



3 July 2020



ACN 124 873 507

REPLACEMENT PROSPECTUS

For a pro-rata non-renounceable issue of 1 New Share for every 4 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.005 per New Share, together with 1 free attaching New Option for each 2 New Shares subscribed for, exercisable at \$0.012 on or before 31 January 2022 to raise up to approximately \$4,237,486 before costs of the issue (**Rights Issue**).

ASX Code: CGB

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.

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IMPORTANT NOTICE

Prospectus

This Replacement Prospectus is dated 3 July 2020 and was lodged with ASIC on that date. This Replacement Prospectus replaces the Prospectus lodged by the Company on 1 July 2020 (**Original Prospectus**). For the purposes of this document, this Replacement Prospectus will be referred to as "Replacement Prospectus" or "Prospectus" moving forward. No responsibility for the contents of this Prospectus is taken by ASIC nor ASX.

The New Shares and New Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. No New Shares or New Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus regard has been had to the fact 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 who investors may consult. No person is authorised to give any information or to make any representation in connection with the Rights Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Those words and phrases (and their associated definitions) are set out in Section 5 of this Prospectus.

Replacement Prospectus

The main difference between this Replacement Prospectus and the Original Prospectus is that the issue price of each New Share under the Rights Issue has been amended from \$0.0055 per New Share to \$0.005 per New Share. The reason for this change is so that the Rights Issue is in compliance with the ASX Operating Rules and systems parameters (which stipulate that a minimum price increment of \$0.001 must be used). As a result of this change, the maximum amount raised by the Rights Issue has been varied.

As this Replacement Prospectus has been lodged 2 business days after the Original Prospectus, the timetable for the Offer has been extended by 2 business days accordingly.

There are no other material changes to the Prospectus.

Electronic Prospectus

A copy of this Prospectus in electronic format may be viewed at <https://www.canngloballimited.com/> or the website of ASX by Australian investors only. The Rights Issue constituted by this Prospectus in

electronic form is only available to Eligible Shareholders receiving this Prospectus in electronic form within Australia.

New Shares and New Options will only be issued with respect to the Entitlement and Acceptance Form if the Company is satisfied the Entitlement and Acceptance Form was attached to a complete and unaltered version of this Prospectus. A paper copy of this Prospectus may be obtained free of charge on request by contacting the Company before 5pm (EST) on the Closing Date.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the risk factors that could affect the performance of the Company. Please refer to Section 3 for further information.

Overseas Shareholders

The New Shares and New Options being offered under this Prospectus are being offered to Eligible Shareholders only.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. 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 such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares or New Options.

Please refer to Section 1.23 for further information.

Forward-looking statements

This Prospectus may contain forward-looking statements that have been based on current circumstances. Any forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Key Dates

Event	Date
Announcement of Rights Issue	Friday 3 July 2020
Lodgement of Prospectus with ASIC	Friday 3 July 2020
Lodgement of Prospectus and Appendix 3B with ASX	Friday 3 July 2020
“Ex” date	Wednesday 8 July 2020
Record date for determining Entitlements (5.00pm EST)	Thursday 9 July 2020
Prospectus despatched to Eligible Shareholders/Opening Date	Monday 13 July 2020
Last day to extend the Closing Date	Monday 20 July 2020
Closing Date	Thursday 23 July 2020
Deferred settlement trading occurs	Friday 24 July 2020
Notify ASX of Shortfall	Tuesday 28 July 2020
Issue Date – deferred settlement ends	Thursday 30 July 2020
Normal T+2 trading commences	Friday 31 July 2020

* The Directors may extend the Closing Date by giving at least 3 Business Days’ notice to ASX prior to

the Closing Date. As such, the date the New Shares and New Options are expected to commence trading on ASX may vary.

LETTER FROM THE EXECUTIVE CHAIRPERSON

Dear Shareholders,

Every cloud has a silver lining. The advantage of a low share price, greatly undervaluing the company in our opinion, is that shareholders have an opportunity to take up cheap shares with additional free options, so that the opportunity is there for when the company's projects begin to show real profits, and the share price reaches where it deserves to be, shareholders will hopefully make the money they deserve, and our staff will feel the satisfaction of the countless long hours they have put in to take this company along the road to the pinnacle of success. Please G-d that should be in the very near future.

Any one of our existing projects has the potential to bring in the big cash rewards. Whether that be our ever expanding food division, or nutraceuticals, or the Pharmocann joint venture or the Canntab joint venture or the various other products the Company is working on, our rapid Asian expansion, or with the further development of our seed bank and the many opportunities that presents us with, particularly with the Medcan partnership. I am especially anticipating the results of our clinical human trials for our medicinal cannabis research projects, which at the moment stand at the cutting edge of global medical cannabis research and if they prove successful the anticipated revenues could more than justify the hard work and good luck associated with these projects to date.

