



30th May, 2019

Letter from the Chairperson of CGB

Dear Shareholders,

AND NOW FOR THE GOOD NEWS...

On behalf of the Board of Cann Global Limited ('ASX: CGB' or 'the company'), formerly Queensland Bauxite Limited (ASX: QBL) I am very pleased to announce the upcoming EGM of the Company.

The EGM will be held in Sydney on the 2nd of July, 2019; Level 16, 1 Market Street, SYDNEY.

The official Notice of Meeting is attached to this letter.

This EGM is required for the Company to complete its recompliance to relist on the ASX. The relisting is now expected to take place the week following the EGM as set out in the attached notice.

On the 25th of January 2019, the ASX formally approved the change of the company Listing code to 'ASX: CGB'. With the new formalised manufacturing agreement with Bio Health Pharmaceuticals, and the agreement of our partners, Medcan Australia, for a variation in agreement, announced on the 18th of April, the final steps to relisting were put into place.

The journey to transform the company from a Mining Exploration company with a Medical Cannabis interest to a Hemp and Medical Cannabis Corporate with 3 Divisions and a mining interest began on the 20th of June 2018, with the release to market of the company's statement of transformation.

The process was extremely complex, exhaustive in its detail, requiring 15 technical supplementary prospectus notifications. Our legal team were called upon to draft two (2) re-compliance statements, two (2) prospectuses and the calling of two (2) EGM's to approve the company's resolutions. The company now has two fully vertically integrated businesses in its business model; from the growing and cultivation, production and manufacture, through to the wholesale and retail consumer. These will be facilitated through our Food Division and our Medical Cannabis Pharmaceutical Divisions. The Company is fully licenced for the growing, manufacturing and production of hemp seed food from the farm through to retail. We also have access to a full suite of Medical Cannabis ODC licenses including growing,



cultivating, manufacturing, Export and Import Licenses, through a formalised management agreement with our partners, Medcan Australia.

We are also extremely proud of the advancements made in our medical cannabis research division, in partnership with Israel's top tertiary medical cannabis research laboratory and team, headed by Professor Dr David Meiri of the Technion Haifa.

On behalf of the Board I would like to announce the following:

- CGB has received over 1000 applications for our Capital Raise and remain comfortably oversubscribed for the full allocation of 170,000,000 million shares at a maximum subscription of \$5,950,000. Details of the capital raising can be found at: <https://qbloffertthereachagency.com>
- The ASX have granted CGB's request for waivers from Listing Rule(s) 1.1 condition 12, 2.1 Condition 2 and 10:13.3, subject to Conditions of Listing Rule 18.1.1. This gives the Company the formal ability to proceed with the recompliance and Transactions as set out in the Notice of Meeting and in the Prospectuses issued by the Company.

As set out in the attached Notice, all successful applicants in the capital raise can expect to be issued their shares in the days immediately following the EGM.

We at CGB have been very grateful for the encouragement we have received through this process and would like to acknowledge the loyalty shown to the company by our shareholders over these past 11 months. I would particularly like to thank the Board and our entire management team, and all our employees, advisors and contractors, for whom, without their support and tireless efforts, this complex transformation process could not have been achieved. Special thanks to our legal team and the Company's ASX representatives for their assistance during this process.

Sincerely,

Executive Chairperson
Cann Global Limited (ASX:CGB)

CANN GLOBAL LIMITED

ACN 124 873 507

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 1pm (EST)

DATE: 2 July 2019

PLACE: Level 16, 1 Market St
Sydney, NSW

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (02) 8379 1832.

ASX takes no responsibility for the contents of this Notice of Meeting.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 1pm (EST) on 2 July 2019 at:
Level 16, 1 Market St, Sydney, NSW

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (EST) on 28 June 2019.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X (3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

IMPORTANT NOTE

The acquisition of MCL and the arrangements with Medcan require Shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming. ASX takes no responsibility for the contents of this Notice of Meeting.

BUSINESS OF THE MEETING

Please refer to the Glossary (page 65) for defined terms.

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company:

- (a) to make a significant change in the nature and scale of its activities as described in the Explanatory Statement;*
- (b) to issue Shares pursuant to a re-compliance with Chapters 1 and 2 of the ASX Listing Rules at an issue price of \$0.035 per Share; and*
- (c) to issue one free attaching Option for every two Shares subscribed which Options will have an exercise price of \$0.10 each.*

Short Explanation: If successful, the Transactions will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. ASX has also advised the Company that it will be required to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF CONSIDERATION TO MCL SHAREHOLDERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Transaction Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue approximately 1,277,142,857 Shares to the MCL Shareholders on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Company has entered into the MCL Agreement pursuant to which the Company will acquire the MCL Shares from the MCL Shareholders. The Company seeks Shareholder approval for the issue of Shares as consideration pursuant to the MCL Acquisition. These Shares include the original 1,195,000,000 Shares agreed to be issued to MCL as consideration for the MCL Acquisition, and in addition, MCL is independently currently seeking to raise a further \$1,600,000 prior to the conclusion of the Transactions to fund its current ongoing activities, bringing the potential total issue to 1,277,142,857 Shares.

Voting Exclusion: The Company will disregard any votes cast on this Resolution 2 by any person who is expected to participate in, or who will obtain a material benefit as a result

of, the proposed issue, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF SHARES TO HHC SHAREHOLDERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of the Transaction Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 40,540,541 Shares to the HHC Shareholders on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution 3 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE – SHARES TO GARETH BALL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,380,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE – SHARES TO CRAIG COCHRAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,870,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – ISSUE OF SHARES TO MEDCAN AUSTRALIA PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Transaction Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 2,250,000 Shares to Medcan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7- ISSUE OF SHARES TO T12 SHAREHOLDERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Transaction Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 21,621,621 Shares to the T12 Shareholders on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF T12 MANAGEMENT SHARES TO SEBASTIAN EDWARDS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Transaction Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 2,702,703 Shares to Mr Sebastian Edwards on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – ISSUE OF T12 MANAGEMENT SHARES TO SAM EDWARDS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Transaction Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 2,702,702 Shares to Mr Sam Edwards on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – CAPITAL RAISING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Transaction Resolution, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 170,000,000 Shares and up to 85,000,000 free attaching Options on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Company must issue a Prospectus and complete the Capital Raising to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules as a condition of the Company's securities recommencing trading on the ASX following the Transaction.

