



the**Hydroponics**company
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ASX RELEASE (7 MAY 2018)

THC Australian Operations Update

Key Points:

- **Dr Michael Harrison appointed as API Manager for the Queensland biomanufacturing facility**
- **THC Pharma Pty Ltd incorporated as wholly owned subsidiary**
- **Ken Charteris appointed Executive Director of THC Pharma**
- **Expediting Manufacturing Licence application for the biomanufacturing facility**
- **Approvals and licences to grow organic medicinal cannabis in northern NSW sought**
- **Continuing commitment to supply medicinal cannabis to domestic patients as well as the global export markets**

The Hydroponics Company Limited (THC or the Company) provides the following update with respect to the Company's Australian operations following the recent acquisition of a pharmaceutical biomanufacturing facility and the entering into the binding term sheet with Meluka Health to lease a **USDA organic certified site** for the cultivation of organic medicinal cannabis crops in northern New South Wales.

To conduct the operation of the Company's pharmaceutical biomanufacturing facility in Queensland and the organic medicinal cannabis site, THC has incorporated THC Pharma Pty Ltd (**THC Pharma**) led by Ken Charteris as Executive Director. Ken is also the Executive Director of THC's Canndeo division and brings his experience in having overseen Canndeo's earlier applications for operational licences and permits as well as his broader experience in the industry.

Dr Michael Harrison has joined THC Pharma as the API Manager for the Company's Queensland biomanufacturing facility. Dr Harrison was formerly employed in the same capacity by LEO Pharma, the vendor of the biomanufacturing facility. Dr Harrison will be joined by other former key LEO Pharma employees who have been employed by THC Pharma to continue to manage the facility as it transitions to a production facility producing high purity medicinal cannabis products for the THC Group.

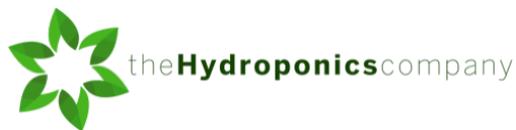
THC Pharma will expedite its applications to the Office of Drug Control for necessary approvals to both commence processing in its biomanufacturing facility and, pursuant to the Term Sheet entered into by THC with Meluka Health (ASX: 3 May 2018), will apply for relevant applications and licences to enable the growing of organic medicinal cannabis on the northern NSW property.

THC's Chairman, Steven Xu commented:

"THC continues to aggressively pursue its medicinal cannabis strategy to establish full-scale, vertically integrated processing and production of medicinal cannabis. THC has furthered this through its recent facility acquisition to build production capacity and binding term sheet securing a site for the growing of organic medicinal cannabis. THC, through its various business units is ensuring that the best team is retained to develop product supply for Australian patients in the near term in addition to supplying the export market as approvals are obtained."



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Ken Charteris

Ken is an internationally experienced Chairman and CEO across biotechnology, construction, service and pharmaceutical industries, and was central to the successful ASX listing of THC. Ken was also critical to the securing of a number of THC's partnership deals including with Endoca and BOL Pharma, which have positioned THC for access to near-term supply of medicinal cannabis in Australia.

Michael Harrison

Michael is a pharmaceutical engineering professional with 19 years' experience in the bioprocessing and pharmaceutical manufacturing industries. He has worked on numerous small and medium-sized molecule separation and purification processes including scale up from laboratory/development scale to commercial scale. Michael has a proven track record of developing and optimising processes and leading teams to meet or exceed targets.

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: Development and delivery of medicinal cannabis, and manufacturing and distribution of hydroponics equipment, materials and nutrients.