Our company needs money to make money. Your support of the rights issue enables the Company to deal with its projects adequately as they expand, whilst at the same time giving all shareholders a unique opportunity to participate in the upside. The Board recognises that the share price has fallen considerably since our recompliance raising last year, and therefore will be giving priority to place any shortfall in this rights issue with those shareholders who invested in the raising last year.

With hopefully lots of good news in the works, our aim is to ensure that all our shareholders will be rewarded for their loyalty to date and their belief in the success of the company's goals.

Recent market research undertaken by BDSA and Arcview Market Research has anticipated that by 2025 the world medicinal cannabis market in itself, aside from the hemp products market, will be in the vicinity of \$66.5 billion dollars. We truly believe that with the success of our research to date, being "first in and best dressed", we will reap our fair share of that market. Our aim as a company is that you as shareholders, should be really proud to be a part of Cann Global, as it pioneers it's way to success in medicinal cannabis and hemp food and other hemp products, whilst an ancient biblical plant of nature proves itself to have untold benefits for the modern world.

Wishing you all good health, wealth and stay safe.

Yours sincerely

A handwritten signature in black ink, reading "Pnina Feldman". The signature is written in a cursive, flowing style.

Pnina Feldman
Executive Chairperson

CORPORATE DIRECTORY

DIRECTORS	Ms Pnina 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 TO THE RIGHTS ISSUE	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.

Section 1 DETAILS OF THE RIGHTS ISSUE

1.1 Rights Issue

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable issue of 1 New Share for every 4 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.005 per New Share together with 1 free attaching New Option for each 2 New Shares subscribed for, exercisable at \$0.012 on or before 31 January 2022, to raise up to approximately \$4,237,486 (less expenses of the Rights Issue).

As at the date of this Prospectus, the Company has 3,389,989,043 Ordinary Shares, 50,000,000 unvested performance shares, 3,726,556 convertible notes and 56,140,000 vested unlisted Options on issue. The Company has no listed Options on issue.

Holders of Options will not be entitled to participate in the Rights Issue. However, holders of vested unlisted Options may exercise their Options prior to the Record Date if they are an Eligible Shareholder and wish to participate in the Rights Issue.

If all of the vested unlisted Options are exercised prior to the Record Date the Company’s cash funds will increase by an additional amount of approximately \$2,182,000 from the exercise of these Options and this Prospectus will (subject to eligibility) also offer to those Shareholders a further maximum of 14,035,000 New Shares and 7,017,500 New Options to raise an additional amount of \$91,228 from the issue of those New Shares.

The vested unlisted Options have exercise prices of between \$0.025 and \$0.05 and expiry dates between 19 July 2022 and 23 March 2023. Further information on the Options is set out in Section 2.2 below.

There are currently 50,000,000 performance shares on issue subject to vesting conditions, none of which have been satisfied as at the date of this Prospectus.

Holders of convertible securities will not be entitled to participate in the Rights Issue. However, holders of convertible securities may exercise their conversion rights prior to the Record Date if they are an Eligible Shareholder and wish to participate in the Rights Issue.

If all of the convertible securities are converted prior to the Record Date this Prospectus will (subject to eligibility) also offer to those Shareholders further New Shares and New Options and raise additional amounts from the issue of the New Shares.

Further information on the convertible securities is set out in Section 2.2 below.

1.2 Purpose of the Rights Issue and Use of Funds

The funds raised from the Rights Issue will be applied towards the following:

Use of Funds	Full Subscription (\$)
Cost of Rights Issue	\$85,893
MS and other medical cannabis research and associated clinical trials	\$1,700,000
Inventory purchases and marketing food division	\$750,000

Use of Funds	Full Subscription (\$)
Inventory purchase and marketing relating to the Pharmocann JV	\$500,000
Inventory purchase and marketing relating to the Canntab JV	\$500,000
Other project development	\$251,593
Bauxite project development	\$200,000
General working capital and administrative costs	\$250,000
Total	\$4,237,486

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.

If the Company raises less than the Full Subscription, then the funds raised will be applied proportionately to the activities of the Company set out under the Full Subscription column of the use of funds table above.

Any additional funds raised from the participation of Shareholders in the Rights Issue as a result of the exercise of any of the 56,140,000 vested unlisted Options, which may be up to \$91,228 (assuming all exercisable unlisted Options are exercised, and Shares are issued, prior to the Record Date), will be applied proportionately to the activities of the Company set out under the Full Subscription column of the Use of Funds table above. As at the date of this Prospectus, the applicable exercise prices for all of the vested unlisted Options are higher than the price at which the Shares are currently trading on ASX and, accordingly, the Directors consider that it is unlikely any of those relevant Options will be exercised by their holders prior to the Record Date.