Voting Exclusion: The Company will disregard any votes cast on this Resolution 10 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity of a Shareholder, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – APPROVAL FOR SHOLOM FELDMAN (OR NOMINEE), AS A DIRECTOR AND RELATED PARTY, TO PARTICIPATE IN THE OFFER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Transaction Resolution, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue for 3.5 cents per Share, up to 12,500,000 Shares and 6,250,000 free attaching Options to Sholom Feldman (or his nominee, including Volcan Australia Corporation Pty Ltd) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Sholom Feldman (or his nominee) or any of his associates (**Resolution 11 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 11 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 12 – APPROVAL FOR PNINA FELDMAN (OR NOMINEE), AS A DIRECTOR AND RELATED PARTY, TO PARTICIPATE IN THE OFFER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to the passing of the Transaction Resolution, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue for 3.5 cents per Share up to 12,500,000 Shares and 6,250,000 free attaching Options to Pnina Feldman (or her nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Pnina Feldman or any of her associates (**Resolution 12 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 12 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. RESOLUTION 13 – ISSUE OF SHARES – EMPIRE CAPITAL PARTNERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of the Transaction Resolution, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue Shares for the Success Fee on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a

proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 14 – ISSUE OF OPTIONS - EMPIRE CAPITAL PARTNERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of the Transaction Resolution, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. RESOLUTION 15 - APPROVAL TO ISSUE CONVERTIBLE SECURITIES - L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,730,000 Convertible Securities to L1 Capital Global Opportunities Master Fund on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

16. RESOLUTION 16 – APPROVAL TO ISSUE OPTIONS – L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 31,140,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

17. RESOLUTION 17 – APPROVAL TO ISSUE COLLATERAL SHARES - L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Collateral Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

18. RESOLUTION 18 – TO ELECT JONATHAN COHEN AS NON-EXECUTIVE INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, having provided consent in writing to act as director to the Registered Office of the Company, for the purpose of clause 14.3 of the Constitution, ASX Listing Rule 14.3 and for all other purposes, Mr Jonathan Cohen has been nominated and is elected as a Non-Executive Independent Director."

19. RESOLUTION 19 – TO ELECT JOHN EASTERLING AS NON-EXECUTIVE INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, having provided consent in writing to act as director to the Registered Office of the Company for the purpose of clause 14.3 of the Constitution, ASX Listing Rule 14.3 and for all other purposes, Mr John Easterling has been nominated and is elected as a Non-Executive Independent Director."

20. RESOLUTION 20 – TO ELECT DAVID AUSTIN AS NON-EXECUTIVE INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, having provided consent in writing to act as director to the Registered Office of the Company for the purpose of clause 14.3 and for all other purposes, Mr David Austin has been nominated and is elected as a Non-Executive Independent Director."

Dated: 30 May 2019

By order of the Board

**Mr Sholom Feldman
Company Director**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Resolutions 2, 3 and 6 to 14 are conditional upon Resolution 1 being passed; Resolution 1 is referred to as the Transaction Resolution. If the Transaction Resolution is not approved, then all of Resolutions 2, 3 and 6 to 14 will be taken to have been rejected.

1. OVERVIEW OF PROPOSED CHANGE OF ACTIVITIES

1.1 Background

1.1.1 Cann Global Limited

Cann Global Limited (**Company** or **CGB**) is an Australian public company listed on the Official List of the ASX (ASX: CGB). The Company was admitted to the official list of ASX on 14 January 2008.

Since 2010, the Company has been focused on defining significant bauxite resources with a view to developing a bauxite mining and export operation that may include direct shipping ore (**DSO**). The Company has been focused on targeting long-life operations and positioning itself to participate in the growth of the bauxite sector. Following the completion of a comprehensive study, mapping and review process, the Company acquired projects that offer significant prospects for the attainment of gibbsitic bauxite with a low reactive silica content close to key road, rail and port infrastructure. The Company's bauxite projects include interests in:

- the South Johnstone Project located in Queensland; and
- the New England Bauxite Project located in the New South Wales,

(the **Bauxite Projects**).

The Company has also been focused on finding strategic investment opportunities to enhance Shareholder value. In March 2017 the Company acquired a 55% shareholding in Medical Cannabis Ltd, an Australian leader in the hemp and cannabis industries (**MCL**).

MCL has been a key value driver for the Company and for which the Directors believe has delivered material share market value since the Company's initial investment. This investment has now grown to a point where the medical cannabis business is a significant business in its own right.

In line with this development, the Company has elected not to float MCL but to merge it into the Company. The Company has agreed to acquire the remaining 45% of the MCL Shares from the MCL Shareholders (**MCL Acquisition**) thereby giving Shareholders the combined value of the existing Bauxite Projects and MCL's burgeoning activities in the industrial hemp and medicinal cannabis industries.

In addition, as announced on 8 February 2019, the Company has entered into an agreement with Medcan Australia Pty Ltd (**Medcan**), an Office of Drug Control (**ODC**) licensed company in Australia, pursuant to which Medcan has agreed to facilitate the manufacture, importing and exporting of cannabis products and/or ingredients to enable the Company to meet its business objectives (**Medcan Agreement**). Further details of the Medcan Agreement are set out below.

ASX has determined that as a result of the proposed arrangements under the Medcan Agreement and the MCL Acquisition (together the **Transactions**), the Company will be required, pursuant to Listing Rule 11.1.2, to obtain approval from CGB's Shareholders at a general meeting. The Company will also be required, pursuant to Listing Rule 11.1.3, to re-comply with Chapters 1 and 2 of the Listing Rules due to the Transactions triggering a change of nature in the activities of the Company.

1.1.2 Medcan Australia Pty Ltd

Medcan was founded in Brisbane, Queensland in 2016 by its directors Craig Cochran and Gareth Ball with the vision of providing reliable access to patient specific medicinal cannabis products. Medcan was granted a Medical Cannabis Production Licence (Australian Cultivation & Production Licence) (**Production Licence**) from the ODC in November 2017 and a Cannabis Import and Export License in July 2018.

