

Prospectus Cover Letter

Dear Shareholder,

The Board was pleased with the response and support of shareholders to the Company's recent rights issue, and has subsequently received many requests from shareholders wishing to take up the shortfall from the rights issue. The Board has decided to give shareholders the opportunity to participate in the take up of the shortfall through the offer which is being made under the attached prospectus, which was lodged with ASIC today. The shortfall from the rights issue was \$2,036,744, and the Board are therefore offering shareholders (and other interested investors) the opportunity to participate in the offer under the prospectus of up to 407,348,886 Shares at an issue price of \$0.005 per Share, together with 1 free attaching Option for each 2 Shares subscribed for, exercisable at \$0.012 each on or before 31 January 2022, to raise up to approximately \$2,036,744 before expenses (Retail and Cleansing Offer).

Shareholders who wish to participate in the Retail and Cleansing Offer should send an email which contains your contact details to the Managing Director, Sholom Feldman, via email at sfeldman@canngloballimited.com.

The Company is also taking the opportunity, through the prospectus, to issue the replacement convertible securities to L1 Capital Global Opportunities Fund and Obsidian Global GP, LLC. which were approved by shareholders at the Company's recent General Meeting on 21 July 2020 (General Meeting). By issuing the replacement convertible notes under this prospectus, the Company will avoid the necessity of having to lodge a further prospectus each time a holder of the convertible notes seeks to convert them. To be clear, the convertible securities which are being issued under this prospectus are not part of any new financing deal. Rather, they are replacement notes for the notes that were previously issued by the Company as announced to the market at the time. The original notes will be cancelled following the issue of the replacement notes. Further details on this can be found in the prospectus, and the Company's notice of meeting announced on 22 June 2020.

On behalf of the Board, we thank you for your continued support of the Company, and we look forward to sharing in our success together.

Pnina Feldman

Executive Chairperson



ASX release

21 AUGUST 2020

About Cann Global

Cann Global Limited (ASX:CGB) is a driving force in the hemp and medical Cannabis industries. Our strength comes from our team's core competencies and expertise, and our solid and strategic partnerships with experts in Australia, USA, Israel, Asia, Africa and Canada. We are working under the relevant legislation to ensure that the future in Medical Cannabis and Natural Foods will allow medical practitioners, patients, and consumers to gain access to the right information, as well as the safest, most effective and sustainable products.

Authority and Contact Details

This announcement has been authorised for release by Sholom D. Feldman, Managing Director. For further information please contact Sholom Feldman, Managing Director, on +61 (0)2 8379 1832, or via email sfeldman@canngloballimited.com.



21 August 2020

PROSPECTUS

CANN GLOBAL LIMITED

FOR THE OFFER OF:

- A) 2,885,701 Obsidian Convertible Notes each with a face value of US \$0.612 (Obsidian Convertible Notes Offer);
- B) 680,000 L1 Convertible Notes each with a face value of \$1 (L1 Convertible Notes Offer);
- C) Up to 407,348,886 Shares at an issue price of \$0.005 per Share, together with 1 free attaching Option for each 2 Shares subscribed for, exercisable at \$0.012 each on or before 31 January 2022, to raise up to approximately \$2,036,744 before expenses (Retail and Cleansing Offer), (together, the Offers).

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

The Securities offered by this Prospectus should be considered as highly speculative.

TABLE OF CONTENTS

2.	INDICATIVE TIMETABLE	1
3.	IMPORTANT NOTES	2
4.	BACKGROUND TO THE OFFERS	4
5.	DETAILS OF THE OFFERS	6
6.	PURPOSE AND EFFECT OF THE OFFERS	11
7.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	16
8.	RISK FACTORS	23
9.	ADDITIONAL INFORMATION	35
10.	DIRECTORS' CONSENT.....	43
11.	DEFINITIONS	44

CORPORATE DIRECTORY

DIRECTORS	Ms Prina Feldman (Executive Chairperson) Mr Sholom Feldman (Managing Director) Mr David Austin (Non-Executive Director) Mr John Easterling (Non-Executive Director) Mr Jonathan Cohen (Non-Executive Director)
SECRETARY	Mr Alexander Neuling (Company Secretary)
REGISTERED OFFICE	Level 21 133 Castlereagh Street SYDNEY NSW 2000 Tel: +61 2 8379 1832 Fax: +61 2 9291 9099 Email: info@canngloballimited.com Website: https://www.canngloballimited.com/
AUDITORS*	Nexia Sydney Partnership Level 16, 1 Market Street Sydney NSW 2000
SOLICITORS	Murcia Pestell Hillard Suite 183 Level 6, 580 Hay Street Perth WA 6000 Australia Tel: +61 8 9221 0033 Fax: +61 8 9221 0133
SHARE REGISTRAR*	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace PERTH WA 6000 Tel: 1300 850 505 or +61 3 9415 4000 (from outside Australia)
ASX Code	CGB

*For information purposes only. This party has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. INDICATIVE TIMETABLE

Lodgement of Prospectus with the ASIC and ASX	21 August 2020
Opening Date of the Offers	21 August 2020
Closing Date of the Convertible Notes Offers*	4.00pm (EST) on 25 August 2020
Issue of the Convertible Notes	After 4.00pm (EST) on 25 August 2020
Issue of Shares and Options pursuant to the Proposed Issues	on or before 23 October 2020
Closing Date of the Retail and Cleansing Offer*	4:00pm (EST) on 23 October 2020

* The Directors reserve the right to extend or reduce the Closing Date or extend the issue date of any of the Offers at any time after the Opening Date without notice.

3. **IMPORTANT NOTES**

This Prospectus is dated 21 August 2020 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Securities will be issued on the basis of this Prospectus after the expiry date.

The Offers are only available to those who are personally invited to accept the Offers. Applications for Securities offered pursuant to this Prospectus can only be submitted on the original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk Factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 8. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information or representations not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offers. You should rely only on information in this Prospectus.

3.3 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8 of this Prospectus.

3.4 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.cannngloballimited.com/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please call the Company on +61 2 8379 1832 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <https://www.cannngloballimited.com/>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

4. BACKGROUND TO THE OFFERS

4.1 Background to the Convertible Notes Offers

As announced previously by the Company and as disclosed in the Notice of General Meeting:

- (a) On 5 November 2019, the Company announced it had issued 2,600,000 convertible notes, each with a face value of \$1.00 and an aggregate face value of \$2,600,000 (**Original Convertible Securities**) to L1 Capital Global Opportunities Fund (**L1**) to raise \$2,200,000 after costs. The Original Convertible Securities had an initial term of 120 days, and the maximum number of Shares which could be issued upon conversion or redemption of them was 200,000,000.
- (b) On 19 March 2020, the Company announced it had entered into agreements for the refinancing of the Original Convertible Securities through an assignment and variation arrangement (**Refinancing**) between the Company, L1 and Obsidian Global GP, LLC (**Obsidian**).
- (c) Relevantly under the terms of the Refinancing:
 - (i) Obsidian agreed to buy the Original Convertible Securities from L1;
 - (ii) on 20 March 2020 the Company issued to Obsidian, as consideration for entering into the Refinancing:
 - (A) an additional 375,556 Original Convertible Securities; and
 - (B) 25,000,000 Shares to be held by Obsidian as Collateral Shares, on the basis that the value of those Shares will be set off against the Company's obligations with respect to the Convertible Securities in accordance with the agreement between Obsidian and the Company;
 - (iii) the terms of the Original Convertible Securities were amended to:
 - (A) change the face value of the Original Convertible Securities to be denominated in US\$ (a commercial requirement of Obsidian), with the face value of the notes being amended to the equivalent US\$ amount based on the exchange rate applying as at the date of completion of the Refinancing; and
 - (B) requiring any redemption payments to be made in US\$ (a commercial requirement of Obsidian);
 - (iv) the maturity date of the Original Convertible Securities was extended to the date of the General Meeting so as to enable the Company to seek Shareholder approval for the issue of Obsidian Convertible Notes in place of the Original Convertible Securities which will:
 - (A) have an extended maturity date of 31 March 2021; and
 - (B) otherwise have those material terms which are set out in Section 7.2;
 - (v) L1 agreed to invest a further \$612,000 in return for 680,000 new convertible notes, which were issued jointly by the Company and its

wholly owned subsidiary MCRG on 20 March 2020 (**L1 Convertible Securities**). Each L1 Convertible Security has a face value of \$1, a maturity date of 20 November 2020 and otherwise those terms set out in schedule 2 of the Notice of Meeting; and

- (vi) the Company agreed to seek Shareholder approval so as to allow the Company to issue 680,000 longer-term convertible notes in place of the L1 Convertible Securities (**L1 Convertible Notes**).