Any additional funds raised from the participation of Shareholders in the Rights Issue as a result of the conversion of any of the 3,726,556 convertible securities will be applied proportionately to the activities of the Company set out under the Full Subscription column of the Use of Funds table above.

1.3 **Opening and Closing Dates**

The Rights Issue will open on 13 July 2020 and close at 5 pm (EST) on the Closing Date (except where payment is via BPAY® in which case payment must be made by such earlier cut off time as your own financial institution may implement with regard to electronic payments) or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

1.4 **Entitlement to Rights Issue**

Eligible Shareholders who are recorded on the Company's Share register at 5 pm (EST) on the Record Date are eligible to participate in the Rights Issue. Fractional entitlements will be rounded up to the nearest whole number of New Shares and New Options. An Entitlement and Acceptance Form setting out your entitlement to New Shares and New Options accompanies this Prospectus.

1.5 Actions required

As an Eligible Shareholder you may:

- (a) subscribe for all of your Entitlement (refer to Section 1.6);
- (b) subscribe for part of your Entitlement and allow the balance to lapse (refer to Sections 1.6 and 1.7); or
- (c) subscribe for all of your Entitlement (refer to Section 1.6) and apply for additional New Shares and New Options (refer to Section 1.10).

You may also choose not to take up any of your Entitlement, in which case no action is required (refer to Section 1.7).

1.6 To subscribe for all of your Entitlement

If you wish to subscribe for all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form. That form sets out the number of New Shares you are entitled to subscribe for.

The completed Entitlement and Acceptance Form must be accompanied by a cheque or bank draft made payable to “**Cann Global Limited**” and crossed “**Not Negotiable**” for the appropriate Application Money in Australian dollars calculated at \$0.005 per New Share and received by the Company’s Share Registrar at either of the below addresses by no later than 5 pm (EST) on the Closing Date. The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Entitlement and Acceptance Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

By post:
GPO Box 505 Melbourne, Victoria 3001

Alternatively, if you are paying by BPAY®, you do not need to mail the Entitlement and Acceptance Form. Please refer to your personalised instructions on your Entitlement and Acceptance Form. It is your responsibility to ensure your BPAY® payment is received by the Company by no later than 5 pm (EST) on the Closing Date. You should be aware your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration. You will be sent a separate Entitlement and Acceptance form for each holding on the register you hold under a different holder number and your BPay reference number will be unique for each form, so you should only use the reference number for each form received.

1.7 If you do not wish to take up any part of your Entitlement

If you do not wish to take up your Entitlement under the Rights Issue, you are not required to

take any action. You will receive no benefit or New Shares and your Entitlement will become available as Additional New Shares and New Options.

If you want to take up part of your Entitlement and wish to receive a benefit, you must take action to accept part of your Entitlement in accordance with the instructions above and on the back of the accompanying Entitlement and Acceptance Form.

The number of securities you hold as at the Record Date and the rights attached to those securities will not be affected if you choose not to accept any of your Entitlement.

1.8 Entitlement and Acceptance Form binding

A completed and lodged Entitlement and Acceptance Form or making a BPAY® payment constitutes a binding application to acquire New Shares and New Options on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares and New Options. The Directors' decision whether to treat an Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

1.9 Eligible Shareholder representations and warranties

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a BPAY® payment, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given this Prospectus does not prohibit you from being given this Prospectus and you:

- (a) agree to be bound by the terms of the Rights Issue;
- (b) declare all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares and New Options to be issued to you, including to act on instructions of the Share Registrar using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare you are the current registered holder of Shares;
- (f) represent and warrant the law of your place of residence does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and New Options and you are otherwise eligible to subscribe for part or all of your Entitlement and to participate in the Rights Issue;
- (g) acknowledge the information contained in or accompanying this Prospectus is not investment or financial product advice or a recommendation that New Shares and New Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (h) acknowledge the New Shares and New Options may not be offered, sold or otherwise

transferred except in accordance with an available exemption from, or in a transaction not subject to the registration requirements of applicable overseas securities laws, in particular the US Securities Act.

1.10 Applying for Additional New Shares & New Options

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares and New Options regardless of the size of their present holding.

An Eligible Shareholder that wishes to take up Additional New Shares and New Options must do so in accordance with the instructions on the Entitlement and Acceptance Form.

