

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

TW Holdings Limited (to be renamed AusCann Group Holdings Ltd)

ABN

72 008 095 207

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1 +Class of +securities issued or to be issued</p>                                                  | <ol style="list-style-type: none"> <li>1. Fully paid ordinary shares.</li> <li>2. Fully paid ordinary shares and performance shares.</li> <li>3. Unlisted options.</li> <li>4. Unlisted options.</li> <li>5. Fully paid ordinary shares and performance rights.</li> </ol>                                                                                                                                                            |
| <p>2 Number of +securities issued or to be issued (if known) or maximum number which may be issued</p> | <ol style="list-style-type: none"> <li>1. 25,000,000 fully paid ordinary shares.</li> <li>2. 146,709,182 fully paid ordinary shares and 28,230,345 performance shares.</li> <li>3. 7,677,639 options exercisable at \$0.20 expiring on 19 January 2020.</li> <li>4. 150,000 options exercisable at \$0.21 expiring on 19 January 2020.</li> <li>5. 14,521,229 fully paid ordinary shares and 2,794,231 performance rights.</li> </ol> |

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+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<ol style="list-style-type: none"> <li>1. Fully paid ordinary shares.</li> <li>2. Fully paid ordinary shares and performance shares subject to the terms and conditions as detailed in Schedule 7 of the Notice of General Meeting released to ASX on 30 September 2016.</li> <li>3. Unquoted options exercisable at \$0.20 expiring on 19 January 2020. Full terms and conditions of the options are detailed in Schedule 10 of the Notice of General Meeting released to ASX on 30 September 2016.</li> <li>4. Unquoted options exercisable at \$0.21 expiring on 19 January 2020. Full terms and conditions of the options are detailed in Schedule 9 of the Notice of General Meeting released to ASX on 30 September 2016.</li> <li>5. Fully paid ordinary shares and performance rights subject to the terms and conditions as detailed in Schedule 8 of the Notice of General Meeting released to ASX on 30 September 2016.</li> </ol>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<ol style="list-style-type: none"> <li>1. Yes - fully paid ordinary shares.</li> <li>2. Yes - fully paid ordinary shares. Performance shares are a new class of unquoted security. If the performance shares convert, the fully paid ordinary shares issued will rank equally with existing quoted fully paid ordinary shares currently on issue.</li> <li>3. No - unquoted options are a new class of unquoted security. If the options are exercised, the fully paid ordinary shares issued will rank equally with existing quoted fully paid ordinary shares currently on issue.</li> <li>4. No - unquoted options are a new class of unquoted security. If the options are exercised, the fully paid ordinary shares issued will rank equally with existing quoted fully paid ordinary shares currently on issue.</li> <li>5. Yes - fully paid ordinary shares. Performance rights are a new class of unquoted security. If the performance rights vest, the fully paid ordinary shares issued will rank equally with existing quoted fully paid ordinary shares currently on issue.</li> </ol>

<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> <li>1. \$0.20 per fully paid ordinary share.</li> <li>2. Nil cash consideration. Issued to AusCann shareholders in consideration of the acquisition of 100% of AusCann as announced to ASX on 20 January 2017.</li> <li>3. Nil cash consideration. Issued to the AusCann optionholder in consideration of the acquisition of 100% of AusCann's options as announced to ASX on 20 January 2017.</li> <li>4. Nil cash consideration. Issued as a fee for services provided by past TWH Directors.</li> <li>5. Nil cash consideration. Issued as a fee for services provided by advisors to the AusCann takeover and public offer of securities.</li> </ol>
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<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> <li>1. Issue of shares pursuant to the prospectus dated 21 November 2016 (Public Offer) for the purpose of re-compliance with Chapters 1 and 2 of the ASX Listing Rules raising \$5.0 million.</li> <li>2. Issued in consideration for acquisition of 100% of the issued capital of AusCann Group Holdings Limited, a Perth-based company that was incorporated in September 2014 with the aim of producing and providing high quality, economical and clinically validated cannabis medicines.</li> <li>3. Issued in consideration for acquisition of 100% of the issued capital of AusCann Group Holdings Limited.</li> <li>4. Issued as a fee for services provided by past TWH Directors.</li> <li>5. Issued as a fee for services provided by advisors to the AusCann takeover and public offer of securities.</li> </ol>
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<p>6a Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>
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+ See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	23 November 2016.
6c	Number of +securities issued without security holder approval under rule 7.1	Nil.
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>The following securities were approved for issue at the General Meeting of Shareholders held on 31 October 2016 –</p> <ol style="list-style-type: none"> <li>1. 25,000,000 fully paid ordinary shares.</li> <li>2. 146,709,182 fully paid ordinary shares and 28,230,345 performance shares to AusCann shareholders.</li> <li>3. 7,677,639 options exercisable at \$0.20 expiring on 19 January 2020 to the AusCann option holder.</li> <li>4. 150,000 options exercisable at \$0.21 expiring on 19 January 2020 to past TWH Directors.</li> <li>5. 14,521,229 fully paid ordinary shares and 2,794,231 performance rights to advisors.</li> </ol>
6f	Number of +securities issued under an exception in rule 7.2	Nil.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>ASX Listing Rule 7.1 – 32,452,229.  ASX Listing Rule 7.1A – 21,634,819.</p>

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

	19 January 2017.
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8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
	105,257,557	Fully paid ordinary shares

9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
	111,090,639	Fully paid ordinary shares (under ASX restriction 24 months from date of re-quotations).
	28,230,345	Performance Shares
	2,794,231	Performance Rights
	7,677,639	Options exercisable at \$0.20 expiring on 19 January 2020.
	150,000	Options exercisable at \$0.21 expiring on 19 January 2020.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

	N/A
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## Part 2 - Pro rata issue

11 Is security holder approval required?

	N/A
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12 Is the issue renounceable or non-renounceable?

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+ See chapter 19 for defined terms.

- 13 Ratio in which the <sup>+</sup>securities will be offered
- 14 <sup>+</sup>Class of <sup>+</sup>securities to which the offer relates
- 15 <sup>+</sup>Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has security holders who will not be sent new offer documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders
- 25 If the issue is contingent on security holders' approval, the date of the meeting

- 26 Date entitlement and acceptance form and offer documents will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Issue date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1'

Note – only 105,257,557 fully paid ordinary shares (not under ASX Restriction) should be quoted.

(b)  All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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<sup>+</sup> See chapter 19 for defined terms.

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

## Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

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+ See chapter 19 for defined terms.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 23 January 2017  
(~~Director~~/Company secretary)

Print name: Susan Hunter

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12. Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	30,117,785 (post consolidation)
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<ul style="list-style-type: none"> <li>• 25,000,000 fully paid ordinary shares – approved 31 October 2016.</li> <li>• 146,709,182 fully paid ordinary shares – approved 31 October 2016.</li> <li>• 14,521,229 fully paid ordinary shares – approved 31 October 2016.</li> </ul>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	-
<b>“A”</b>	216,348,196

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	32,452,229
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil
“C”	Nil
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	32,452,229
<b>Subtract</b> “C”  <i>Note: number must be same as shown in Step 3</i>	-
<b>Total</b> [“A” x 0.15] – “C”	32,452,229  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	216,348,196
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	21,634,819
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil.
<b>“E”</b>	Nil.

+ See chapter 19 for defined terms.

**Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A**

<p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>21,634,819</p>
<p><b>Subtract "E"</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>-</p>
<p><b>Total</b> ["A" x 0.10] – "E"</p>	<p>21,634,819</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>