Further details in respect of the Refinancing are set out in the Company's announcement of 19 March 2020 and the Notice of General Meeting.

The Company obtained Shareholder approval to issue the Obsidian Convertible Notes and the L1 Convertible Notes at the General Meeting on 21 July 2020. As Obsidian has since converted 89,855 Original Convertible Securities, the number of Obsidian Convertible Notes to be issued under the Obsidian Convertible Notes Offer is 2,885,701.

4.2 Issue of Shortfall Shares

The Company has recently conducted the Rights Issue. As announced by the Company on 28 July 2020, the Company intends to place the shortfall from the Rights Issue, comprising up to 407,348,886 Shares (**Shortfall Shares**) together with 1 free attaching Option for each 2 Shortfall Shares subscribed for, exercisable at \$0.012 each on or before 31 January 2022 (**Shortfall Options**) to investors on the same terms as the Shares and Options issued pursuant to the Rights Issue.

The Company intends to issue the Shortfall Shares (and associated Shortfall Options) on a progressive basis.

4.3 Funds available to the Company

Following the entry into the Refinancing and completion of the Rights Issue, the Board believes the Company will have sufficient working capital to adequately meet the Company's short-term creditor commitments as a result of the funds raised.

The Company is presently considering other fundraising initiatives to meet the medium-term working capital requirements of the Company. The Company is confident that it will be able to generate further funding as and when available. Additionally, the Company continuously explores commercial opportunities with a view to strengthening its existing businesses and/or divesting operations. Further, the Company continuously explores further product offerings and available market opportunities in line with its business strategies and objectives which may enable the Company to access additional funding.

4.4 Dilution

As set out in this Prospectus, the Company is intending to issue the Obsidian Convertible Notes and L1 Convertible Notes. In addition, the Company is intending to issue the Shortfall Shares and the Shortfall Options (together, the **Proposed Issues**) prior to the Closing Date of the Retail and Cleansing Offer.

The dilutionary impact in percentage terms on current Shareholders on completion of these issues and the issue of Shares pursuant to the Proposed Issues (assuming that that maximum number of Securities are issued under each of the issues noted above and no convertible securities are exercised or converted) is set out below.

Percentage of Shares held by different categories of Shareholders¹		
	Shares	Percentage
Current Shareholders ²	3,859,533,536	90.45%
Investors participating in Retail and Cleansing Offer ³	407,348,886	9.55%
Total	4,266,882,422	100.00%

Notes:

1. The above table does not consider current Shareholdings of parties who will be issued further Shares under the transactions contemplated under this Prospectus.
2. The above table assumes no Securities on issue as at the date of this Prospectus are converted.
3. The Company notes existing Shareholders may potentially participate in the Retail and Cleansing Offer.

The terms of the Obsidian Convertible Notes allow Obsidian to request redemption of up to \$400,000 in aggregate face value of Obsidian Convertible Notes in a calendar month. If Obsidian does so, the Company may elect for the redemption to be effected either in cash or through Shares. See Section 7.2(g) for further information. Section 7.2(h) contains a worked example demonstrating the potential dilutive impact of Obsidian redeeming the Obsidian Convertible Notes for Shares.

The terms of the L1 Convertible Notes allow L1 to convert the L1 Convertible Notes into Shares or MCRG Shares. See Section 7.3 for further information. Section 7.3(b) contains a worked example demonstrating the potential dilutive impact of L1 redeeming the L1 Convertible Notes for Shares.

5. DETAILS OF THE OFFERS

5.1 The Obsidian Convertible Notes Offer

The Obsidian Convertible Notes Offer is an offer of 2,885,701 Obsidian Convertible Notes each with a face value of US\$0.612.

The Obsidian Convertible Notes will be issued to Obsidian (or its nominee). An Obsidian Convertible Notes Application Form will only be provided by the Company to Obsidian (or its nominee).

The key terms and conditions of the Obsidian Convertible Notes are set out in Section 7.1(a). This information should be read in conjunction with other information contained in this Prospectus including the risk factors set out in Section 8.

As set out in Section 4.1, Shareholder approval for the issue of the Obsidian Convertible Notes was obtained at the General Meeting (on the basis that the issue of the Obsidian Convertible Notes would occur no later than 3 months after the date of the General Meeting). Further information in respect of the Obsidian Convertible Notes and the Refinancing is set out in the Notice of Meeting. The Obsidian Convertible Notes offered pursuant to the Obsidian Convertible Notes Offer will be issued on the terms and conditions set out in Section 7.1(a).

The Obsidian Convertible Notes will be issued to Obsidian (or its nominee) as soon as practicable after the Closing Date of the Obsidian Convertible Notes Offer.

5.2 The L1 Convertible Notes Offer

The L1 Convertible Notes Offer is an offer of 680,000 L1 Convertible Notes each with a face value of \$1.

The L1 Convertible Notes will be issued to L1 (or its nominee). An L1 Convertible Notes Application Form will only be provided by the Company to L1 (or its nominee).

The key terms and conditions of the L1 Convertible Notes are set out in Section 7.3. This information should be read in conjunction with other information contained in this Prospectus including the risk factors set out in Section 8.

As set out in Section 4.1, Shareholder approval for the issue of the L1 Convertible Notes was obtained at the General Meeting (on the basis that the issue of the L1 Convertible Notes would occur no later than 3 months after the date of the General Meeting). Further information in respect of the L1 Convertible Notes and the Refinancing is set out in the Notice of Meeting. The L1 Convertible Notes offered pursuant to the L1 Convertible Notes Offer will be issued on the terms and conditions set out in Section 7.3.

The L1 Convertible Notes will be issued to L1 (or its nominee) as soon as practicable after the Closing Date of the L1 Convertible Notes Offer.

5.3 The Retail and Cleansing Offer

The Retail and Cleansing Offer is an offer of up to 407,348,886 Shares at an issue price of \$0.005 per Share, together with 1 free attaching Option for each 2 Shares subscribed for, exercisable at \$0.012 each on or before 31 January 2022, to raise up to \$2,036,744 (before expenses).

The Retail and Cleansing Offer will only be extended to specific parties on invitation from the Directors. Retail and Cleansing Offer Application Forms will only be provided by the Company to these parties. Shares and Options will be issued on a progressive basis.

The Company strongly encourages any person who wishes to participate in the Retail and Cleansing Offer to contact the Company as soon as possible.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 7.1.

A summary of the material rights attaching to the Options issued under the Retail and Cleansing Offer is set out in Section 7.4.

5.4 Purpose of the Offers

Purpose of the Convertible Notes Offers

The Convertible Notes Offers are being made such that the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Convertible Notes under the Convertible Notes Offers are issued with disclosure under this Prospectus then the Shares issued upon the exercise of

any of the Convertible Notes can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

Purpose of the Retail and Cleansing Offer

The primary purpose of the Retail and Cleansing Offer is to allow the Company to complete the raising of funds as intended under the Rights Issue through the issue of the Shortfall Shares and Shortfall Options to retail investors.

The Retail and Cleansing Offer is also being made to remove any trading restrictions that may attach to the Shares (including the Shortfall Shares) to be issued under the Proposed Issues.

In addition, the Retail and Cleansing Offer is being made to remove any on-sale restrictions that may affect the issue of Securities pursuant to the Proposed Issues which are intended to be issued prior to the Closing Date of the Retail and Cleansing Offer .