On and from 1 July 2018, Medcan has been licenced to legally grow and cultivate high tetrahydrocannabinol (**THC**) and cannabidiol (**CBD**) medicinal cannabis products in Australia. Medcan was one of the first medical cannabis companies to receive an ODC Production Licence pursuant to the recent legislative changes.

Medcan is aiming to cultivate, produce and manufacture high quality medicinal cannabis products for both clinical trials and individual patient access. Medcan's intended automated cultivation processes are designed to ensure consistent results, with the purpose of giving the consumers the assurance of the quality, composition and reliability of their supply.

Medcan has an experienced management and production team.

Under the Medcan Agreement, Medcan will:

- (a) facilitate the import and export of cannabis products and/or ingredients that CGB may require to enable CGB to meet its business objectives in manufacturing and/or distributing any products, including but not limited to CannTab Therapeutics Ltd (**CannTab**) and Pharmocann Ltd (**Pharmocann**) lines of products;
- (b) facilitate the manufacture of CGB's products (using either its own facility or the facility of third parties, that are TGA and GMP approved manufacturing facilities, such as Bio Health Pharmaceuticals Pty Ltd); and
- (c) store any genetics, cultivars or seedbank that CGB has access to or control of (**Genetics**), including working to facilitate the formal acknowledgment by the ODC of the Genetics;
- (d) assist in the research, development and growth of CGB's Genetics;
- (e) facilitate genetic research and development on behalf of CGB, within a facility; and
- (f) facilitate cannabis oil extraction on behalf of CGB within the facility provided that Medcan has capacity and is not otherwise engaged in the extraction of cannabis oil from its own product.

Further details of the Medcan Agreement are set out in Section 1.2.2

The Company has also issued a total of 4,250,000 shares to Medcan management, which is in addition to the Facilitation Shares. The Company seeks ratification of the issue of 4,250,000 shares to Medcan management under Resolutions 4 and 5 and approval of the 2,250,000 shares to be issued in the next quarter under Resolution 6.

1.1.3 Medical Cannabis Ltd

MCL is an unlisted public company incorporated on 16 March 2015 for the purpose of capitalising on the industrial hemp seed industry and the medical cannabis market in Australia.

MCL is backed by an intellectual property portfolio, initially developed by one of its directors, Mr Andrew Kavasilas, over more than a decade and continuing to be developed by Mr Kavasilas and the MCL team. Mr Kavasilas has a track record of breeding various strains of cannabis to targeted cannabinoid profiles since 2001. This has now resulted in the company developing a seed bank, containing numerous varieties of cannabis to match demand for different cannabinoid profiles. MCL has over 25 varieties in its seed bank, suitable for both nutritional hemp and medicinal purposes, including dual purpose varieties.

MCL's strategy is to leverage the intellectual property and management expertise it has in the cannabis sector to become a leader in the distribution of medical cannabis products and solidify its position as a leading Australian hemp food company.

MCL has access to Australian approved and certified genetics as well as decades of medical cannabis research leadership and scientific evidence-based patient trials. It is well placed to commercially exploit its intellectual property. The company's strategy is to develop and improve the commercial opportunities from its existing operations as well as to collaborate with leading research centres where it may be mutually beneficial.

MCL operates in the industrial hemp and medicinal cannabis industries. MCL has three key divisions that leverage its seed bank; namely, growing and cultivating, retail products and medical applications. Below is an outline of important MCL subsidiaries:

- (a) **Vitaseeds Pty Ltd (growing and cultivating):** MCL's growing and cultivating division gathers seed from existing production locations in both New South Wales and Victoria. The majority of the biomass collected is for nutritional hemp food products, while MCL does have a small growing facility in NSW for growing cannabis for genetic breeding purposes.
- (b) **Hemp Hulling Co (retail products – processing):** MCL currently owns a 25% interest in the shares of Hemp Hulling Co (Qld) Pty Ltd (**HHC**), a manufacturer of hemp foods based in Queensland, Australia. Pursuant to a heads of agreement entered into by MCL and HHC dated 21 November 2017 (as varied by deed of Variation dated 19 September 2018), subject to the successful recompliance of the Company, MCL will acquire an additional 30% of Hemp Hulling Co Shares.

HHC converts hemp seed into hemp food products for distribution via the Company's Vitahemp brand, as well as other third-party brands. MCL is obligated to issue to HHC in consideration of the 55% purchase of HHC, \$1.5 million worth of Shares (the subject of Resolution 3).

- (c) **Vitahemp Pty Ltd (retail products – marketing):** The retail division largely encompasses nutritional hemp, where MCL has rights to package and distribute low THC hemp food products, such as protein powder, edible seeds and hemp oil.
- (d) **Vitacann Pty Ltd and Medical Cannabis Research Group Pty Ltd (MCRG) (medical research):** MCL's medical division seeks to take advantage of the company's seed bank and management regulatory experience to research, develop, progress and distribute medical cannabis products and medical applications of cannabis.

Seed bank & management knowledge

MCL's management team, and in particular Andrew Kavasilas, has a track record of breeding various strains of cannabis to targeted cannabinoid profiles since 2001. MCL has over 25 varieties in its seed bank, suitable for both medicinal purposes and food products, including dual purpose varieties. The value of the seed bank can be for internal purposes, such as developing varieties that match the demand profile for downstream pharmaceuticals for medical applications, or for improved farming for food product varieties.

The seed bank also has significant potential value to third parties, for example, ASX listed Affinity Energy and health Limited (ASX:AEB) has agreed to give MCL up to 19.9% of its company equity for access to MCL's seed bank for the development of veterinary products.

MCL is well placed to commercially exploit its intellectual property. The Company's strategy is to develop and improve the commercial opportunities from its existing operations as well as to collaborate with leading research centres where it may be mutually beneficial.