Any Entitlements not taken up may become available as Additional New Shares and New Options, which may be allocated from the Shortfall by the Company in its discretion. It is possible that there will be few or no Additional New Shares and New Options available for issue, depending on the level of take up of Entitlements by Eligible Shareholders and allocation from the Shortfall by the Company. There is also no guarantee that if Additional New Shares and New Options are available for issue, they will be allocated to all, or any, of the Eligible Shareholders who have applied for them.

It is an express term of the Rights Issue that Applicants for Additional New Shares and New Options will be bound to accept a lesser number of Additional New Shares and New Options allocated to them than applied for if so allocated. If a lesser number of Additional New Shares and New Options is allocated to an Applicant than applied for, excess Application Money will be refunded without interest.

A single cheque should be used for the Application Money for your Entitlement and any Additional New Shares and New Options as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY® must ensure payment is received by no later than 5 pm (EST) on the Closing Date.

1.11 Issue Process

Upon the close of acceptances on the Closing Date, the Company will have received Applications for Entitlements and applications for Additional New Shares and New Options from all participating Eligible Shareholders.

Additional New Shares and New Options will be allotted and issued from the Shortfall in accordance with Section 1.10.

On the Issue Date, the Company will allot and issue to Eligible Shareholders:

- New Shares and New Options pursuant to valid Applications; and
- Additional New Shares pursuant to valid applications for Additional New Shares, and New Options allocated from the Shortfall.

1.12 Shortfall

The Company reserves the right to allocate and issue any Shortfall at its discretion. The Company intends to give priority to those Applicants who participated in the Company's most recent placement conducted in conjunction with the Company's ASX recompliance process which was concluded in August 2019.

1.13 Allotment and Application Money

New Shares and New Options will be issued only after all Application Money has been received and ASX has granted permission for the New Shares (and, if applicable, the New Options) to be quoted. It is expected the New Shares and New Options will be issued on 30 July 2020 and normal trading of the New Shares (and, if applicable, the New Options) on ASX is expected to commence on 31 July 2020.

All Application Money received before New Shares and New Options are issued will be held in a special purpose account.

1.14 Market prices of the Shares on ASX

A summary of the sale prices of the Shares on ASX during the last 3 months until the last trading day on ASX immediately prior to lodgement of this Prospectus with ASIC is set out below:

High (\$)	Low (\$)	Volume weighted average price (\$)
\$0.013	\$0.005	0.007574

The last market sale price of Shares on 2 July 2020 (which was the last day of trading before lodgement of the Prospectus with ASIC) was \$0.006.

1.15 Minimum subscription

There is no minimum subscription amount for the Rights Issue.

1.16 No brokerage and stamp duty payable on subscription under Entitlement

No brokerage or stamp duty will be payable by Eligible Shareholders for a subscription for New Shares and New Options pursuant to their Entitlement.

1.17 Tax implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Rights Issue or Shareholders applying for New Shares and New Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Company makes no representation and provides no advice in relation to the tax consequences for any Shareholder taking up their Entitlement under the Rights Issue. Therefore the Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders in relation to the Rights Issue. Shareholders and Option holders (if applicable) should seek professional taxation advice about the tax consequences of taking up their Entitlement.

1.18 ASX quotation

The Company has applied to ASX for official quotation of the New Shares offered under the Rights Issue pursuant to this Prospectus. The Company reserves the right to apply to ASX for official quotation of the New Options (but is under no commitment to do so). If official quotation of the New Shares is not granted by ASX within 3 months of the date of this Prospectus, then the Company will not allot or issue any New Shares or New Options and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

Where ASX grants official quotation for New Shares but does not grant official quotation for New Options (should the Company make such an application for their official quotation), then the New Options will be issued on an unlisted basis.

A decision by ASX to grant official quotation of the New Shares (and, if applicable, the New Options) is not to be taken in any way as an indication of ASX's view as to the merits of the Company or the New Shares and New Options offered under this Prospectus.

1.19 Notice to custodians and nominees

Custodians and nominees that currently hold Shares should note the Rights Issue is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

1.20 No issue of New Shares and New Options after 13 months

No New Shares and New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

1.21 Withdrawal of Rights Issue

The Company reserves the right not to proceed with the Rights Issue at any time before the issue of the New Shares and New Options to Eligible Shareholders. If the Rights Issue does not proceed, the Company will return all Application Money as soon as practicable after giving notice of its withdrawal, without interest.

1.22 Issue and allotment of New Shares and New Options

The New Shares will be issued fully paid. From the date of issue, the New Shares will rank equally in all respects with the Shares currently on issue. Details of the terms of the New Shares are set out in Section 4.4 and details of the terms of the New Options are set out in Section 4.5. By returning your Entitlement and Acceptance Form, you agree to comply with the Constitution for the New Shares and New Options issued to you.