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

5.5 Opening and Closing Date of the Offers

The Opening Date of the Offers will be 21 August 2020, the Closing Date for the Convertible Notes Offers will be 4:00pm (EST) on 25 August 2020 and the Closing Date for the Retail and Cleansing Offer will be 4:00pm (EST) on 23 October 2020.

The Directors reserve the right to close the Offers early or extend the Closing Date (as the case may be), should it be considered necessary to do so.

5.6 Minimum Subscription

There is no minimum subscription to the Offers.

The Company reserves the right to withdraw the Offers at any time, in which case the Company will refund application monies in accordance with the Corporations Act and will do so without interest.

5.7 Not underwritten

The Offers are not underwritten.

5.8 Lead Manager

There is no lead manager for the Offers under this Prospectus.

5.9 Applications for Securities

Securities	Application Process
Obsidian Convertible Notes	Applications for the Obsidian Convertible Notes must be made by Obsidian (or its nominee) and must be made using the relevant Obsidian Convertible Notes Application Form accompanying this Prospectus.
L1 Convertible Notes	Applications for the L1 Convertible Notes must be made by L1 (or its nominee) and must be made using the relevant L1 Convertible Notes Application Form accompanying this Prospectus.
Shortfall Shares and Shortfall Options	Applications for Shortfall Shares (and associated Shortfall Options) must be made by investors at the direction of the Company and must be made using the Retail and Cleansing Offer Application Form accompanying this Prospectus. Payment for the Shortfall Shares subscribed for under the Retail and Cleansing Offer must be made in full at the issue price of \$0.005 per Share.

By completing the relevant Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the relevant Application Form together with a complete and unaltered copy of the Prospectus.

5.10 ASX Listing

The Company will not apply for Official Quotation of the Obsidian Convertible Notes offered under this Prospectus as the Obsidian Convertible Notes will not be quoted.

The Company will not apply for Official Quotation of the L1 Convertible Notes offered under this Prospectus as the L1 Convertible Notes will not be quoted.

The Company will apply for Official Quotation of the Shares offered under this Prospectus within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered under this Prospectus pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any such Shares under this Prospectus and will repay all application monies for the Shares offered under this Prospectus within the time prescribed under the Corporations Act, without interest. The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company reserves the right to apply for Official Quotation of the Shortfall Options (but is under no obligation to do so). Where ASX does not grant Official Quotation of the Shortfall Options (should the Company make such an application for their Official Quotation), then the Shortfall Options will be issued on an unlisted basis.

5.11 Issue of Securities under the Offer

Issue of the Convertible Notes under the Convertible Notes Offers

The issue of the Convertible Notes offered under the Convertible Notes Offers will take place as soon as practicable after the Closing Date of the Convertible Notes Offers.

The Directors will determine the recipients of the Convertible Notes. The Directors reserve the right to reject any application. The Company's decision on whether to allocate the Convertible Notes to an applicant will be final.

Holding statements for the Obsidian Convertible Notes issued under this Prospectus will be mailed to Obsidian (or its nominee).

Holding statements for the L1 Convertible Notes issued under this Prospectus will be mailed to L1 (or its nominee).

Issue of Shares under the Retail and Cleansing Offer

The issue of Shares (and associated Options) under the Retail and Cleansing Offer will occur on a progressive basis. Pending the issue of the Shares and Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares and Options are issued, and each applicant waives the right to claim any interest.

The Directors will determine the recipients of the Shares (and associated Options). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares and Options than the number applied for. Where the number of Shares and Options issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded (without interest) to the applicant as soon as practicable after the issue of the Shares and Options to the applicant or the Closing Date of the Retail and Cleansing Offer, whichever is earlier.

The Company's decision on the number of Shares (and associated Options) to be allocated to an applicant will be final.

Holding statements for Shares and Options issued under this Prospectus will be mailed to the investors under the Retail and Cleansing Offer.

5.12 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit an offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other

consents are required or whether any other formalities need to be considered and followed. If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

5.13 Enquiries

Any questions concerning the Offers should be directed to the Company Secretary by telephone on +61 2 8379 1832.

6. PURPOSE AND EFFECT OF THE OFFERS

6.1 Effect of the Offers

As set out in Sections 5.2 and 5.4, the primary purpose of this Prospectus is to:

- (a) allow the Company to complete the raising of funds as intended under the Rights Issue through the issue of the Shortfall Shares to retail investors; and
- (b) remove any trading restrictions that may attach to the Shortfall Shares prior to the Closing Date and to remove any trading restrictions attaching to Shares issued on conversion of any Convertible Notes or Shortfall Options.

6.2 Principal effect of the Offers

The principal effect of the Offers (assuming that the maximum number of Securities are issued under the Proposed Issues and no other Securities are issued or exercised or converted) will be to:

- (a) increase the Company's cash funds by approximately \$2,036,744, less expenses of the Offers which are estimated to be approximately \$23,706;
- (b) increase the number of Shares on issue from 3,859,533,536 Shares as at the date of this Prospectus to 4,266,882,422 Shares following completion of the Offers and the issue of Shares pursuant to the Proposed Issues;
- (c) remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Retail and Cleansing Offer (including prior to the date of this Prospectus); and
- (d) remove any trading restrictions attaching to Shares issued on exercise of the Convertible Notes issued under this Prospectus.

6.3 Effect on the capital structure

The effect of the Offers and the issue of Shares pursuant to the Proposed Issues on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue	3,859,533,536
Issue of Shortfall Shares (maximum number)	407,348,886

	Number
Total Shares on issue after completion of the Offers	4,266,882,422

Options

	Number
Options currently on issue	
CGBAJ (exercisable at \$0.025 on or before 24 March 2023)	25,000,000
CGBAI (exercisable at \$0.05 on or before 19 July 2022)	31,140,000
CGBAO (exercisable at \$0.012 on or before 31 January 2022)	220,074,797
Options offered pursuant to the Offers	203,674,443
Total Options on issue after completion of the Offers	479,889,240

Convertible Securities

	Number
Convertible Securities on issue at date of Prospectus	3,636,701
Convertible Securities offered pursuant to the Offers ¹	3,565,701
Convertible Securities cancelled in accordance with Offers ²	3,565,701
Convertible Securities on issue after completion of the Offers	3,636,701

Notes:

1. Comprises the Obsidian Convertible Notes Offer and the L1 Convertible Notes Offer.
2. The Obsidian Convertible Notes are being issued as replacement notes in place of the Original Convertible securities. The L1 Convertible Notes are being issued as replacement notes in place of the L1 Convertible securities.

Performance Shares

	Number
Performance Shares currently on issue ¹	50,000,000 ¹
Performance Shares offered pursuant to the Offers	-
Total Performance Shares on issue after completion of the Offers	50,000,000

Notes:

1. Converting into fully paid ordinary Shares upon the achievement of the Australian Government granting a permit to MCL to grow cannabis varieties for medical cannabis research for the purposes of product development between the date of issue of the Performance Shares and 5 years after that date. These Performance Shares were issued on 28 September 2017 as part of the consideration payable for CGB's acquisition of its 55% interest in MCL and approved by Shareholders on 17 September 2017. These Performance Shares are subject to a 12-month escrow period.

6.4 Substantial Shareholders

Based on publicly available information and information known to the Company as at the date of this Prospectus, those persons which (together with their

associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
LBT Corporation Pty Ltd	649,254,394	16.82%
Sholom Feldman ¹	236,718,750	6.13%
Pnina Feldman ¹	236,718,750	6.13%

Notes:

1. Relates to shares held by Volcan Corporation Australia Pty Ltd, an entity controlled by Pnina and Sholom Feldman.

6.5 Financial effect of the Offers and Use of Funds

As noted in Section 6.2(a), the principal effect of the Retail and Cleansing Offer (assuming full subscription) will be to increase the Company's cash reserves by approximately \$2,036,744 (less expenses). The Company intends to use the funds raised from the Retail and Cleansing Offer in accordance with the use of funds table set out in section 1.2 of the Rights Issue Prospectus.

The expenses of the Offers are approximately \$23,706. These expenses are payable by the Company.

