



High Ground Medica initiates process to secure LOI with Malta Enterprise as first step towards EU-GMP certification; announces growth financing

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[High Ground Medica Inc.](#)

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- Securing a Letter of intent is the first step to obtain a cannabis processing license in Malta.
- Upon securing the LOI, High Ground will sign a lease on an identified facility that will be developed to EU-GMP certified standards.
- The EU-GMP certified facility will serve as a distribution hub for High Ground's distribution partners in Germany, Malta, Poland and other European markets
- Malta, a pharmaceutical manufacturing and distribution hub, is strategically located to serve export markets throughout Europe.
- Launches financing at \$0.25/share to fund Malta hub build out

CALGARY, May 31, 2021 – High Ground Medica ("High Ground" or the "Company") today announced that the Company has initiated the process to secure a Letter of Intent ("LOI") with Malta Enterprises, the economic development agency of Malta.

The LOI is the first step of High Ground's application for a Cannabis Processing License (the "License") in Malta. Such License would allow the Company to process and package cannabis for medical use within Malta and to export cannabis for medical use to other European markets. Once successful, High Ground intends to process and package to EU-GMP certified standards dry flower and cannabis oil for wholesale distribution throughout the European market.

"I'm pleased to announce we have initiated this next step in our business plan which centers on cultivating high quality, potency consistent, stable cannabis using an aeroponic production process for wholesale distribution via our European distributors. High Ground can't stress enough its' thanks to the Maltese government for their progressive and supportive efforts towards cannabis as medicine and towards our efforts to establish an operation in Malta. Further, we look forward to monitoring the progress of the potential adult use legalization of cannabis in Malta and will position ourselves to be at the forefront of this opportunity should this evolve.

Our consultant partners at Cannanalytica and RSM have been very supportive and High Ground is confident in our success based upon the competence, professionalism and enthusiasm they have demonstrated to date. With their experienced guidance we believe High Ground will be able to achieve our goals to meet the burgeoning demand in Europe which is the next major growth market." said Jeff Callaway, CEO of High Ground Medica.

"It is with great pleasure that we announce that Cannanalytica will be working with High Ground Medica, in creating a European hub for the company in Malta.

In the coming weeks we will apply for an LOI with Malta enterprise which will be the starting point for the company in order to obtain an EU GMP license in Malta.

High Ground has excellent timing to enter the European market as medical cannabis demand is expanding quickly and prospect of adult use is nearing a reality both here in Malta and across Europe.

Furthermore, as founding member of European cannabis medical association (<https://eumca.org/>), we firmly believe in quality of product, which is something that Jeff and his team at High Ground can supply our continent with." Said Nicholas Spiteri, CEO of Cannanalytica.

While Covid certainly impacted High Ground’s construction schedule, development of the Oyen Cultivation facility remains on track with crews working steadily since April. All of the major materials are now on site with the exception of HVAC equipment which is the last equipment to arrive and be installed. Progress pictures will be posted on the www.high-ground.ca website.

“The development is designed to be expanded in phases within the current facility footprint allowing for rapid and cost efficient expansion. The priority is to get the facility licensed as quickly as possible given the demand we have received is well in excess of our phase 1 development.

At relatively little additional capital we can have the facility producing at a run rate exceeding 5 million grams/year by Q2, 2022 for the full phase 1. However, we will be in production this fall, (assuming Health Canada approvals are received in a timely basis), ramping up production volumes and focused on receiving our Sales License from 2 successful grow cycles.

Our cultivation costs are budgeted at \$0.50/gram and this is based on similar facility operations in the US with the same equipment. All-in costs are approximately \$2.50/gram while the European market for dry flower is between \$5-\$8/gram of dry flower. Capturing as much of the value chain without incurring the cost of building out an expensive distribution network, (when dozens of distributors are short medical grade quality supply), should lead to strong profitability.” noted Jeff Callaway.

High Ground is also announcing the launch of a non-brokered private placement at \$0.25/share. Investors should contact High Ground or their broker to express interest in participating. More information including a copy of the current presentation is located on the company website at www.high-ground.ca or by email at ceo@high-ground.ca.

About High Ground Medica

High Ground Medica is a private international medical cannabis focused company headquartered in Calgary, Alberta, Canada. High Ground’s priority is on producing medical grade cannabis for the premium value European medical market. Distribution will occur via wholesale cannabis distributors partners from our EU-GMP certified Maltese distribution hub. High Ground is in the process of earning its’ Health Canada cultivation and medical sales license at its’ 133,000 square foot facility located just outside Oyen, Alberta.

High Ground utilizes an aeroponic production process under GACP standards that results in high quality, consistent cannabis potency that meets EU-GMP requirements within the mandated 10% potency corridor as well as stability testing regulations.

About Cannanalytica

Cannanalytica is a Malta, London and Portugal based consultancy firm specialising in the Global medical cannabis industry.

We offer our regulatory, EU GMP certification and business development consultancy services to investors and Licensed Producers who are currently present or planning to enter into the medical cannabis space. Our Team of business executives, regulatory experts and QPs/QAs with vast experience in the pharma industry are perfectly placed to advise our clients on medical cannabis projects within Europe.

The principals of Cannanalytica also host the MedCann World Forum hosted in Malta and attended by the leaders of government and the global cannabis industry

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For information on Cannanalytica please visit www.cannanalytica.com

For information on the MedCann World Forum please visit: www.medcannworldforum.com

Forward-Looking Information

Certain statements made in this press release may constitute forward-looking information under applicable securities laws. These statements may relate to anticipated events or results and include, but are not limited to, our ability to obtain the License, our plans to produce products containing EU GMP quality cannabis oil and pursue regulated medical cannabis distribution opportunities in the European Union and other statements that are not historical facts.

Particularly, information regarding our expectations of future results, targets, performance achievements, prospects or opportunities is forward-looking information. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking statements are current as of the date they are made and are based on applicable estimates and assumptions made by us at the relevant time in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the

circumstances. However, we do not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada. There can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements. The Company cautions that the list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information.