The New Shares and New Options issued pursuant to Eligible Shareholders' Entitlements as well as the Additional New Shares and associated New Options, are expected to be issued and allotted by no later than 30 July 2020. Any other Shortfall will be issued on a progressive basis.

Until issue and allotment of the New Shares and New Options under this Prospectus, the Application Money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares and New Options takes place.

1.23 Ineligible Shareholders

The Company is of the view it is unreasonable to make the offer under this Prospectus to Ineligible Shareholders having regard to:

- (a) the small number of Ineligible Shareholders;
- (b) the small number and value of New Shares and New Options to be offered to Ineligible

Shareholders; and

- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the various overseas jurisdictions in which Ineligible Shareholders are located.

Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale by, and no New Shares or New Options will be issued to, Shareholders having registered addresses outside Australia and New Zealand.

The New Shares (and associated New Options) being offered under this Prospectus are being offered to Eligible Shareholders only.

This Prospectus does not constitute an offer or invitation in any place outside Australia and New Zealand, in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The Company has not made investigations as to the regulatory requirements that may prevail in countries outside Australia and New Zealand in which the Company's Shareholders reside.

Each Shareholder taking up its Entitlement represents and warrants the law of any place does not prohibit that Shareholder from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit that Shareholder from making an application for New Shares and New Options and that Shareholder is otherwise eligible to participate in the Rights Issue. It is the responsibility of an Eligible Shareholder to ensure compliance with any laws of a country relevant to their Application.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Financial Markets Conduct Act 2013* and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares and associated New Options.

1.24 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares and New Options.

If you are broker sponsored, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of New Shares and New Options issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Share Registrar and will contain the number of New Shares and New Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes.

Shareholders may request a statement at any other time; however a charge may be made for additional statements.

1.25 Privacy

The Company collects the information about each Shareholder provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer that Shareholder's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Shareholder agrees the Company may use the information provided by a Shareholder on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.26 Enquiries regarding this Prospectus

Enquiries regarding this Prospectus should be directed to the Company Secretary by telephone on +61 2 8379 1832.

Section 2 CAPITAL STRUCTURE & EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

2.1 Principal effects

- (a) The principal effects of the Rights Issue (assuming full subscription) are:
 - (i) Subject to paragraphs 2.1(b) and (c), the Company’s cash funds will increase by approximately \$4,237,486, less expenses of the Rights Issue, which are estimated to be approximately \$85,893; and
 - (ii) Subject to paragraphs 2.1(b) and (c), the total number of Shares on issue will increase by 847,497,261 to 4,237,486,304.

- (b) If 100% of the vested unlisted Options currently on issue are exercised prior to the Record Date and all Entitlements are taken up, then:
 - (i) the Company’s cash funds will increase by an additional amount of \$2,182,000 from the exercise of the vested unlisted Options and a further \$91,278 from the take up of the Entitlements; and
 - (ii) the total number of Shares on issue will increase by an additional 56,140,000 from the exercise of the vested unlisted Options and 14,035,000 from the Entitlements, to 4,307,661,304 Shares on issue.

- (c) If any of the convertible securities currently on issue are exercised prior to the Record Date and some or all of the corresponding Entitlements are taken up, then:
 - (i) the Company’s cash funds will increase from the take up of the Entitlements; and
 - (ii) the total number of Shares on issue will increase from the conversion of the convertible securities and from the Entitlements.

* The Company presently has two classes of convertible securities on issue which are capable of being converted prior to the Record Date.

2,975,556 convertible securities held by Obsidian Global GP, LLC

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 the holder redeems all of the convertible securities.

Assumed market price	Assumed redemption price	Number of Shares issued	Dilution effect on existing Shareholders
\$0.0040	\$0.0034	200,000,000 (Maximum triggered – see below)	6.0%
\$0.0080	\$0.0068	200,000,000 (Maximum triggered – see below)	6.0%
\$0.0160	\$0.0136	191,176,471	5.7%

The maximum number of Shares which may be issued upon conversion of the convertible securities is presently subject to a maximum of 200,000,000.

71,000 convertible securities held by L1 Capital Global Opportunities Master Fund

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 the holder redeems all of the convertible securities.