The funds raised from the Retail and Cleansing Offer (assuming all of the Shortfall Shares and Shortfall Options are issued) will be applied towards the following:

Use of Funds	Full Subscription (\$)
Cost of the Offers	\$23,706
MS and other medical cannabis research and associated clinical trials	\$825,000
Inventory purchases and marketing food division	\$365,000
Inventory purchase and marketing relating to the Pharmocann JV	\$250,000
Inventory purchase and marketing relating to the Canntab JV	\$250,000
Other project development	\$125,000
Bauxite project development	\$100,000
General working capital and administrative costs	\$98,038
Total	\$2,036,744

The above-proposed use of funds is a statement of present intention as at the date of this Prospectus and is subject to ongoing review and evaluation by the Company.

6.6 Pro-forma balance sheet

The audited balance sheet as at 31 December 2019 and the unaudited pro-forma balance sheet as at 31 December 2019 as shown below have been prepared on

the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

PROFORMA BALANCE SHEET

	Audit Reviewed	Proforma
	31-Dec-19	31-Dec-19
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,573,921	10,701,808
Trade and other receivables	1,248,254	1,248,254
Prepayments	18,760	18,760
Inventory	704,877	704,877
Total Current Assets	8,545,812	12,673,699
NON-CURRENT ASSETS		
Exploration and evaluation	2,243,102	2,243,102
Property, plant and equipment	499,892	499,892
Intangible asset	4,503,456	4,503,456
Equity accounted investee	-	-
Investment in Cann Global South Africa	200,000	200,000
TOTAL NON-CURRENT ASSETS	7,446,450	7,446,450
TOTAL ASSETS	15,992,262	20,120,149
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	872,583	872,583
Other financial liabilities	3,815,995	3,815,995
Current tax liability	292,666	292,666
TOTAL CURRENT LIABILITIES	4,981,244	4,981,244
TOTAL LIABILITIES	4,981,244	4,981,244

NET ASSETS	11,011,018	15,138,905
EQUITY		
Issued capital	82,909,026	87,036,913
Share based payment reserve	5,965,277	5,965,277
Accumulated losses	(35,295,213)	(35,295,213)
Acquisition of non-controlling interests reserve	(42,498,259)	(42,498,259)
TOTAL	11,080,831	15,208,718
Non-controlling interest	(69,813)	(69,813)
TOTAL EQUITY	11,011,018	15,138,905

Notes:

The pro-forma balance sheet has been prepared assuming no additional Shares are issued, no Options are exercised, no Performance Shares vest and no convertible Securities are exercised or converted prior to the Closing Date and including the expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted above. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all the disclosures required by Australian Accounting Standards applicable to annual financial statements.

7. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

7.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has:

- one vote for every fully paid Share held by him or her; and
- a fraction of one vote for each partly paid up Share held by him or her.

A poll may be demanded by the chairman of the meeting, by at least five Shareholders entitled to vote on the particular resolution present in person, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares held by all Shareholders who have the right to vote on the resolution.

(b) Dividends

The Directors may determine that dividends are payable on Shares. Shareholders will be entitled to dividends as a result of ownership of their Shares in accordance with the Constitution.

(c) Further issue of securities

Subject to the Corporations Act and the Listing Rules, the Directors may allot, grant options over, or otherwise dispose of shares in the Company at the times and on the terms the Directors think fit but the Company shall not issue any share with a voting right more advantageous than that available to any share previously issued by the Company. A share may be issued with a preferential or special right.

(d) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating dealings in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is

contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(e) **Meetings and notice**

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(f) **Liquidation rights**

A liquidator may, with the authority of a special resolution of Shareholders:

- distribute among the Shareholders the whole or any part of the remaining property of the Company; and
- decide how to distribute the property as between the Shareholders or different classes of Shareholders.

The liquidator may vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder can be compelled to accept any Shares or other securities in respect of which there is any liability.

(g) **Alteration and reduction of capital**

The Company may, by resolution, alter its capital in any manner permitted by law and, subject to the Corporations Act, the Company may by special resolution reduce its capital.

(h) **Indemnities**

Subject to the Corporations Act, the Company must indemnify each past and present officer against liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(i) **Shareholder liability**

As the Shares will be fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution, must be given.

(k) **Listing Rules**

Despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Similarly, nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a

provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

7.2 Terms and Conditions of the Obsidian Convertible Notes

A summary of the material terms and conditions of the Obsidian Convertible Notes is set out below.

- (a) The Obsidian Convertible Notes have a face value of US\$0.612 per Obsidian Convertible Note.
- (b) The Company may at any time on 10 Business Days' notice to Obsidian redeem some or all of the Obsidian Convertible Notes at a 5% premium to face value. If the Company gives an early redemption notice to Obsidian, Obsidian may within 5 Business Days convert up to 100% of the Obsidian Convertible Notes the subject of the Company's notice (at the fixed conversion price).
- (c) Subject to certain restrictions, the Obsidian Convertible Notes may be converted into Shares by Obsidian at any period prior to maturity at a fixed price of \$0.04 per Share. However, if the Company makes a placement at a lower price, Obsidian has the ability to convert Obsidian Convertible Notes at that lower price, for up to the amount of the placement.
- (d) All Obsidian Convertible Notes will be held in US\$ at the same value as the Original Convertible Securities being replaced. Any payments for redemption of Obsidian Convertible Notes will be made in US\$.
- (e) The Obsidian Convertible Notes do not have a purchase price, as they are being issued in replacement of existing Original Convertible Securities (on a one-for-one basis). The existing Original Convertible Securities that are being replaced were issued at a purchase price of \$0.90 per Original Convertible Security.
- (f) No fees are payable by the Company to Obsidian in respect of the issue of the Obsidian Convertible Notes.
- (g) Obsidian may request redemption of up to \$400,000 in aggregate face value of Obsidian Convertible Notes in a calendar month. If Obsidian does so, the Company may elect for the redemption to be effected either:
 - (i) in cash, by paying Obsidian 105% of the aggregate face value of the Obsidian Convertible Notes to be redeemed (**Redemption Amount**); or
 - (ii) in Shares, by dividing the Redemption Amount by 90% of the 5-day VWAP of the Shares for the 5 trading days prior to Obsidian's redemption notice.
- (h) Set out below is a worked example of the number of Shares that may be issued based on an assumed market price of \$0.004, \$0.008 and \$0.016 and assuming that Obsidian redeems all of the Obsidian Convertible Notes.

Notes outstanding	Face Value (US\$) per note	Redemption Amount (US\$)	Redemption Amount (A\$) *
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2,885,701	US\$0.612	US\$1,766,049	\$2,452,846
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*estimated at current rate of 0.72 – actual rate will vary

Assumed market price	Assumed redemption price	Number of Shares issued	Dilution effect on existing Shareholders
\$ 0.0025 (50% of current price)	\$ 0.00225	1,090,153,778	22.02%
\$ 0.0050 (current price)	\$ 0.0045	545,076,889	12.38%
\$ 0.01 (200% of current price)	\$ 0.009	272,538,444	6.6%

Assuming no convertible Securities are exercised or other Shares issued and the maximum number of Shares as set out in the worked example above are issued, at the current market price, the number of Shares on issue would increase from 3,859,533,536 (being the number of Shares on issue as at the date of this Prospectus) to 4,404,610,425 and the shareholding of non-participating existing Shareholders would be diluted by 12.38%.

The Company notes that as there is no limitation upon the maximum number of Shares that may be issued to Obsidian, the issue of the Shares upon redemption of Obsidian Convertible Notes could be highly dilutive to existing Shareholders if the market price of Shares falls substantially prior to the issue of the Shares.

Accordingly, the Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage also differing.

- (i) The interest rate for the Obsidian Convertible Notes is 0% per annum, unless the Company commits an event of default under the terms of the Obsidian Convertible Notes, in which case the interest rate is 10% per annum.
- (j) Each Obsidian Convertible Note will mature on 31 March 2021.
- (k) Shares issued on conversion of the Obsidian Convertible Notes will rank equally with existing Shares at the time.

7.3 Terms and conditions of the L1 Convertible Notes

A summary of the material terms and conditions of the L1 Convertible Notes is set out below.

- (a) The L1 Convertible Notes will have a face value of \$1.00 per L1 Convertible Note.