Strong leadership team

MCL's key management has experience in the cannabis sector and the Board has over 40 years combined ASX board experience. The proposed board of MCL after completion of the Transactions will be as follows:

Pnina Feldman – Executive Chairperson

Executive chairperson and CEO of ASX listed companies over the last 20 years. Pnina Feldman was the first woman in Australia to publicly list a mining company, and be its chairperson, CEO and largest shareholder. She has been instrumental in establishing, financing and developing numerous publicly listed, publicly unlisted and private companies. Pnina was the first to receive the Wentworth Community Award from the then Federal Member for Wentworth The Hon Malcolm Turnbull MP (formerly the Prime Minister of Australia), for Outstanding Community Service.

Sholom D Feldman – Managing Director

Experience as a managing director and company secretary for a number of publicly listed companies and private companies since 1999. Responsible for financing and managing multiple mining projects across various commodities. Sholom studied at the International MBA programme at Bar Ilan University Israel and is Managing Director of Cann Global Limited (ASX:CGB).

Andrew Kavasilas – Executive Founding Director

Andrew is the founder and a director of Medical Cannabis Ltd and its subsidiary Vita hemp Pty Ltd. He is also secretary of the Australian HEMP Party. Andrew has had a long and in-depth association with hemp growing and the research of the therapeutic properties of cannabis.

In 2001/02, Andrew was the only grower in Australia/NSW permitted to cultivate high THC cannabis for trials. The trials led Andrew to publish his research in 2004, Medical Uses of Cannabis - Information for Medical Practitioners. This research project also allowed Andrew to become familiar with Australian TGA requirements, as well as International Drug Conventions in respect of medical use of cannabis and opium. He is a regular participant at numerous Parliamentary Inquiries on medical and other cannabis related law reform issues. He has been and remains an avid medical cannabis lobbyist during which time he has met and communicates with various Members of Parliaments, senior Ministerial staff and bureaucrats, many leading scientific researchers and medical practitioners.

John Easterling – Non-Executive Director – Independent Director

John Easterling has experience in developing therapeutical products from plants, including many years of experience in cannabis cultivation and products. He founded the Amazon Herb Company in 1990 with his product formulations generating over \$100m in revenue worldwide. John has bred a dozen new genetics from the cannabis plant and his focus is on formulating a broad range of cannabinoid and terpene profiles for therapeutic benefits. He married Olivia Newton-John in 2008 and shares her passion in supporting the continuing growth of the Olivia Newton-John Cancer Wellness and Research Centre in Melbourne. John is an advocate for legislation reform in Australia to allow for wider access for medical cannabis.

Leveraging strategic relationships

MCL collaborates with third parties in the medical cannabis industry, including:

- (a) **Canntab Therapeutics Limited:** for the distribution of pharmaceutical medical cannabis products, with an intention to supply cannabis genetics in time, contingent on licence approvals.
- (b) **Affinity Energy Ltd:** an ASX listed company that aims to utilise the asset base of MCL, via MCL's seed bank, to research veterinary applications of medical cannabis. MCL is exposed to potential research discoveries via equity ownership in Affinity Energy and Health Limited and royalty arrangements.
- (c) **Various research groups:** MCL collaborates with various research groups and parties involved in clinical evaluations in the medical cannabis industry in the effort to discover the benefits of medical cannabis, substantiate proposed medical claims and, subject to the regulatory approval of proposed products, produce products for the broader population. A leading partner with MCL is professor David (Dedi) Meiri, the Head of the cannabis department of the Haifa Technion in Israel, in researching ways of strengthening the human body's autoimmune system to enable it to fight the numerous autoimmune diseases effecting multi-millions of people worldwide focusing initially on multiple sclerosis.

Medical Cannabis Market Drivers

The demand and growth in the medicinal cannabis market is thought to be driven by a number of factors. These include, but are not limited to:

- (a) **Regulatory reform:** Legal access to medical cannabis products is the key driver of market growth. Australia has seen significant reform in the past two years and is now currently on the public spotlight due to the increasing amount of positive research surrounding the benefits of medical cannabis.
- (b) **Clinical trials:** A significant increase in the number of clinical trials that are currently underway globally are expected to increase rapidly. This should result in high-quality data to guide medical professionals in the varying applications of medical marijuana to human consumption.
- (c) **Safety profile:** A further understanding of the reduced side effects, well documented increased quality of life and the remote likelihood of a potential overdose will provide medical cannabis with a strong safety profile that will make it an appropriate addition to the options available to patients, that look to treat various medical issues.
- (d) **Rising social acceptability:** Shifting societal perception of marijuana from its traditional broader public and social stigma has led to an increased acceptance and legitimacy as an alternative treatment via medical cannabis products.
- (e) **Aging population:** Chronic illnesses are becoming more prevalent as first-world populations continue to age. In turn, this will drive demand for effective medications.

Nutritional Hemp division

Hemp is classified as a superfood due to its nutritional benefits:

- (a) Good source of omega: hemp is a good source of essential fatty acids with an ideal ratio of 3:1 for omega-6 to omega-3.
- (b) Source of protein & amino acids: hemp contains all 10 essential amino acids.
- (c) Gluten free: hemp seeds are gluten free.
- (d) Good for the gut: hemp does not contain enzyme inhibitors unlike other vegetables and the body can easily digest the nutrients contained in a serving.

Many major geographies have legalised the retail of hemp food products, including Australia. Nutritional hemp was legalised in Australia in November 2017, with MCL well placed to take advantage of this growing industry with its existing farming network and production infrastructure.

The nutritional hemp industry in Australia is in an early stage, given hemp food only became legal domestically in November 2017. MCL is well positioned given it has a vertically integrated food business from the seed to the shelf and existing management experience in distributing organic and health orientated food products. MCL is unaware of a hemp food producer with larger processing

capacity with competitors small, fragmented and not integrated along the value chain.

1.1.4 Overview of products

Hulled Hemp Seeds



Raw hemp seeds possess an optimal ratio of omega 3, 6 & 9 for long term healthy human nutrition, are naturally low in carbohydrates and high in BCAA's. Hemp seeds naturally contain all 10 essential amino acids, a range of vitamins and minerals including calcium, folate, iron, high in protein and more. VitaHemp suggests customers try in smoothies, add to yoghurts, salads, also in baking. The hulled seeds when mixed in a high-speed blender produce a delicious fresh vegan milk.