Assumed market price	Assumed redemption price (rounded down)	Number of Shares issued	Dilution effect on existing Shareholders
\$0.0040	\$0.0030	28,400,000	0.8%
\$0.0080	\$0.0060	14,200,000	0.4%
\$0.0160	\$0.0130	6,553,846	0.2%

2.2 Capital structure

As at the date of this Prospectus 3,389,989,043 Shares are on issue. The pro-forma capital structure of the Company following the Rights Issue pursuant to this Prospectus is set out below (if 100% of the New Shares offered pursuant to this Prospectus are subscribed for and issued, assuming no vested unlisted Options are exercised prior to the Record Date and no convertible securities are converted prior to the Record Date):

	Number
Existing Shares	3,389,989,043
New Shares to be issued under this Prospectus	847,497,261
Shares on issue after this Rights Issue	4,237,486,304

If 100% of the New Shares offered pursuant to this Prospectus are subscribed for and issued, then 423,748,631 New Options would be issued (subject to rounding of entitlements).

The Company currently has the following unlisted Options on issue:

Exercise price	Expiry date	Vested	Unvested	No. of Options
\$0.05	19 July 2022	31,140,000	Nil	31,140,000
\$0.025	23 March 2023	25,000,000	Nil	25,000,000
			Total	56,140,000

The Company currently has the following outstanding convertible securities:

Conversion/Redemption Price	Repayment Date	Face value of convertible securities	No. of convertible securities
Variable conversion price equal to 85% of the average of the daily VWAPs during the 5 actual trading days prior to the conversion notice date, rounded down to the nearest \$0.0001.	27 February 2022	\$1.20 each	71,000
<ul style="list-style-type: none"> • \$0.04 (or, if the Company makes a placement at a lower price, the holder may at its election convert at the lower price for up to the amount of the placement) • if the holder requests redemption of any convertible securities, the Company may elect to satisfy the redemption by paying the holder 105% of the aggregate face value of the convertible securities to be redeemed, or issuing Shares to the holder to the same value, on the basis that the issue price per Share upon the redemption of a convertible security will be 90% of the 5-day VWAP of the Shares for the 5 trading days prior to the holder giving a redemption notice 	21 July 2020 – Note: If replacement convertible securities are approved and issued, the Repayment Date of the replacement convertible securities will be 31 March 2021	US\$0.612 each	2,975,556*
<ul style="list-style-type: none"> • If converted into Shares, the conversion will be at 85% of the 5-day VWAP of Shares for the 5 Trading Days prior to the date of the conversion notice • If converted into MCRG Shares, the conversion will be at 80% of the initial public offering price for MCRG Shares. <p>Note: These convertible securities are not presently convertible into Shares in the Company</p>	20 November 2020	\$1.00 each	680,000*
		Total	3,655,556

* Please see the Company's announcements of 5 November 2019 and 19 March 2020 for further details of the terms of the convertible securities.

2.3 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlements.

(a) *Voting Power*

No Shareholder will increase their voting power in the Company to 20% or more under the Rights Issue.

(b) *Dilution*

Shareholders who do not participate in the Rights Issue will have their holdings diluted. The following is a table which sets out the dilutionary effect at various example Shareholding levels, assuming that the Rights Issue is fully subscribed and no further Shares are issued or Options exercised:

	Holding at Record Date		Entitlement	Holding following the Rights Issue if no Entitlement is taken up	
	Number	%		Number	%
1	338,998,904	10%	84,749,727	338,998,904	8%
2	169,499,452	5%	42,374,864	169,499,452	4%
3	67,799,781	2%	16,949,946	67,799,781	2%
4	33,899,890	1%	8,474,973	33,899,890	1%

2.4 Consolidated Statement of Financial Position

Set out below is the unaudited statement of financial position of the Company from the 31 December 2019 management accounts, including the effect of the Rights Issue but excluding the exercise of any Options or conversion of any convertible securities. Note as the proforma has been based on the 31 December 2019 management accounts, it does not take into account any events after that date.

	Audit Reviewed 31-Dec-19	Proforma 31-Dec-19
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,573,921	10,725,514
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	12,697,405

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		20,143,855
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		15,162,611
EQUITY			
Issued capital	82,909,026		87,060,619
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		15,232,424
Non-controlling interest	(69,813)		(69,813)
TOTAL EQUITY	11,011,018		15,162,611

*These figures assume the Rights Issue will be fully subscribed and do not take into account Options that may be exercised prior to the Record Date.

Section 3 RISK FACTORS

3.1 Introduction

This Section 3 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.

3.2 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.

3.3 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:

- (i) 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;
- (ii) the Company could be subject to regulatory action or be sued and held liable for any harm caused to customers; or

(iii) 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.

3.4 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.

3.5 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:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) 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:

- (i) the Company's operating performance and the performance of competitors and other similar companies;
- (ii) the public's reaction to the Company's press releases;
- (iii) other public announcements and the Company's filings with securities regulatory authorities;
- (iv) changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the sector;
- (v) changes in general economic conditions;
- (vi) the number of Shares publicly traded and the arrival or departure of key personnel; and
- (vii) 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.