- (b) The L1 Convertible Notes will be issued jointly by the Company and MCRG.
- (c) Each L1 Convertible Note will mature on 20 March 2021 (**Maturity Date**).
- (d) In the event that MCRG becomes separately listed prior to the Maturity Date, the L1 Convertible Notes may be converted into MCRG Shares.
- (e) L1 may elect by written notice to the Company to convert the L1 Convertible Notes into Shares or MCRG Shares as follows:
- (i) if L1 elects to convert L1 Convertible Notes into Shares, the conversion will be at 85% of the 5-day VWAP of the Shares for the 5 Trading Days prior to the date of L1 giving the conversion notice;
 - (ii) if L1 elects to convert L1 Convertible Notes into MCRG Shares, the conversion will be at 80% of the initial public offering price for MCRG Shares.
- (f) Set out below is a worked example of the number of Shares that may be issued based on an assumed market price of \$0.004, \$0.008 and \$0.016 and assuming that L1 redeems all of the L1 Convertible Notes.

Assumed market price	Assumed redemption price	Number of Shares issued	Dilution effect on existing Shareholders
\$ 0.0025 (50% of current price)	\$ 0.002125	320,000,000	7.66%
\$ 0.0050 (current price)	\$ 0.00425	160,000,000	3.98%
\$ 0.01 (200% of current price)	\$ 0.012	56,666,667	1.45%

Assuming no convertible securities are exercised or other Shares issued and the maximum number of Shares as set out in the worked example above are issued, At current prices, the number of Shares on issue would increase from 3,859,533,536 (being the number of Shares on issue as at the date of this Prospectus) to 4,019,533,536 and the shareholding of existing Shareholders would be diluted by 3.98%.

The Company notes that as there is no limitation upon the maximum number of Shares that may be issued to L1, the issue of the Shares upon redemption of L1 Convertible Notes could be highly dilutive to existing Shareholders if the market price of Shares falls substantially prior to the issue of the Shares.

Accordingly, the Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage also differing.

- (a) L1 is not able to give a conversion notice to the Company in respect of the conversion of L1 Convertible Notes into Shares prior to 20 November 2020. However this restriction ceases to apply if there is an event of default under the terms of the L1 Convertible Notes.

- (b) The L1 Convertible Notes do not have a purchase price, as they are being issued in replacement of existing L1 Convertible Securities (on a one-for-one basis). The existing L1 Convertible Securities that are being replaced were issued at a purchase price of \$0.90 per L1 Convertible Security.
- (c) No fees will be payable by the Company to L1 in respect of the issue of the L1 Convertible Notes.
- (d) The interest rate for the L1 Convertible Notes will be 0% per annum, unless the Company commits an event of default under the terms of the L1 Convertible Notes, in which case the interest rate will be 10% per annum.
- (e) Shares issued on conversion of the L1 Convertible Notes will rank equally with existing Shares at the time.

7.4 Terms and conditions of Shortfall Options

The following is a summary of the terms and conditions of the Shortfall Options intended to be granted under this Prospectus:

(a) Entitlement

The Shortfall Options entitle the holder to subscribe for one Share upon exercise of each Shortfall Option.

(b) Exercise Price and Expiry Date

The Shortfall Options have an exercise price of \$0.012 (**Exercise Price**) and an expiry date of 5.00pm (EST) on 31 January 2022 (**Expiry Date**).

(c) Exercise Period

The Shortfall Options are exercisable at any time on or prior to the Expiry Date. If a Shortfall Option is not exercised before the Expiry Date it will automatically lapse (and thereafter be incapable of exercise).

(d) Notice of Exercise

The Shortfall Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Shortfall Option being exercised.

(e) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt by the Company as cleared funds of the payment of the Exercise Price for each Shortfall Option being exercised in cleared funds (**Exercise Date**).

(f) Shares issued on exercise

Shares issued on exercise of the Shortfall Options rank equally with the then issued shares of the Company.

(g) Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Shortfall Options.

(h) Timing of issue of Shares

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Shortfall Options;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Shortfall Options.

(i) Participation in new issues

There are no participation rights or entitlements inherent in the Shortfall Options and Shortfall Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Shortfall Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least five Business Days after the issue is announced. This will give Shortfall Option holders the opportunity to exercise their Shortfall Options prior to the date for determining entitlements to participate in any such issue.

(j) Adjustment for bonus issue of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Shortfall Option will be increased by the number of Shares which the Shortfall Option holder would have received if they had exercised the Shortfall Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of a Shortfall Option.

(l) Adjustment for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Shortfall Options may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) Quotation of Shortfall Options

The Company reserves the right to apply for quotation of the Shortfall Options on ASX (but is under no obligation to do so).

(n) Options transferable

If the Shortfall Options are not listed Options, then they are transferable provided that the transfer of the Shortfall Options complies with section 707(3) of the Corporations Act. Should the Shortfall Options become listed Options in accordance with paragraph (m) above then the Shortfall Options will be transferable in accordance with relevant market rules.

8. RISK FACTORS

8.1 Introduction

This Section 8 identifies the areas the Directors regard as the main risks associated with an investment in the Company. There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the main risk factors which the Directors consider potential investors need to be aware of.

8.2 Risks relating to the Change in Nature and Scale of Activities

(a) Future Capital Requirements

The Company is likely to require additional funding in the future (whether by way of debt or equity or a combination of both). The ability of the Company to meet this future requirement will be dependent on the Company's continued access to credit markets, funding sources and financing facilities. Access to credit markets on less than favourable terms may impact the Company's access to financing facilities should the need arise and may have a material adverse effect on the Company's future financial performance and position.

Furthermore, any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if, and when, needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities and its solvency.

(b) Uncertainty of Future Profitability

The Company has incurred losses in the past and it is therefore not possible to evaluate the Company's future prospects based on past performance. The Company expects that it may continue to make losses in the immediate future. Factors that will determine the Company's future profitability are its ability to manage its costs and its development and growth strategies, the success of its activities in a competitive market, the actions of competitors and regulatory developments. As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such future profitability (or loss) cannot be predicted and may vary significantly from period to period.

(c) Integration Risk

The Company has recently begun to integrate two independent businesses together to be members of the Company Group as well as the strategic alliances, a process will be implemented to align, expand and improve the financial reporting system for the Company Group. While this process takes place, historical deficiencies may be discovered which may have a material impact on the financial position of the Company.

8.3 Specific Risks to Medcan and MCL businesses

(a) Obtaining and retaining licences, permits and approvals

The Company's business model is reliant on obtaining any necessary additional licences, permits and approvals as outlined in the legal opinion on MCL's business operations as set out in the Replacement Prospectus and retaining (and in the future applying for renewal of) the necessary licences, permits and approvals issued by the ODC and other regulatory bodies to conduct its cannabis business operations (see the Replacement Prospectus).

The Company Group may apply for any additional licences, permits and approvals as may be required, and undertake the necessary requirements for approval, however, there is no assurance that any such licences, permits or approvals will be granted to the Company Group, or on terms anticipated by the Company Group. A failure to obtain any such licences, permits or approvals may result in the Company Group being unable to continue to establish and/or further its cannabis related business operations.

The Company Group will also endeavour to comply with any approvals or conditions attaching to the relevant licences, permits and approvals, and undertake continued maintenance of such licences and permits. However, there is no guarantee that any licences, permits or approvals granted by the ODC or other regulatory bodies will not be revoked during their term, or that they will be renewed for a further period of time or renewed on terms anticipated by the Company Group. Should any of these circumstances eventuate, it is likely to have a material adverse effect on the Company's proposed activities and operations, as well as its financial performance and prospects.

(b) Reliance on Medcan Licence

The Company relies on Medcan to comply with the relevant law and regulations to maintain their licences to manage the implementation of the CGB business plan. Failure of Medcan to maintain these licences will mean that the Company will need to seek alternate arrangements to be able to import, export and manufacture the intended cannabis products. For further information please see the Legal Opinion as set out in the Replacement Prospectus.

