

3 May 2018

Meluka Health and THC Execute Term Sheet

*Cannabis to be Grown on Robyndale Plantation
Feedstock Supply For Cannabis Honey Production*

Highlights

- Meluka Health has signed a binding conditional Term Sheet with The Hydroponics Company Limited (ASX: THC) and Jenbrook Pty Ltd to grow cannabis on Jenbrook's Robyndale tea tree plantation in Northern New South Wales
- THC are required to develop and fund the infrastructure necessary to grow and process the cannabis crops
- THC will supply Medicinal Cannabis to Meluka Health for use in the production of a cannabis honey
- Meluka Health to provide THC with Tea Tree Extract for development of medicinal cannabis products
- THC and Meluka Health will continue to review further complementary Joint Venture opportunities
- Formalisation of Agreements under binding Term Sheet expected within 60 days subject to due diligence
- EVE holds a 50% interest in Meluka Health

The Board of EVE Investments Limited ("EVE") (ASX:EVE) is pleased to announce that Meluka Health Pty Ltd ("Meluka Health"), a company in which EVE has a 50% interest, has signed a legally binding conditional Joint Opportunities Term Sheet ("Term Sheet") with The Hydroponics Company Limited ("THC") (ASX:THC) and Jenbrook Pty Ltd ("Jenbrook"), to grow cannabis on Jenbrook's northern New South Wales Robyndale tea tree plantation.

THC is a leading, diversified cannabis business with a focus on development and delivery of medical cannabis products and the manufacture and distribution of hydroponic equipment and has agreed to supply Meluka Health with Medicinal Cannabis for use in the production of its 100% owned Meluka Honey business (medicinal cannabis supply agreement). The Medicinal Cannabis will be grown by THC under a lease with Jenbrook over a portion of the Robyndale plantation (lease agreement).

THC are required to develop and fund the infrastructure necessary for the plantation of medicinal cannabis crops on the property including installation of necessary equipment for crop processing and the development of necessary intermediary processing facilities, subject to obtaining necessary licences and approvals. In return, Meluka Health will supply THC with Tea Tree Extract for use in the development of medicinal cannabis products (tea tree supply agreement).

EVE holds a 50% interest in Meluka Health, which has an option to acquire Jenbrook's Jendale and Robyndale properties that comprise some 2,100 acres of land, which includes approximately 900 acres of old growth Melaleuca native plantation.

EVE's Investment Director, Ben Rohr commented: *"This Term Sheet with THC is a significant step for Meluka Health and our investment in this company. The terms benefit all parties and we're extremely excited with moving towards definitive agreements and transaction opportunities."*

“With the recent launch of the Meluka Honey business, the agreement comes at an opportune time and we’re looking forward to updating the market on the progress.”

THC recently acquired an Australian Bio-Manufacturing Facility including freehold land, building, and operational assets formerly owned by LEO Pharma. This facility acquired by THC is one of the largest pharmaceutical botanical extraction and refinement plant in the Southern Hemisphere. Therefore, in addition the partnership between THC and EVE Investments to grow medicinal cannabis on Jenbrook’s Robyndale tea tree plantation, additional synergies exist in researching and processing botanicals from the old growth Melaleuca using THC’s recently acquired facility.

Steven Xu, Chairman of THC commented *“The execution of this term sheet between THC, Jenbrook and Meluka Health sets a new path forwards for both companies in terms of cannabis growth on Jenbrook’s Robyndale (tea tree) plantations but also for potential synergies with THC’s recently acquired biomanufacturing facility. The potential for research and processing of botanicals using our facility adds even further value to this partnership”*

The Term Sheet is subject to definitive agreements being agreed and executed within 60 days from the date of the Term Sheet. The definitive agreements being a medicinal cannabis supply agreement between THC and Meluka Health, a tea tree supply agreement between Meluka Health and THC and a lease agreement between Jenbrook (as lessor) and THC (as lessee). If the definitive agreements are not finalised within the time frame, any party can terminate the Term Sheet by written notice to the other parties, unless extended by mutual agreement.

The three agreements to be entered into under the Term Sheet remain the subject of commercial negotiations between the parties pursuant to the intentions set out and agreed to between THC, Jenbrook and Meluka Health in the Term Sheet. THC will also be responsible for obtaining any necessary regulatory or statutory approvals required for the use of the Jenbrook property for medicinal cannabis purposes.

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About EVE Investments

EVE Investments is an Australian Securities Exchange investment company that invests in technology 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](https://twitter.com/EVEInvestments)

About Meluka Health Pty Ltd

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. Meluka Health is currently focused on producing high quality organic medicinal honey and the development of a bee health tonic.

About The Hydroponics Company Limited (ASX: THC)

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