Hemp Protein



VitaHemp Hemp seed protein powder is high in digestible protein (52%) and possesses 20 amino acids, including the 10 essential amino acids that the human body is unable to produce on its own. Hemp seed protein powder is a natural source of vitamins A, C and E and beta-carotene and is rich in protein, carbohydrates, minerals and fibre. Used in protein shakes, baking, smoothies and as a breakfast topping.

Hemp Oil



With its familiar nutty flavour, this high quality versatile oil can be added to smoothies, applied to salads, dressings, sauces, pasta dishes, drizzled over cooked fish and meat, incorporated in low heat baked recipes such as cakes, cookies and desserts and in many other instances where high quality nut oils are used. Excellent for vegetarians and vegans.

Hemp Oil Capsules



Hemp seed oil is also a fish oil replacement, a great source of antioxidants (Vitamin E), minerals and Vitamin D, which is vital for calcium absorption, along with generous amounts of iron and zinc. A rich source of essential fatty acids and gamma linolenic acid, hemp seed oil includes omega 6 and omega 3 in a naturally occurring 3:1 ratio, considered an essential part of a balanced diet.

Hemp Flour



VitaHemp Hemp seed flour is a very versatile baked goods ingredient, naturally gluten- free, it is a nutritious and flavoursome alternative or enhancer to wheat-flour. It is a great substitute for those with gluten intolerance, especially for our changing diets where highly processed ingredients and foods are being avoided.

The product is wheat, nut and grain free, rich in fibre and protein and a supplementary source of amino acids.

Nutritional Hemp Market Drivers

The demand and growth in the nutritional hemp market is thought to be driven by a number of factors. These include, but are not limited to:

- (a) **Regulatory reform:** Legal access to hemp food products is the key driver behind market growth. Retail in Australia was legalised in November 2017 and thus the market is in its infancy and growing off a low base.
- (b) **Food allergies:** A rise in food allergies, including gluten and lactose intolerances, is driving a need for free-from alternatives that are easy to digest.
- (c) **Changing diets:** Demand for meat-free protein sources and alternative healthy oils is rising due to changing dietary habits globally as consumers focus on wellness and sustainability.
- (d) **Health consciousness:** Growing levels of health consciousness encourage consumers to seek out healthier alternatives to traditional snacks.

1.1.5 Reason for the Transactions

Overview

Undertaking the Transactions will allow the Company to achieve value uplift with clear and deliverable synergies.

As noted above, Medcan has ODC Licences to legally import, export, cultivate, produce and manufacture high THC and CBD chemovars and cultivars to make medicinal cannabis products in Australia.

Under the Medcan Agreement, Medcan will facilitate the import, export, growing, production and manufacture of CGB's products (using either its own facility or the facility of third parties, for example Bio Health Pharmaceuticals Pty Ltd (**Bio Health**)).

CGB has also entered a strategic alliance agreement with Bio Health, a licensed, GMP manufacturer specialising in complementary medicines, health and skincare products, whereby Bio Health will manufacture a number of products for CGB (refer to section 1.2.3 for a summary of this agreement with Bio Health).

The strategic agreements with both Medcan and Bio Health will assist CGB to realise and fulfil its aim to be a leading provider of medical cannabis products in Australia, and manufacture its own GMP pharmaceuticals, nutraceuticals and therapeutics for distribution and sale to the Australian market and international export market, with the potential to return significant revenues for CGB.

Vertically integrated strategy

CGB management believe the partnerships with Canntab, Bio Health, Pharmocann and Medcan, with this vertically integrated model, is a major competitive advantage for CGB in the Australian market, allowing for the best value to be obtained from advanced new products and a lawfully recognised source and seed bank of over 25 varieties of unique cultivars, chemovars and genetics, legally developed over two decades, through capturing profit across the value chain.

1.2 Transactions – Terms and Conditions

A summary of the terms and conditions of the key contracts relating to the Transactions are set out below. Details of other Company contracts are set out in the Prospectus.

1.2.1 MCL Agreement – Terms and Conditions

The Company has executed the MCL Agreement under which it will acquire the remaining 45% of MCL Shares it does not already own from the MCL Shareholders.

The MCL Acquisition is subject to the following material terms and conditions:

- (a) **Conditions:** The MCL Acquisition is subject to the following conditions:
- (i) the Company receiving acceptances under the offer to acquire the MCL Shareholders that give it a relevant interest in at least 90% of all the MCL Shares on issue on a fully diluted basis;
 - (ii) the Company obtaining all necessary Shareholder, regulatory and third-party approvals pursuant to the ASX Listing Rules and the Corporations Act to allow the Company to lawfully complete the MCL Acquisition; and
 - (iii) ASX providing a letter of approval for Shares to be re-instated to trading on ASX, on conditions acceptable to the Company,
- If the conditions are not satisfied or waived by 30 June 2019, the parties may terminate the MCL Agreement by written notice to each other.
- (b) **Consideration:** The consideration payable to the MCL Shareholders for their MCL Shares is a total of up to 1,277,142,857 Shares. The value of the consideration payable has been determined by the parties with reference to the value attributed to MCL through the Company's share trading history on the ASX from when the MCL Acquisition was entered into.
- (c) **Acceptance of offer:** The major shareholders of MCL, who together hold 38% of the total MCL Shares on issue, have covenanted in favour of the Company that they will accept the offer made by the Company to acquire their MCL Shares and sign all documentation, including restriction agreements as required by ASX, to complete the MCL Acquisition.

It should be noted that MCL proposes to raise up to \$1,600,000 before the completion of the recompliance to fund its activities up to that date. It is for this reason that the resolution to approve the issue of Shares to MCL Shareholders notes the amount of Shares as being "up to" 1,277,142,857, as this will give the Company capacity to issue Shares to the parties who subscribe for Shares in MCL as part of the capital raising, assuming the maximum amount is raised.

Shares issued to the MCL Shareholders may be subject to restrictions pursuant to the requirements of the ASX Listing Rules.

1.2.2 Medcan Agreement – Terms and Conditions

The Company has also entered into the Medcan Agreement pursuant to which Medcan has agreed to facilitate the manufacture, importing and exporting of

cannabis products and/or ingredients to enable the Company to meet its business objectives.