(c) Competition

The pharmaceutical and nutraceutical industries are highly competitive and subject to rapid change. The industries continue to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than the Company. Some of these competitors and potential competitors have similar or more experience than the Company in the development of pharmaceutical products, including validation procedures and regulatory matters. In addition, the Company's products may compete with product offerings from large and well-established companies that have greater marketing and sales experience and capabilities than the Company or its future

collaboration partners may have. If the Company is unable to compete successfully with these competitors, it risks being unable to generate, grow and sustain its revenue.

(d) Risk of generating public controversy

Some of the Company's products contain controlled substances and their regulatory approval may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for the Company's products. These pressures could also limit or restrict the introduction and marketing of the Company's products. Adverse publicity from cannabis misuse or adverse side effects from cannabis or other cannabinoid products may adversely affect the commercial success or market penetration achievable by the Company's products and the operations of the Company. The nature of the Company's business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, our reputation may be harmed.

(e) Legal and regulatory changes

Achievement of the Company's business objectives is also contingent, in part, upon compliance with other regulatory requirements enacted by governmental authorities and obtaining required regulatory approvals all over the world. The regulatory regimes applicable to the cannabis business in Canada, Australia, Colombia, Brazil, and the European Union are currently undergoing significant changes and the Company cannot predict the impact of the changes on its operations once the regulatory regimes are finalized.

Any delays in obtaining, or failing to obtain, required regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's operations.

In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

(f) Controlled substance legislation may restrict or limit ability to develop and commercialise the Products

Most countries are parties to the *Single Convention on Narcotic Drugs 1961*, which governs international trade and domestic control of narcotic substances, including cannabis extracts. Countries may interpret and implement their treaty obligations in a way that creates a legal obstacle to our obtaining marketing approval for the Products in those countries. These countries may not be willing or able to amend or otherwise modify their laws and regulations to permit part or all of the Company's products to be marketed. Alternatively, achieving such amendments to the laws and regulations may take a prolonged period of time.

(g) Agricultural Factors

The business of MCL and Medcan are reliant on agricultural products. As such, the business of MCL is subject to the risks inherent in the agricultural industry. These

risks include insects, plant diseases, storm, fire, frost, flood, water availability, water salinity, pests, bird damage and force majeure events.

While the indoor production facility proposed by Medcan will seek to limit outside influences, there can be no assurance that natural elements will not have a material adverse effect on Medcan's growing operations and, consequently, result in delays to or adversely effect production. There are a number of risks which may still be associated with the construction and use of indoor areas to grow and cultivate cannabis, including the sourcing of suitable cannabis varieties either domestically or overseas, plant diseases, underestimating the costs and time for cultivation, underestimating the lighting and heating requirements and cost of installation, human error in the execution of engineering and construction, equipment failure, supplier delays and underestimating breakages and consumables. Each of these risks may be mitigated to some degree by proper management and external professional advice, however they may still impact grow time, the number of harvests or the oil yield generated from each harvest.

Any adverse outcomes in respect of these matters will or may adversely affect the Company's activities and operations, financial performance and prospects.

(h) Production risk

The ability of the Company to cultivate and produce products is dependent on a number of key inputs and their related costs. These key inputs include raw materials, electricity, water, other utilities and skilled labour. Any significant interruption or negative change in the availability or cost of these inputs could materially impact the production of the business and subsequently, the operating results of the Company Group.

In particular, given the nature of the raw materials used by MCL and Medcan, supply may be limited to a single or limited number of suppliers, with access to these raw materials more competitive than conventional ingredients. As a result, there is an enhanced risk of difficulties in securing the required supplies, or to do so on the appropriate terms.

(i) Product approval risk

There is a risk that the products produced and supplied by the Company Group are not approved for supply. This risk is particularly relevant for the Company Group and Medcan, as it intends to operate in the highly regulated medicinal cannabis industry.

Medicinal cannabis products are regulated as medicines in Australia. Generally, medicines imported, supplied in, and exported from Australia must be entered in the Australian Register of Therapeutic Goods. However, there are mechanisms such as the Special Access Scheme and Authorised Prescriber Schemes which provide alternative pathways while evidence to support registration through clinical trials is obtained.

The Company and Medcan intends to provide access to its products under the Authorised Prescriber Schemes. The Company cannot guarantee that any or all its medicinal cannabis products will be approved for supply to patients through Authorised Prescriber Schemes (or an alternative pathway). Additionally, there is no guarantee that medical practitioners will be authorised under the Authorised Prescriber Scheme, or that they will elect to prescribe the Company's products.

(j) Risk of adverse events, product liability or other safety issues

As with all medical or nutraceutical products, there is a risk that the products sold by the Company Group cause serious or unexpected side effects, including risk or injury to consumers. Should any of the Company Group's products be associated with safety risks such as misuse or abuse, inadvertent mislabelling, tampering by unauthorised third parties or product contamination or spoilage, a number of materially adverse outcomes could occur, including:

- (a) regulatory authorities may revoke any approvals that have been granted, impose more onerous facility standards or product labelling requirements or force the Company to conduct a product recall;
- (b) the Company could be subject to regulatory action or be sued and held liable for any harm caused to customers; or
- (c) the Company Group's brand and reputation could be damaged.

Additionally, material risks to the health and safety of customers may force the Company to voluntarily suspend or terminate sales and/or operations. The Company will endeavour to secure appropriate insurance coverage to mitigate these risks to the greatest extent possible. Additionally, the Company Group intends to maintain rigorous standards in respect of product safety. However, there is still the potential for the products to contain defects, which may result in systems failures. These defects or problems could result in the loss or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, and damage to the Company's reputation or increased insurance costs.

The Company cannot guarantee that all such risks will be adequately managed through imposing standard or its insurance policies and may have an adverse impact on the Company's financial performance and prospects.

(k) Competition Risk

The industry in which the Company Group is involved is subject to domestic and international competition. While the Company Group will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

There are many new entrants and players in the hemp and medicinal cannabis sector, including other growers and multi-national pharmaceutical companies. Some of these parties may have greater financial, technological, managerial and research and development resources and experience than the Company, which may lead to reduced margins and loss of revenue or loss of market share. Further, revenues in the future may be reduced as the industry consolidates and seeks revenue accretion at the expense of profit margin. If the Company is unable to compete successfully, it may be unable to generate, grow and sustain its revenues and earnings.

(l) Strategic Relationship Risk

The medicinal cannabis and hemp food industry are undergoing rapid growth and change, which has resulted in increasing consolidation and formation of strategic relationships. It is expected that this consolidation and strategic partnering will continue as the industries continue to grow. Acquisitions or other consolidating transactions could harm the Company Group in a number of ways. The Company Group may lose strategic relationships if third parties with whom the

Company Group has arrangements such as Medcan and Bio Health are acquired by or enter into relationships with a competitor (which could cause the company to lose access to necessary resources). The Company Group's current competitors could become stronger, or new competitors could form from consolidations. This could cause the Company Group to lose access to markets or expend greater resources in order to stay competitive.

Separately, the relationship between the Company Group and third parties may deteriorate organically, which may have an adverse impact on the Company's business.

(m) Key Supplier Risk

MCL and Medcan have arrangements with a number of key suppliers. To the extent that the Company Group cannot secure and retain key suppliers, its respective abilities to maintain consistent production levels may be compromised, which in turn may have a material adverse impact on the financial performance and position of the Company Group.

(n) Reputational Risk

There is a risk that incidents beyond the control of the Company Group could occur which would have the effect of reducing patient, medical/scientific or regulatory confidence, or preferences for cannabis or medicinal cannabis products generally. This reputational risk could result from incidents involving members of the Company Group or other non-related industry participants.

This risk is particularly relevant given the Company Group will be operating in the regulated food industry where incidents could have impact consumer sales, or the medicinal industry where incidents could impact prescriptions by authorised medical professionals.

(o) Key Management Risk

The Company is highly dependent on its management and key personnel, who are responsible for its day-to-day operations and strategic management. If one or more of these personnel cease his/her involvement with the Company, it could have a materially detrimental impact on its future financial performance. The ability to attract and retain highly qualified staff is crucial to the future success of the Company. There can be no assurance that the Company will be able to so attract and retain such staff.

