

15 May 2019

## THC Global Agreement Update

- **Expansion of THC Global and EVE collaboration for farming, medicinal cannabis supply and R&D**
- **THC Global has agreed to work jointly on R&D of new Meluka Health product lines at their sophisticated research facility in Southport, QLD**
- **THC Global cultivation licence application under assessment, following the lease of a portion of EVE's organic farm in Northern NSW**
- **THC Global and EVE Investments execute LOI to expand lease on certified organic land, providing an additional 150,000 m2 of farming capacity for medicinal cannabis**
- **THC Global to provide Meluka Honey with multiple jurisdiction options for production and distribution of its proposed medicinal cannabis honey**

EVE Investments Limited ("EVE") (ASX:EVE) provides the market with an update on its agreements with THC Global Group Limited (THC Global or the Company) (ASX:THC). The agreements encompass site lease, tea-tree off-take, cannabis off-take, and are directed towards the organic farming operations of THC Global as well as the development of novel tea-tree and cannabis products by both THC Global and EVE.

### **Medicinal cannabis farming operations on EVE properties**

As announced to the market on 24 July 2018, THC Global has leased 60,000m<sup>2</sup> of organic farm land from EVE for growing medicinal cannabis. The currently leased 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 Australian Office of Drug Control (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 the previously announced Cannabis Off-Take Agreement (see announcement on 24 July 2018). Under this agreement EVE will be provided with exclusive access to THC Global's medicinal cannabis for use in product development by Meluka Honey on novel cannabis blended products including incorporation of the patented tea tree extract from EVE's tea tree plantations..

THC Global has confirmed its binding intention with EVE to lease additional land on EVE's Robyndale property to bring the total leased land for THC's Northern NSW cannabis cultivation site up to a potential 150,000m<sup>2</sup>. 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 land for consideration is not required for EVE's existing or future tea tree operations.

### **New Product R&D and Distribution**

THC Global has provided extraction of tea-tree product for Meluka Health's R&D program at their Southport facility in South East Queensland. 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.

Additionally, THC Global's current and planned operations in Australia, North America and Asia could positively assist in the production, development and distribution of potential Meluka Honey cannabis and honey based products.

**Mr Ken Charteris, THC Global's CEO 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 Investments 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:**

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**About EVE Investments**

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](http://www.eveinvestments.com.au) and follow us on Twitter [@EVEInvestments](https://twitter.com/EVEInvestments)

**About Meluka Health Pty Ltd (100% EVE)**

Meluka Health Pty Ltd 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.

**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.