The terms of the Medcan Agreement are set out below:

- (a) **(Term):** The Medcan Agreement shall become effective upon the date that the Condition Precedent (set out below) is satisfied (**Commencement Date**) and will end on the day that is 24 months after the Commencement Date. Within 3 months before the end of the term, the parties will negotiate the provision of the same or new services to be provided and the terms and remuneration for these services.
 - (b) **(Condition Precedent):** The obligations of the Parties under the Medcan Agreement will commence once ASX provides CGB with a letter of approval for CGB's Shares to be re-instated to trading on ASX, on conditions acceptable to CGB.
 - (c) **(Obligations of Medcan):** Medcan will:
 - (i) facilitate the import and export of cannabis products and/or ingredients that CGB may require to enable CGB to meet its business objectives in manufacturing and/or distributing any products, including but not limited to CannTab Therapeutics Ltd (**CannTab**) and Pharmocann Ltd (**Pharmocann**) lines of products;
 - (ii) facilitate the manufacture of CGB's products (using either its own facility or the facility of third parties, that are TGA and GMP approved manufacturing facilities, such as Bio Health Pharmaceuticals Pty Ltd); and
 - (iii) store any genetics, cultivars or seedbank that CGB has access to or control of (**Genetics**), including working to facilitate the formal acknowledgment by the ODC of the Genetics;
 - (iv) assist in the research, development and growth of CGB's Genetics;
 - (v) facilitate genetic research and development on behalf of CGB, within a facility; and
 - (vi) facilitate cannabis oil extraction on behalf of CGB within the facility provided that Medcan has capacity and is not otherwise engaged in the extraction of cannabis oil from its own product.
- Medcan is not obliged under the Medcan Agreement to grow cannabis for CGB in commercial quantities and such an arrangement between the parties pursuant to which Medcan agrees to do so will depend on Medcan's capacity at the time and will be the subject of a separate agreement between the parties.
- (d) **(Joint Business Opportunities):** Further, subject to the ASX approving re-instatement of CGB's shares to trading and Medcan maintaining its licenses and obtaining any other required permits, licenses, registrations or approvals, Medcan and CGB will enter into further negotiations with respect to a joint venture agreement to further develop and/or fund joint business opportunities, including to develop or acquire production

and/or manufacturing capacity for the furtherance of CGB's current and future businesses.

- (e) **(Mutual Release):** Medcan and CGB acknowledge that the Medcan Agreement contains the only obligations as between them, and that all past obligations and agreements between them are terminated with effect from execution, with each Party acknowledging that it has no claim against the other for any matter arising between them that arose prior to execution of the Medcan Agreement.
- (f) **(Obligations of CGB):** CGB agrees to pay all of Medcan's out of pocket expenditure and to assist in the provision of funding required to construct or purchase machinery, premises etc. CGB is also obliged to work in good faith to facilitate an agreement allowing Medcan access to CGB's genetics on commercial terms acceptable to CGB.
- (g) **(Facilitation Shares):** CGB must issue Medcan 2.25 million shares every quarter for a period of 24 months from commencement of the Medcan Agreement, being the date that ASX approves reinstatement of CGB's shares to trading (**Facilitation Shares**). However, if the volume weighted average price for the last 5 trading days prior to the end of the relevant quarter (**Relevant Price**) is less than 3.7 cents per share, CGB will have the option to either pay Medcan \$83,250 or issue the equivalent number or shares based on the Relevant Price.

If CGB is suspended from trading on the ASX at any time and is unable to discharge its obligations to issue the Facilitation Shares, it will be required to pay Medcan, \$83,250 or if notwithstanding the suspension, CGB is able to issue the Facilitation Shares, then Medcan may, at its election, during the suspension period, choose to either still receive the Facilitation Shares or the sum of \$83,250.

These 'Facilitation Shares' are to be issued pursuant to the Company's capacity under Listing Rule 7.1 and 7.2 and is capped at 5,000,000 Facilitation Shares per quarter.

- (h) **(Joint Venture Agreement):** If the parties agree that a joint venture agreement or a separate manufacturing, supply, storage or other form of agreement is required, the parties agree to negotiate in good faith with a view to agreeing the terms and entering into those agreements to more fully document the terms of this arrangement.
- (i) **(Termination):** Upon failure of either party to remedy a material breach of any of the obligations or provisions of the Medcan Agreement within thirty (30) days following receipt of written notice of the material breach, the aggrieved party shall have the right to terminate the Medcan Agreement immediately by written notice to the other party. Either party at its sole option may immediately terminate the Medcan Agreement upon written notice, to the other party in the event that a party is declared insolvent or bankrupt; a voluntary petition of bankruptcy is filed in any court of competent jurisdiction by such other party; the other party ceases or threatens to cease to carry on business or the Medcan Agreement is assigned by such other party for the benefit of creditors.

The Medcan Agreement otherwise contains terms and conditions which are considered standard for an agreement of its nature.

1.2.3 Bio Health Agreement

As set out above CGB has entered into a strategic alliance agreement (dated 29 March 2019) with Bio Health to manufacture a number of cannabis products (**Bio Health Agreement**).

A summary of the material terms of the Bio Health Agreement is set out below:

- (a) **Obligations of Bio Health:** Bio Health agrees to manufacture, test and package cannabis products for CGB. Together with CGB, Bio Health agrees to secure any required machinery and consider jointly listing certain products with the TGA. Bio Health agrees to obtain and maintain the necessary permits, registrations, licences, or other regulatory approvals required for the testing, manufacture and storage of the products and will work towards a co-branding partnership with CGB.
- (b) **Obligations of CGB:** CGB agrees to provide materials; assist with any applications for listing the end products with any relevant government authority; obtain or make available any licences to allow Bio Health to conduct its obligations; provide machinery and product ingredient specifications and all other information required for testing; arrange for any third-party authorisations, consents and intellectual property licensing and specialised personnel (if required).

CGB must at its own expense obtain and maintain the necessary permits, registrations, licenses, or other regulatory approvals required for the import, export, marketing, sale, distribution or use of the end products. CGB must make payment of amounts due and owing to Bio Health on the due date and must arrange regular meetings with Bio Health.

