing
- Flexibility to focus on world-class large scale extraction capacity or continue to expand farm-to-pharma operations
- Initial supply to Australian patients and the global export market to be under the 'Canndeo' brand
- THC Global has also received import/export licences for the Southport Facility

THC Global Group Limited (THC Global or the Company) (ASX:THC) is pleased to confirm that the Company has now completed the first farm-to-pharma processing of medicinal cannabis at the Southport Manufacturing Facility. The Southport Facility is the largest pharmaceutical bio-floral extraction facility in the Southern Hemisphere, and is licenced and permitted to process medicinal cannabis.

The first production of medicinal cannabis by THC Global is a significant milestone for THC Global signifying the commencement of our production activities, but also for the Australian medicinal cannabis industry with THC Global now able to offer large scale medicinal cannabis production from its Southport Facility.



Samples of THC Global's first Canndeo branded medicinal cannabis medicines, produced at the Southport Facility*

Having successfully taken cannabis plant material cultivated at the Company's Bundy Facility, through to production of a final bottled and packaged product, THC Global has validated its farm-to-pharma operation capability, laying the path for the Company to scale up its cultivation and extraction activities through 2020. This first production has been completed using the Company's proprietary Australian high-CBD cannabis strain.

THC Global's 'Canndeo' brand will be used globally to market the Company's Australian produced medicinal cannabis medicines from the Southport Facility, with the Company initially launching a Schedule 4 CBD oral liquid medicine product followed by additional CBD-THC formulated products later in 2020.



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Additionally, the completion of this product validation process also confirms to prospective Australian and international cannabis cultivators that THC Global has the capability to be a high value pharmaceutical grade extractor of medicinal cannabis through 2020, enabling the manufacture of high quality medicines from cannabis plant material.

The large scale production capacity THC Global has, both in cultivation, and in extraction, will allow the Company to supply Australian patients with Australian medicinal cannabis products, as well as opening the opportunity for global partnerships for THC Global to provide cultivation and extraction services to partners. Further, THC Global's Southport Facility is capable of producing TGA certified pharmaceutical GMP finished product, enabling the Company to supply its medicinal cannabis products to patients in Australia, as well as service the global export market.

THC Global is well positioned to significantly benefit from the future of medicinal cannabis in Australia and globally, having secured world-class production facilities enabling the Company to explore a stronger focus on the Company's value-add extraction capabilities at the Southport Facility, in addition to continuing to expand its farm-to-pharma cultivation, processing, and manufacturing capabilities.

THC Global has also confirms that it has yesterday been granted import and export licences from the Australian Office of Drug Control enabling THC Global to import cannabis for processing at the Southport Facility, and allows for export of medicinal cannabis products from THC Global's Southport Facility.

THC Global Chief Executive Officer, Ken Charteris, commented:



THC Global's Chief Executive Officer, Ken Charteris with the Company's first Canndeo branded bottled product produced at the Southport Facility.*

"THC Global's medicinal cannabis team have achieved a major milestone today both for the Company and for the Australian medicinal cannabis industry by producing our first farm-to-pharma medicinal cannabis at our Southport Facility, in advance of our commercial scale launch next year.

THC Global has ready-to-go production assets within Australia capable of servicing over 250,000 patients in addition to the global export market, making THC Global a leader in the Australian medicinal cannabis industry, and in prime position to be a global exporter of Australian medicinal cannabis medicines."

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ASX release authorised by THC Global's Management Committee – the Chairman, Deputy Chairman, and CEO.



* The photos of the Company's products are provided for the purpose of informing current and potential investors of THC Global as to the production capability of the THC Global Southport Facility.

THC Global Group Limited (ASX: THC)

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 Canndeo. THC Global's main facility, the Southport Manufacturing Facility is the largest pharmaceutical bio-floral extraction facility in the Southern Hemisphere. The Southport Facility is licenced and permitted, including holding Schedule 8 controlled substances and Schedule 4 pharmacy medicines licences.

THC Global is in prime position to commence medicinal cannabis production to service both domestic patients and the global export market. In addition to its core Australian medicinal cannabis assets, THC Global has a significant Canadian presence. THC Global's hydroponics equipment division, Crystal Mountain, is a revenue generating manufacturer, wholesaler, and retailer of hydroponics equipment and supplies for cannabis cultivation. THC Global also owns Canndeo Canada, a holder of property in Nova Scotia, Canada being developed into a large scale cannabis production site.