



the **Hydroponics** company

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ASX RELEASE (8th June 2018)

THC WELCOMES CANADA'S SENATE DECISION TO LEGALISE RECREATIONAL USE OF CANNABIS

Key Points:

- **THC welcomes the advance of the legislation for adult recreational use of cannabis in Canada, the largest developed nation poised to end cannabis prohibition**
- **C-45 Bill passed by Canada's Senate**
- **THC poised for significant growth of profitable Crystal Mountain-Dragon Vision (CMDV) business in Vancouver, which supplies +600 products for cannabis**
- **Due Diligence on a proposed Canadian acquisition to be completed by 31 July**

The Hydroponics Company Limited (THC or the Company) welcomes the C-45 Bill that has been passed by Canada's Senate, to legalise adult recreational use of cannabis in Canada. The Cannabis Act passed on June 7 (Ottawa time) is a milestone toward the end of prohibition of recreational cannabis in Canada and is important driver of growth in THC's hydroponics division.

Canada will be the largest developed nation to legalise nationwide recreational use for adults over the age of 18. While medicinal cannabis has been legal in Canada since 2001, the recreational market has remained very fragmented without an established legal framework.

The new law will bolster THC's plans to accelerate growth of its established profitable CMDV business in Vancouver. THC is also committed to assessing high quality potential acquisition opportunities in Canada.

THC's Chairman Steven Xu said, "A decision to legalise recreational use of cannabis will open up a significant opportunity for THC to augment our established revenue streams in Canada, where we supply +600 products, have nine trademarks for hydroponic equipment and growing mediums and plan to execute potential value- accretive acquisitions that will deliver substantial revenue growth for the Company in the near term."

As previously advised, THC's due diligence on a proposed Canadian acquisition has been extended to 31 July.



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About THC www.thcl.com.au

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.

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