(p) Mainstream Acceptance of Cannabis

The success of the Australian cannabis industry will depend on the extent of political support for cannabis production as a medical remedy. Support from politicians and the Australian population has been positive over the last few years and while the company expects this momentum to continue, should sentiment turn the Company's operating environment could be at risk.

(q) Protection of Intellectual Property

The Company Group's success will depend on, in part, its ability to protect its intellectual property, including its trade marks, copyright, trade secrets and know-how. To the extent the Company fails to protect its intellectual property or infringes a third party's intellectual property, the Company may face increased competition from similar products, have to cease using certain intellectual property or be liable for damages. In the event that this occurs, there is a risk that

it has a materially adverse impact on the Company Group's operations, financial performance and future prospects.

(r) **Dispute with SUN**

As announced by the Company on 15 June 2020, Sun Agriculture Promotion Industry and Commercial Co., Ltd (**SUN**) has filed a claim for USD\$6.1 million with the Centre of Economic Dispute Resolution in Laos against the Company's 55% owned subsidiary Cann Global Asia Pty Ltd (**CGA**). The claim relates to the agreement entered into by CGA with SUN in October 2019 under which CGA was to have access to SUN's licenses to cultivate and process hemp in Laos. The total remaining value owing to SUN from CGA under the arrangement for its entire term is an amount less than \$60,000, of which \$30,000 has been paid as a deposit by CGA. Whilst the Company is confident that the claim will be assessed as vexatious and baseless, there is a risk that if SUN's claim is successful it will cause significant financial and reputational damage to CGA, and therefore possibly affect the Company.

8.4 Specific Risks to Bauxite Projects

(a) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(b) **Resource estimates**

The Company currently has a JORC Indicated Resource at the South Johnstone Project. An indicated resource is an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(c) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) Mine development

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(e) Equipment and availability

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(f) Reliance on Key Personnel

The Company is substantially reliant on the expertise and abilities of its key personnel in overseeing the day-to-day operations of its projects. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees or contractors cease their relationship with the Company.

(g) Environmental Health and Safety matters

The Company's proposed mining operations will be subject to extensive Australian health and safety and environmental laws and regulations which could impose significant costs and burdens on the Company (the extent of which cannot be predicted). These laws and regulations provide for penalties and other liabilities

for violation of such standards and if established, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety and environmental laws and regulations and even permanently in the case of extreme breaches.

(h) Contractual / off-take

The success of the commercialisation of the Company's Bauxite Project depends in part on the ability of the Company to secure the necessary contractual commitments in relation to off take and related matters. Though the Company has been engaging in discussions with third parties in this regard, there remains a risk that the Company may not be able to secure such contractual arrangements on favourable terms or at all.

(i) Commodity price volatility and exchange rate

If the Company successfully defines a resource or reserve and subsequently achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

8.5 General Risks

(a) Regulatory

The Company is based in Australia and is subject to Australian laws and regulations. For example, the Company is required to comply with the Corporations Act. Changes in relevant taxes, legal and administration regimes, accounting practice and government policies in the countries in which the Company operates, and may operate, may adversely affect the financial performance of the Company.

(b) Government Licences and Approvals

Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

(c) General Economic and Political Risks

Changes may occur in the general economic and political climate in the jurisdictions in which the Company operates and on a global basis that could have an impact on economic growth, interest rates, the rate of inflation, taxation,

tariff laws and domestic security which may affect the value and viability of any activity that may be conducted by the Company.

(d) Additional Requirements for Capital

The Directors expect that the Company will have sufficient capital resources to enable the Company to achieve its initial business objectives upon settlement of the proposed transactions. However, the Directors can give no assurances that such objectives will in fact be met without future borrowings or capital raisings.

The Company's capital requirements depend on numerous factors. The Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(e) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(f) Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and energy stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(g) Share Market Risk

The market price of the Shares could fluctuate significantly. The market price of the Shares may fluctuate based on a number of factors including:

- (a) the Company's operating performance and the performance of competitors and other similar companies;
- (b) the public's reaction to the Company's press releases;
- (c) other public announcements and the Company's filings with securities regulatory authorities;

- (d) changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the sector;
- (e) changes in general economic conditions;
- (f) the number of Shares publicly traded and the arrival or departure of key personnel; and
- (g) acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Shares is affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all shares in the Company's market sector, the breadth of the public market for the Shares, and the attractiveness of alternative investments.

(h) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects and additional assets. Any such acquisitions will be accompanied by risks commonly encountered and listed in this section.

(i) **Claims, Liability and Litigation**

The risk of litigation is a general risk of the Company's business. There is always the risk that litigation may occur as a result of differing interpretations of obligations or outcomes.

(j) **Force Majeure**

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions

(k) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(l) **Joint venture, acquisitions or other strategic investments**

The Company may make strategic investments in complementary businesses, or enter into strategic partnerships or alliances with third parties in order to enhance its business. At the date of this Prospectus, the Company is not aware of the occurrence or likely occurrence of any such risks which would have a material adverse effect on the Company or its subsidiaries.

(m) **Litigation Risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims

and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(n) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Offer. The capacity of the Company's management to properly implement and manage the strategic direction of the Group may affect the Company's financial performance.

(o) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

9. ADDITIONAL INFORMATION

9.1 Litigation

Other than as set out in this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company as at the date of this Prospectus.

9.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
25 October 2019	Notice of Annual General Meeting/Proxy Form
28 October 2019	Further Asian Business Expansion
1 November 2019	Appendix 4C – quarterly
5 November 2019	Institutional Investment to Support Expansion
5 November 2019	Appendix 3B
11 November 2019	T12 Food Division Update
13 November 2019	Replacement Cleansing Prospectus
28 November 2019	Chairperson's Address to 2019 AGM
28 November 2019	Results of Meeting
20 November 2018	Issue of Unlisted Options to CEO & Appendix 3B
6 December 2019	Operational Update
10 December 2019	CGB secures global rights to Olivias Choice formulas
19 December 2019	Strategic Landmark Cannabis Opportunity in South Africa
20 December 2019	Appendix 3B
14 January 2020	Appendix 2A
23 January 2020	New Costco and Epco Purchase Orders
3 February 2020	Quarterly Activities and Cashflow Reports
4 February 2020	Proposed Issue of Securities - CGB
5 February 2020	Appendix 2A
17 February 2020	Share Placement

Date	Description of Announcement
17 February 2020	Proposed issue of Securities – CGB
17 February 2020	Appendix 2A
2 March 2020	Half Yearly Report and Accounts and Appendix 4D
13 March 2020	Trading Halt
17 March 2020	Suspension from Official Quotation
19 March 2020	Extension to Voluntary Suspension
19 March 2020	Refinancing Extension of Notes and Re-investment
19 March 2020	Proposed issue of Securities - CGB
19 March 2020	Proposed issue of Securities - CGB
19 March 2020	Proposed issue of Securities - CGB
19 March 2020	Reinstatement to Official Quotation
24 March 2020	Appendix 2A
8 April 2020	Proposed issue of Securities – CGB
9 April 2020	Appendix 3G – Issue of Restricted Securities
23 April 2020	Appendix 2A
1 May 2020	Quarterly activities and 4C cashflow report
4 May 2020	Replacement Cleansing Prospectus
5 May 2020	Replacement March 2020 Quarterly Activities and Cashflow Rep
18 May 2020	Pause in trading
18 May 2020	Trading halt
20 May 2020	Suspension from Official Quotation
25 May 2020	Extension to Voluntary Suspension
28 May 2020	Request for extension of voluntary suspension
3 June 2020	Request for extension of voluntary suspension
11 June 2020	Extension of Voluntary Suspension
15 June 2020	Cann Global Asia Update
15 June 2020	Research results lead to broader auto-immune research
15 June 2020	Reinstatement to Official Quotation
17 June 2020	Appendix 2A
22 June 2020	General Meeting – Notice of Access
22 June 2020	Notice of General Meeting/Proxy Form
1 July 2020	Non-Renounceable Issue – Prospectus
1 July 2020	Proposed issue of Securities - CGB
2 July 2020	Withdrawal of Entitlements Offer Pending Repricing
3 July 2020	Replacement Rights Issue Prospectus
3 July 2020	Proposed issue of Securities – CGB

Date	Description of Announcement
10 July 2020	Release of escrow
10 July 2020	Rights Issue Update
13 July 2020	Despatch of Prospectus and Entitlement and Acceptance
13 July 2020	Amended Notice Despatch of Prospectus
21 July 2020	Results of Meeting
28 July 2020	Entitlement Issue Update and Shortfall Notification
29 July 2020	Appendix 2A – previously restricted securities
29 July 2020	Appendix 2A – note conversion
30 July 2020	Appendix 2A – Entitlement Issue Shares
30 July 2020	Appendix 3G – Entitlement Issue Options
3 August 2020	Quarterly Activities and Cashflow Report
4 August 2020	Change of Director's Interest Notice x2
7 August 2020	Appendix 3G
7 August 2020	Quarterly Activities Report Addendum

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at <https://www.canngloballimited.com/>.