3.6 **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.

Section 4 ADDITIONAL INFORMATION

4.1 Continuous disclosure obligations

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically, as a listed company, the Company is subject to the Listing Rules, which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its securities.

4.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are continuously quoted securities of a body, or options to acquire such securities.

The New Shares to be issued under this Prospectus are ordinary shares i.e. a class of shares that were continuously quoted securities at all times in the 3 months before the issue of this Prospectus. The Shares to be issued when the New Options are exercised will be in the same class of shares that have been quoted on the ASX during the 3 months prior to the issue of this Prospectus.

Therefore, in preparing this Prospectus, regard has been had to the fact the Company is a disclosing entity for the purposes of the Corporations Act and matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. It must be read in the context of, and having regard to, the Company's continuous disclosure obligations and publicly available information regarding the Company and its business.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

4.3 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus. Alternatively, they can be downloaded from ASX's website at www.asx.com.au:

- (a) the Annual Report for the Company for the period ending 30 June 2019, which was lodged with ASIC on 30 September 2019;
- (b) the Half Yearly Report for the Company for the half year ending 31 December 2019; and
- (c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Report of the Company for the period ending 30 June 2019 and before the issue of this Prospectus:

Date	Description of ASX Announcement
25 October 2019	Notice of Annual General Meeting/Proxy Form
28 October 2019	Further Asian Business Expansion

Date	Description of ASX Announcement
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 Epcos 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
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

Date	Description of ASX Announcement
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 Rights Issue – Prospectus
1 July 2020	Proposed issue of Securities – CGB
2 July 2020	Withdrawal of Entitlements Offer Pending Repricing

4.4 Rights attaching to New Shares

The New Shares to be issued under the Rights Issue pursuant to this Prospectus will rank equally in all respects with Existing Shares. Full details of the rights attaching to the Shares are set out in the Company's Constitution, a copy of which can be inspected at the Company's registered office. The following is a summary of the principal rights which attach to the Shares:

(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:

- (i) one vote for every fully paid Share held by him or her; and
- (ii) 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. New Shareholders will be entitled to dividends as a result of ownership of their New 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:

- (i) distribute among the Shareholders the whole or any part of the remaining property of the Company; and
- (ii) 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 New Shares offered under the Prospectus are 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.

4.5 **Rights attaching to New Options**

The New Options intended to be granted under this Prospectus will be granted under the following terms and conditions:

(a) *Entitlement*

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

(b) *Exercise Price and Expiry Date*

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

(d) *Notice of Exercise*

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

(f) *Shares issued on exercise*

Shares issued on exercise of the New 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 New 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 New 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 New Options.

(i) *Participation in new issues*

There are no participation rights or entitlements inherent in the New Options and New Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New 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 New Option holders the opportunity to exercise their New 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 New Option will be increased by the number of Shares which the New Option holder would have received if the Optionholder had exercised the New 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 New Option.

(l) *Adjustment for reorganisation*

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

(m) *Quotation of New Options*

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

(n) *Options transferable*

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

4.6 Interests of Directors

(a) Directors' holdings

As at the date of this Prospectus the relevant interest of each of the Directors in the Shares and Options of the Company are as follows: Director	Shares and % voting power	Options	Performance Shares

Pnina Feldman ¹	193,597,812 (5.7%)	Nil	Nil
Sholom Feldman ¹	193,597,812 (5.7%)	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 including L'Hayyim Pty Ltd and Volcan Australia Corporation Pty Ltd.

(b) Remuneration of Directors

Details of remuneration provided to Directors and their associated entities during the past 2 financial years are as follows:

Director	Remuneration for year ended 30 June 2018 ¹	Remuneration for year ended 30 June 2019 ¹
Pnina Feldman ²	\$312,000	\$312,000
Sholom Feldman	\$312,000	\$312,000
Meyer Gutnick	\$70,000	\$70,000
David Austin	\$20,000	\$20,000
John Easterling	N/A	N/A
Jonathan Cohen	N/A	N/A

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.

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

4.7 Interests of named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue.

Murcia Pestell Hillard has acted as solicitors to the Company in relation to the Rights Issue. For their professional services on this Prospectus, the Company will pay approximately \$18,000 (excluding GST). Murcia Pestell Hillard has provided other professional services to the Company during the last 2 years amounting to approximately \$52,610 (excluding GST).

Except where otherwise specified, the amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company for those amounts.