- (c) **Joint Venture Agreement:** If Bio Health and CGB agree that a joint venture agreement or another form of agreement is required for the co-branding or distribution of the end product, both parties agree to negotiate in good faith to create such an agreement on mutually acceptable terms.
- (d) **Term:** The Bio Health Agreement became immediately effective upon execution and continues for an initial period of 12 months and will be automatically renewed for further periods of 12 months unless earlier terminated by Bio Health or CGB.
- (e) **Termination:** Upon failure of either party to remedy its material breach of any of the obligations or **provisions** of the Bio Health Agreement within thirty (30) days following receipt of written notice of said material breach, the aggrieved party shall have the right to terminate the Bio Health Agreement immediately by written notice to the other party.

Either party may terminate the Bio Health Agreement immediately with written notice to the other party, should the other party be declared insolvent or bankrupt, cease or threaten to cease to carry on business, or if the Bio Health Agreement is assigned for the benefit of creditors. Any termination or expiration of the Bio Health Agreement shall not affect any outstanding obligations or payments due hereunder prior to such termination or expiration, nor shall it prejudice any other remedies that the parties may have under the Bio Health Agreement.

The Bio Health Agreement otherwise contains terms and conditions which are considered standard for an agreement of its nature.

1.2.4 HHC Agreement

MCL, Hemp Hulling Co (Qld) Pty Ltd (**HHC**) and HHC's major shareholder representative, Peter Edwards, entered into a heads of agreement, pursuant to which MCL agreed to acquire a 55% shareholding in HHC in two stages.

HHC is a hemp hulling and processing company that has a 50% interest in Waltanna Hemp Group Pty Ltd (WHG or Waltanna Hemp Group), an entity which has the authority to prioritise Waltanna Farms hemp processing capacity for MCL. By entry into the HHC Agreement, the parties were looking to forming a strategic relationship and partnership.

In consideration for MCL's acquisition of the initial 25% interest in HHC was satisfied in 31 January 2018, when MCL was required to provide a \$300,000 cash payment to HHC to enable an expansion of HHC's processing capacity to at least 40 metric tonnes per month, as well as issue a 5% shareholding interest in MCL's subsidiary, VitaHemp Pty Ltd, to HHC's nominee.

Subject to the successful relisting of CGB, MCL will acquire the additional 30% interest in HHC through the issue of 40,540,541 (the subject of Resolution 3). CGB Shares with a deemed value of \$1.5 million (based on a Share price of \$0.037).

Pursuant to the terms of the agreement, HHC has undertaken:

- (a) to prioritise any processing of hemp required by MCL through HHC at agreed rates;
- (b) to prioritise any processing hemp through Waltanna Farms processing facilities via HHC's controlling partnership with Waltanna Farms in the Waltanna Hemp Group at agreed rates;
- (c) to enable MCL to utilise all the processing products within the capacity of HHC or WHG, such as by-products, of the shell (positive waste), and uniquely WHG developed products such as nectars and flax blends;
- (d) to otherwise do whatever reasonable to prioritise MCL's business needs and products over any other company being serviced by HHC or WHG;
- (e) that all decisions that would reasonably be expected to be major business decisions or changes to the status quo of the ongoing business of HHC or WHG will be agreed with MCL (including any change in the shareholdings or legal or beneficial interests of HHC or WHG; and
- (f) that prior to the distribution of any profits from HHC to its shareholders, the \$300,000 investment will be returned to MCL from the first profits of HHC.

In addition, Peter Edwards, as HHCs major shareholder representative, has agreed to do whatever reasonably within his power to assist in the business development of MCL and the Vitahemp brand. He has also agreed to contract with MCL through his consultancy company, Hemp Foods Consultancy Pty Ltd at a rate of \$10,000 per month.

MCL has undertaken that, following the acquisition of its 55% shareholding interest in HHC, it will not utilise its majority shareholding to change the management or conditions of employment of HHC without the approval of Peter Edwards or other nominated representative, as representative of the non-MCL shareholders of HHC.

1.2.5 T12 Agreement

Mr Sebastian Edwards and Mr Samuel Edwards of HHC are also the founders of Organic Markets Direct, a major wholesaler of health foods that include Hemp Seed products, Chia Seeds, Green Leaf Stevia, Cacao, Buckwheat, Brown Rice and other pantry foods.

They have established Australian & International brands EM Super Foods, Australian Grown Naturals (AGN), Black Bag and OMD.

Organic Markets Direct via brands AGN and OMD, are Australia's largest exporter of Chia Seeds (Australian Grown) into Vietnam, Singapore and Hong Kong.

The parties believe that now the time is right to merge all, and create one large Health & Wellness Food group. This is a true whole-food collective of street smarts, corporate knowledge and experience. The merged group shares a common passion for Australian Grown and selective high-end imported foods.

In order to do so, it has been agreed that MCL acquire these businesses, held via T12 Holdings Pty Ltd (**T12**).

MCL and T12's major shareholder, have entered into the T12 Agreement, pursuant to which MCL has agreed to acquire a 100% shareholding in T12 in consideration for the issue of 21,621,621 Shares the subject of Resolution 7, together with 5,405,405 shares to be issued to T12 management the subject of Resolutions 8 and 9 (Sebastian Edwards) (**T12 Management Offer**).

1.2.6 L1 Agreement

MCL entered into a convertible securities agreement with L1 Capital Global Opportunities Master Fund (**L1**) in or around November 2017 to fund ongoing working capital requirements to enable the continued development of the Company and its business interests. This agreement was subsequently varied.

This was eventually replaced with a new form Convertible Securities Agreement (**L1 Convertible Securities Agreement**) entered into around the date of this Notice.

A full summary of the L1 Convertible Securities Agreement is set out in Schedule 3.

1.2.7 Empire Mandate

The Company has entered into a mandate pursuant to which it has engaged Empire to act as Lead Manager to the Capital Raising and the Company's corporate advisor (**Empire Mandate**).