9.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus and the most recent dates of those sales were:

	Price	Date
Highest	\$0.007	24 June 2020
Lowest	\$0.005	3 August 2020
Last	\$0.005	20 August 2020

9.4 Directors' and proposed Directors' interests

Other than as set out in this Prospectus, no Director or proposed director holds or has held within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion or

- (ii) the Offers; or
 - (c) the Offers,
- and no amounts have been paid or agreed to be and no benefits have been given or agreed to be given to a Director or proposed director:
- (d) as an inducement to become, or to qualify him or her as, a Director; or
 - (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares and % voting power	Options	Performance Shares
Pnina Feldman ¹	236,718,750 (6.1%)	Nil	Nil
Sholom Feldman ¹	236,718,750 (6.1%)	Nil	Nil
David Austin	Nil	Nil	Nil
Jonathan Cohen	Nil	Nil	Nil
John Easterling	Nil	Nil	Nil

Notes:

1. Held through entities controlled by Pnina and Sholom Feldman.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$70,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

Director	Remuneration for year ended 30 June 2019 ¹	Remuneration for year ended 30 June 2020
Pnina Feldman ²	\$312,000	\$312,000
Sholom Feldman	\$312,000	\$312,000
Meyer Gutnick	\$70,000	N/A
David Austin	\$20,000	\$30,000
John Easterling	N/A	N/A
Jonathan Cohen	N/A	\$30,000

Notes:

1. Inclusive of superannuation.
2. Pnina Feldman also has an interest in Australian Gemstone Mining Pty Ltd (**AGMPL**), being an entity controlled by Ms Feldman. AGMPL provides corporate and other services to the Company and MCL, in respect of which it receives fees. The Director fees payable to Pnina and Sholom Feldman are included in the fees payable to AGMPL and are not in addition to the fees paid to AGMPL.

9.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Murcia Pestell Hillard has acted as the solicitors to the Company in relation to the Offers and associated due diligence process. The Company estimates it will pay Murcia Pestell Hillard \$13,000 (excluding GST and disbursements) for these services.

9.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) have not authorised or caused the issue of the Prospectus and does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Murcia Pestell Hillard has given its written consent to being named as the solicitors to the Company in this Prospectus. Murcia Pestell Hillard has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.7 Expenses of the Offers

The expenses associated with this Prospectus are estimated to be up to approximately \$23,706 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Minimum Subscription (\$)
ASIC fees	3,206
Legal fees	13,000
Printing, distribution and miscellaneous items	7,500
Total	\$23,706

9.8 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please call the Company on +61 2 8379 1832 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <https://www.canngloballimited.com/>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic

Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.9 Clearing House Electronic Sub-Register System (“CHESS”) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity Securities in the Company, facilitate distribution payments and corporate communications to you as a Security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

10. DIRECTORS' CONSENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.



Sholom Feldman
Managing Director
For and on behalf of
CANN GLOBAL LIMITED

11. DEFINITIONS

Application Form means a Retail and Cleansing Offer Application Form, Obsidian Convertible Notes Application Form or L1 Convertible Notes Application Form (as applicable).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Bio Health means Bio Health Pharmaceuticals Pty Ltd,

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CGA means Cann Global Asia Pty Ltd.

Closing Date means closing date for receipt of an Application Form as set out in Section 2 (unless extended or closed early).

Collateral Shares means those Shares issued to Obsidian under the terms of the Refinancing as collateral Shares.

Company or **CGB** means Cann Global Limited.

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Notes means the convertible notes being offered under the Convertible Notes Offers, being the Obsidian Convertible Notes or the L1 Convertible Notes.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or **\$** means Australian dollars.

EST means Australian Eastern Standard Time.

Exercise Date has the meaning provided in Section 7.4(e).

Exercise Price has the meaning provided in Section 7.4(b).

Expiry Date has the meaning provided in Section 7.4(b).

General Meeting means the Shareholder meeting held on 21 July 2020.

Group Company means each of the Company and its subsidiaries and **Group** means all of them.

L1 means L1 Capital Global Opportunities Master Fund.

L1 Convertible Notes means the convertible notes being offered under the L1 Convertible Notes Offer, which have the terms set out in Section 7.3.

L1 Convertible Notes Application Form means an application form in respect of the L1 Convertible Notes Offer either attached to or accompanying this Prospectus.

L1 Convertible Notes Offer means the offer of 680,000 L1 Convertible Notes each with a face value of \$1.

L1 Convertible Securities has the meaning provided in Section 4.1(c)(v).

MCL means Medical Cannabis Ltd.

Medcan means Medcan Australia Pty Ltd.

MCRG means Medical Cannabis Research Group Pty Ltd (ACN 624 220 873), a wholly owned subsidiary of the Company.

MCRG Shares means fully paid ordinary shares in MCRG.

Notice of Exercise has the meaning provided in Section 7.4(d).

Notice of General Meeting means the Company's notice of the General Meeting dated 22 June 2020.

Obsidian means Obsidian Global GP, LLC.

Obsidian Convertible Notes means the convertible notes being offered under the Obsidian Convertible Notes Offer, which have the terms set out in Section 7.2.

Obsidian Convertible Notes Application Form means an application form in respect of the Obsidian Convertible Notes Offer either attached to or accompanying this Prospectus.

Obsidian Convertible Notes Offer means the offer of 2,885,701 Obsidian Convertible Notes each with a face value of US\$0.612.

Offers means the Obsidian Convertible Notes Offer, the L1 Convertible Notes Offer and the Retail and Cleansing Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date for receipt of an Application Form under this Prospectus as set out in Section 2.

Option means an option to acquire a Share.

Original Convertible Securities has the meaning provide in Section 4.1(a).

Proposed Issues has the meaning provided in Section 4.5.

Prospectus means this prospectus.

Redemption Amount has the meaning provided in Section 7.2(g)(i).

Refinancing has the meaning provided in Section 4.1(b).

Retail and Cleansing Offer means the offer of up to 407,348,886 Shares at an issue price of \$0.005 per Share to raise up to \$2,036,744.

Retail and Cleansing Offer Application Form means an application form in respect of the Retail and Cleansing Offer either attached to or accompanying this Prospectus.

Rights Issue means the Company's entitlement offer under the Rights Issue Prospectus, being a pro-rata non-renounceable offer to Shareholders of 1 new Share for every 4 Shares held by them on the record date at an issue price of \$0.005 per new Share, together with 1 free attaching new Option for every 2 new Shares subscribed for, exercisable at \$0.012 on or before 31 January 2022.

Rights Issue Prospectus means the Company's replacement Rights Issue prospectus dated 3 July 2020 and lodged with ASIC on that date.

Section means a section of this Prospectus.

Securities means Shares, Options, Convertible Notes, convertible securities and/or performance shares.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Ltd, the Company's share registrar.

Shareholder means the holder of a Share.

Shortfall Options has the meaning provided in Section 4.2.

Shortfall Shares has the meaning provided in Section 4.2.

SUN has the meaning given in Section 8.3(r).

Trading Day has the meaning given to that term in the ASX Listing Rules.

US\$ means US dollars.

VWAP means volume weighted average price.



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