4.8 Expenses of the Rights Issue

The approximate cash expenses of the Rights Issue are \$85,893. These expenses are payable by the Company.

4.9 Consents

Each of the parties referred to in this Section 4.9:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.9; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes 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 4.9.

Murcia Pestell Hillard has consented to being named in this Prospectus as the solicitors to the Rights Issue and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

4.10 Electronic Prospectus

The offer pursuant to an Electronic Prospectus is only available to Eligible Shareholders receiving an electronic version of this Prospectus within Australia and New Zealand.

If you have received this Prospectus as an Electronic Prospectus please ensure you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form and Residual Securities Application Form. If you have not, please email the Company at info@cannngloballimited.com and the Company will send to you, free of charge, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form and/or and Residual Securities Application Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance 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. New Shares, New Option or Residual Securities will not be issued except upon receipt of valid Entitlement and Acceptance forms attached to this Prospectus.

Section 5 DEFINED TERMS

\$ means Australian dollars, unless otherwise stated.

Additional New Shares means New Shares in addition to an Eligible Shareholder's Entitlement for which an Eligible Shareholder makes an Application.

Application means an application for New Shares and associated New Options pursuant to the Entitlement and Acceptance Form.

Application Money means the money received from Eligible Shareholders with respect to completed and returned Entitlement and Acceptance Forms.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement as amended from time to time.

Bio Health means Bio Health Pharmaceuticals Pty Ltd (ACN 142 070 344).

Business Day means every day other than a Saturday, Sunday, 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 has the meaning given in Section 3.3(r).

CHES means ASX Clearing House Electronic Sub-register System.

Closing Date means the closing date of the Rights Issue being 23 July 2020, subject to the right of the Company to vary that date (in accordance with the Listing Rules).

Company or **CGB** means Cann Global Limited (ACN 124 873 507).

Company Group or **CGB Group** means CGB and/or its subsidiaries, as the context requires.

Constitution means the constitution of the Company.

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

Directors mean the directors of the Company.

Electronic Prospectus means an electronic version of the Prospectus.

Eligible Shareholder means a Shareholder at the Record Date whose registered address is situated in Australia or New Zealand.

Entitlement means the entitlement of an Eligible Shareholder to participate in the Rights Issue, as shown on the Entitlement and Acceptance Form.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Prospectus.

EST means Australian Eastern Standard Time.

Exercise Date has the meaning given in Section 4.5(e).

Exercise Price has the meaning given in Section 4.5(b).

Existing Shares means Shares on issue as at the Record Date.

Expiry Date has the meaning given in Section 4.5(b).

Ineligible Shareholder means a Shareholder (or beneficial holder of Shares) at the Record Date with a registered address outside Australia and New Zealand.

Issue Date means the issue date set out in the key dates timetable on page iii of this Prospectus.

Listing Rules means the Listing Rules of ASX.

MCL means Medical Cannabis Ltd (ACN 604 732 612).

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 the capital of MCRG.

Medcan means Medcan Australia Pty Ltd (ACN 615 734 220).

New Options means the New Options intended to be granted under this Prospectus, the terms of which are set out in Section 4.5.

New Shares means the Shares offered under this Prospectus, the terms of which are set out in Section 4.4.

Notice of Exercise has the meaning given in Section 4.5(d).

ODC means the Office of Drug Control.

Opening Date means the opening date of the Rights Issue being 13 July 2020, subject to the right of the Company to vary that date.

Option means an option to acquire one Share.

Performance Right means a performance right that can convert into a Share subject to satisfaction of vesting conditions.

Prospectus means this prospectus dated 3 July 2020 and includes the Electronic Prospectus (where applicable).

Record Date means 5 pm (EST), 9 July 2020.

Rights Issue means the issue pursuant to this Prospectus on a pro-rata non-renounceable basis of 1 New Share for every 4 Shares held on the Record Date at an issue price of \$0.0055 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.

Section means a section of this Prospectus.

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

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

Shareholder means the holder of a Share.

Shortfall means the pool of New Shares and New Options with respect to which Eligible Shareholders have not submitted valid Applications by 5pm (EST) on the Closing Date.

SUN has the meaning given in Section 3.3(r).

US Securities Act means the *United States Securities Act of 1933*, as amended.

VWAP means volume weighted average price.

Section 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

The Directors state they have made all reasonable enquiries and on that basis have reasonable grounds to believe any statements made by the Directors in this Prospectus are not misleading or deceptive and for any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe persons making the statement or statements were competent to make such statements, and those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Director's knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 3 July 2020

A handwritten signature in blue ink, appearing to read 'Sholom Feldman', is written over a light blue rectangular background.

Sholom Feldman
Managing Director