

5 November 2019

Market Announcements Platform
Australian Securities Exchange

By e-lodgement

Institutional Investment to Support Expansion

Cann Global Ltd (**ASX: CGB, Company**) is pleased to advise that the Company has secured further institutional support from New York based L1 Capital Global Opportunities Master Fund (“L1” or “**Investor**”). The Company has agreed to issue 2,600,000 secured convertible notes (**Notes**) to raise \$2.22M after costs.

Proceeds from the issue of the Notes are expected to be applied towards further build up of inventory and production, to meet the growing demand on the existing inventory, the evaluation and advancement of growth initiatives (including the recently announced expansion of activities in Asia) and for general working capital.

The Notes have an initial term of 120 days, with a resolution to be put to CGB Shareholders to approve the issue of longer-term replacement convertible notes (**Replacement Notes**) at a General Meeting of Shareholders expected to be held during the first quarter of 2020.

Concurrently with the issue of the Notes, the Company will issue 25,000,000 fully paid ordinary shares (**Collateral Shares**) to the Investor. These Shares are simply being issued as collateral for the investment under the notes, and are not additional shares being issued to the Investor by way of a fee. Shareholder approval is not required for the issue of the initial Notes and Collateral Shares, which will be issued using the Company’s existing capacity under Listing Rule 7.1.

After the first 90 days of issue, the Investor may opt for redemption of up to \$400,000 of Notes in a calendar month, whereupon the Company may elect for the redemption to be effected in either Shares at a 10% discount to the previous 5-day VWAP (subject to certain equity conditions being satisfied), or in cash (at a 5% premium). Subject to certain restrictions, and not during the first 90 days of issue, the Notes may be converted into fully paid ordinary shares (**Shares**) by the Investor at any period prior to maturity at a fixed price of \$0.04 per Share if the Investor has not already been repaid. The number of Shares which may be issued upon redemption (or conversion) of the initial Notes is subject to an overall maximum of 200,000,000. This limit will not apply to the Replacement Notes (if approved by Shareholders).

If the Company makes a placement, the Investor also has the ability to convert at the placement price, for up to the amount of the placement.

Further material details on the terms and conditions of the Notes and Replacement Notes are as set out in the accompanying ASX Appendix 3B.

Cann Global Limited (ASX:CGB)

The Company looks forward to achieving significant results for shareholders in the coming months as it continues to build on its mission of being a global producer and distributor of high quality and high margin medicinal cannabis and hemp seed food products.

A handwritten signature in black ink, reading "Pnina Feldman". The signature is written in a cursive style with a large initial 'P'.

Pnina Feldman
Executive Chairperson
CANN GLOBAL LIMITED (ASX: CGB)

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