



ASX RELEASE (17 OCTOBER 2019)

Two Facilities Receive S4 and S8 Narcotics Licences

Key Points:

- Granted Schedule 8 and Schedule 4 Licences at both Southport and 'Bundy' Facilities to enable manufacture and wholesale of S8 and S4 drugs – including medicinal cannabis
- THC Global now hold all licences required to enable supply of medicinal cannabis produced at the Company's Southport Manufacturing Facility to Australian patients
- On grant of Manufacture Permit, THC Global to commence cannabis extraction and processing
- Product validation to be completed by the end of December with supply to Australian patients to commence in early 2020
- S4 and S8 Licences are key prerequisite to grant of Manufacturing Permits to enable commencement of cannabis extraction and processing
- S4 and S8 Licences also enable THC Global to operate on-site analytical labs for product development at significantly reduced cost – supporting pharma GMP certification

THC Global Group Limited (THC Global or the Company) (ASX:THC) is pleased to provide an update on the Company's Australian Cannabis Manufacturing milestones in the lead up to the Company commencing commercial production of medicinal cannabis.

THC Global Granted Licences to Manufacture & Wholesale Controlled and Restricted Drugs

THC Global has now received the final licences required for Australian production and distribution of narcotic medicines, including medicinal cannabis independently for both the 'Bundy' Facility and the Southport Manufacturing Facility. This milestone was reached on the grant of Schedule 8 (**S8**) and Schedule 4 (**S4**) manufacturing licences by the Queensland Department of Health for the Company's manufacturing facilities.

The S8 and S4 Licences enable the Company to manufacture, and wholesale S8 and S4 substances, including medicinal cannabis. The Company has also received the requisite authorities enabling the holding of S8 and S4 substances by the Company at its approved manufacturing facilities. Receipt of these licences for both the Company's manufacturing facilities is a key requirement for THC Global to commence Australian supply and distribution of its Australian produced medicinal cannabis both as S4 pharmacy medicines and S8 controlled medicines.

THC Global's Southport Manufacturing Facility is a global export-scale pharmaceutical bio-extraction facility being finalised for the production and future export of medicinal cannabis. The receipt of these licences and approvals follows independent security assessment of the manufacturing facility, and is the final licensing step for the Company as it progresses towards pre-production of medicinal cannabis. THC Global expects to complete product validation by the end of December 2019, and to commence supply of Australian medicinal cannabis to Australian patients in early 2020 at a highly competitive price compared to current products available to patients.



Manufacture Permits

THC Global has manufacturing licences issued under the Australian *Narcotic Drugs Act 1967* for its Bundy Facility, which has a full Farm-to-Pharma research, cultivation, and manufacturing capability on site, and the Southport Manufacturing Facility, the Company's global export-scale facility. These production assets, as well as THC Global's other Australian medicinal cannabis production assets, provides exceptional future flexibility for an Australian medicinal cannabis company to address Australian patient demand as well as being a major global exporter of competitively priced pharmaceutical Good Manufacturing Practice (**GMP**) certified cannabis-derived medicines.

THC Global has focused strategically on first product bottling as the next significant milestone in implementing a scalable, high quality and cost-competitive business. With all requisite licences secured by THC Global for the holding, manufacture, and wholesaling of medicinal cannabis from the Company's manufacturing facilities, on the grant of the Manufacture Permit by the Australian Government, THC Global will be in position to complete product validation – expected to be completed by December 2019. Product validation is required in order to receive pharmaceutical GMP certification from the Australian Therapeutic Goods Administration. The receipt of the Manufacture Permit will also enable the Company to finalise the formulation of its cannabis oral solutions in preparation for commercial production.

The Company remains on track to be supplying Australian patients with Australian produced pharmaceutical GMP certified medicinal cannabis in early 2020 at prices significantly more accessible than what is currently available to Australian patients using imported products.

Analytical Lab Capability

Being granted S8 and S4 Licences as well as the associated authorities enabling holding of S8 and S4 substances by the Company also authorises the Company to utilise its on-site analytical lab equipment for medicinal cannabis and other S4 and S8 substances. Access to on-site lab equipment and the expertise to operate the lab reduces the cost of THC Global's product research and development activities, as well as further exemplifies THC Global's commitment to meeting or exceeding global quality and safety standards – including being pharmaceutical GMP certified. This represents another significant competitive advantage for the Company as it scales up commercial production through 2020 and enters the global pharmaceutical GMP medicines export market.

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THC Global operates under a 'Farm to Pharma' pharmaceutical model, now holding all three key cannabis licences being a Cannabis Research Licence, a Medicinal Cannabis Licence (Cultivation), and two Manufacture Licences through its domestic medicinal cannabis subsidiaries THC Pharma and Candeo. THC Global has secured a significant cannabis growing capacity over multiple cultivation projects. and owns a licenced GMP ready high-volume bio-pharma extraction facility with attached testing and product development laboratory.

THC Global is in prime position to commence medicinal cannabis production to service both domestic patients and the global export market. THC Global is active globally with operations in Australia, New Zealand, and Canada and partnerships across Europe, Asia, and the Middle East. In addition to its core Australian medicinal cannabis assets, THC Global has a significant Canadian presence – both in cannabis and in hydroponics equipment. THC Global's Canadian cannabis operation, Candeo Canada (formerly, Vertical Canna), holds property in Nova Scotia, Canada being developed into a large scale cannabis production site. THC Global's hydroponics equipment division, Crystal Mountain, is a revenue generating manufacturer, wholesaler, and retailer of hydroponics equipment and supplies for cannabis cultivation.