



ASX RELEASE (28 MAY 2019)

## Chairman's Address – 2019 Annual General Meeting

**THC Global Group Limited (THC Global or the Company)** (ASX:THC) provides a copy of the address to be presented by the Chairman of THC Global, Mr Steven Xu at the 2019 Annual General Meeting to be held today.

Dear Fellow Shareholders,

I am Steven Xu, the Chairman of THC Global. I am pleased to present to you today at THC Global's 2019 Annual General Meeting on the Company's past year, and looking forward for the year to come.

Since our last AGM, your Board and Management has undertaken a refocussing of the Company towards building a global, diversified and vertically integrated cannabis company reflecting newer and greater opportunities than ever before. We have been able to secure key infrastructure required to commence a vertically integrated manufacturing process within Australia of high-grade pharmaceutical cannabis products for sale into the domestic and global markets. This includes our:

- Manufacturing Facility in Southport, Queensland;
- our now increased capacity Cultivation Site in Northern NSW; and
- our Strain R&D and Secondary Manufacturing Site in South Eastern Queensland.

Globally we are in the process of entering the Canadian cannabis market with our cultivation project in Nova Scotia, Canada, as well as continuing to expand our hydroponics equipment business, Crystal Mountain, based in Vancouver, Canada which now has access to the UK and European markets.

Compared to our peers, we see THC Global as being in prime position to be a significant competitor within the global cannabis sector particularly as we have secured large-scale assets, experienced talent, and key commercial partnerships all with significant scalability, allowing us to structure our future business growth towards near term strong revenue generation.

Within Australia, we have commenced operations under our medicinal cannabis licences for R&D and cultivation at our Strain R&D and Secondary Manufacturing Site in South Eastern Queensland. This site is also awaiting a manufacturing licence to allow for smaller scale manufacturing to complement the existing R&D and cultivation programs at the site. We are also awaiting grant of another manufacturing licence for our large-scale GMP-ready Manufacturing Facility in Southport, Queensland.

Our Chief Executive Officer, Ken Charteris' most recent communication with the Office of Drug Control last week with respect to the extraordinary delays in granting of these two manufacturing licences has been highly positive. THC Global has been advised that both manufacturing licence applications are progressing, with one application currently before a delegate of the Health Ministry for review prior to granting, and the second soon to reach the same final review stage. Accordingly, we expect the granting of these two manufacturing licences in the near term. Receipt of these manufacturing licences will complete the THC Global's vertical integration strategy – allowing for true 'Farm to Pharma' cannabis production by THC Global within Australia.



This hasn't stopped us from conducting small scale pilot bio-floral extraction of non-cannabis material from our Manufacturing Facility, including a tea tree extraction process with one of our Australian partners. THC Global has received in principle advice from the Therapeutics Goods Administration (TGA) that subject to requisite licencing, both cannabis and non-cannabis products would be able to be produced from the Manufacturing Facility. This, combined with our recent pilot testing of other extractions has laid the groundwork for THC Global to explore blended cannabis products in the future – potentially unlocking a new generation of medicinal cannabis products.

THC Global has also commenced the development of global supply pathways including international government liaison as well as patient, pharmacy and prescriber education and engagement through securing partners within complementary sectors globally. Our first step in executing our Asian Market Strategy was our partnership with a bio-tech and agri-tech firm in Malaysia which has been progressing well to date.

Further, having been granted an export licence for medicinal cannabis, we are closer to being able to execute on export opportunities as our manufacturing facilities commence full-scale operations in the near term.

THC Global today is far stronger than it was 12 months ago. We now have a clear path towards leading the Australian cannabis market in terms of ability to produce significant quantities of high-grade pharmaceutical medicinal cannabis products for supply to Australian patients and the global export market. We have been able to develop a strong global presence, particularly in the execution of our Asian Market Strategy and continuing to expand our Canadian hydroponics equipment business, and our Canadian cannabis production start-up. These projects all contribute to a strong outlook towards near term significant revenue generation capability.

To all our 6,500 + shareholders, whether you are in attendance at this AGM today or not, thank you for your continued support of THC Global. Your Board and Management are highly confident in executing our strategic and operational vision, and we look forward to delivering to our fellow shareholders strong results and stronger increases in shareholder wealth in the year to come.

Thank you.

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**THC Global Group Limited (ASX: THC) [[thc.global](http://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.