The Empire Mandate is conditional upon:

- (a) a satisfactory outcome of the due diligence process undertaken in respect of the Company;
- (b) the Company preparing a prospectus that fully complies with the Corporations Act (including ASIC policy), the ASX Listing Rules and the Constitution, the terms and contents of which are satisfactory to Empire; and
- (c) the Company conducting a series of presentations to Empire advisors and/or certain key investors (as requested by Empire).

In its role as Lead Manager, Empire will provide the Company with all necessary assistance with managing and arranging the Capital Raising Offer, including the provision of issue management and marketing services.

In its role as corporate advisor, Empire has agreed to (among other things) assist the Company with broker presentations, marketing and non-deal road shows, the review of material announcements to be released to ASX and provide general advice in respect of potential offers, Transactions, disposals, capital raisings and corporate and other matters.

For its services as Lead Manager, Empire will be:

- (a) paid a cash fee equivalent to 1% of the total amount raised by the Company under the Capital Raising Offer (being between a minimum of \$19,950 and a maximum of \$59,500);
- (b) issued 20,000,000 Options on the same terms as those being offered under the Capital Raising Offer in consideration for providing CGB with an analyst research note with a purchase recommendation; and
- (c) paid a Success Fee of \$100,000 if the Capital Raising Offer is fully subscribed (**Success Fee**). The Success Fee will be payable in Shares to be issued on the same terms and conditions as those offered under the Capital Raising Offer.

Under the terms of the mandate, the Company provides a comprehensive indemnity to Empire (together with its associates and related companies, and its directors, agents and staff) in respect of loss and damage which may be incurred by an indemnified party, directly or indirectly, in respect of (among other things) the mandate, the Capital Raising Offer, any material non-compliance with applicable law in relation to the Capital Raising Offer, any breach or failure by the Company to observe the terms of the mandate, and any advertising, publicity, statements or reports in relation to the proposed Offers made by or with the agreement of the Company.

The Company also provides representations and warranties to Empire which are standard for a mandate of this nature.

Empire may terminate the mandate at any time upon giving 2 business days' notice of its intention to do so, or if any one or more of the following events occurs (among other things) in its sole and absolute opinion:

- (a) there is a material adverse effect to the assets, liabilities, financial position or prospects of the Company;
- (b) there is a false or misleading statement in (or omission from) the material or information provided to Empire or included in presentation materials;
- (c) there is a default by the Company of the terms of the mandate;
- (d) the All Ordinaries Index as published by ASX is at any time 10% or more below its level as at the close of business on the business day prior to the date of the mandate;
- (e) any representations and warranties given by the Company are or become materially untrue; or

- (f) a government agency commences public action or investigation against the Company or any of its directors.

The Company may terminate the mandate at any time if Empire fails to rectify a material breach of the terms of the mandate having been given 10 business days' notice in writing by the Company of such breach having occurred, or for convenience on the Company giving 10 business days' notice in writing to Empire.

1.3 Regulatory Approvals and Operating Jurisdictions

The Transactions require the necessary regulatory approvals as set out in this Notice, and as part of the approvals, the Company is required to issue a Prospectus.

The necessary licences for the Company and MCL to operate some aspects of the medical cannabis business in Australia include a Medical Cannabis Production Licence (Australian Cultivation & Production Licence) from the Office of Drug Control and a Cannabis Import and Export Licence and a Cannabis manufacture licence. As noted above, Medcan has these ODC Licences. Under the Medcan Agreement, Medcan will use its licences to facilitate the importing, exporting and manufacture of cannabis products and or ingredients to enable CGB to meet its business objectives, further details of which are set out in more detail in section 1.1.5. The regulatory risks of the Company are set out in the section 1.6 in the Risk Factors section of this Notice. The Company also requires state licensing for the growing of nutritional hemp products, which have been granted to Vitaseeds Pty Ltd, a wholly owned subsidiary. This entity has all the necessary licensing to achieve its desired functions.

Shareholders need to read these sections in full.

The Company intends to operate in Australia, however it has entered into transactions with entities operating in Canada and Israel and is working with entities in Israel for research purposes. It is the intention of the Company not to limit its operations to Australia, and will continue to pursue opportunities on a global basis subject to the relevant countries having an appropriate regulatory regime.

1.4 Transactions – Indicative Timetable

An indicative timetable for completion of the Transactions and associated transactions is set out below:

Timetable	Date
Dispatch of Notice of Meeting	30 May 2019
Lodgement of the Prospectus with ASIC	7 June 2019
Close of the offer under the Prospectus	28 June 2019
General Meeting	2 July 2019
Completion of MCL Acquisition	3 July 2019
Anticipated date the suspension of trading is lifted and CGB's securities commence trading again on ASX	10 July 2019

Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

1.4.1 Pro-forma Balance Sheet

A pro-forma balance sheet of the Company following the completion of the Transactions is set out in Schedule 1.

The Transactions will have an effect on the Company's revenue and expenditure. The revenue is not capable of being determined at this stage as the Company does not have a reasonable basis to make a forecast, and the anticipated effect on expenditure is set out in the Use of Funds in Section 1.4.3. The Use of Funds is indicative only and subject to change.

1.4.2 Pro-Forma Capital Structure

The anticipated capital structure of the Company following the completion of the Transactions and other issues of securities as contemplated in this Notice is set out below:

	Shares		Options		Performance Shares	Convertible Notes
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription		
Securities currently on issue	1,612,435,425	1,612,435,425	Nil	Nil	50,000,000 ¹	Nil
Shares to be issued pursuant to the Capital Raising	57,000,000 ²	170,000,000 ²	28,500,000 ³	85,000,000 ³	Nil	Nil
Securities to be issued pursuant to Lead Manager Offer	Nil	2,857,143 ⁴	20,000,000 ³	20,000,000 ³	Nil	Nil
Shares to be issued pursuant to the MCL Acquisition ⁵	1,277,142,857	1,277,142,857	Nil	Nil	Nil	Nil
Shares to be issued to Medcan ⁶	2,250,000	2,250,000	Nil	Nil	Nil	Nil
Shares to be issued pursuant to purchase of HHC ⁷	40,540,541	40,540,541	Nil	Nil	Nil	Nil
Shares to be issued pursuant to the T12 Acquisition ⁸	21,621,621	21,621,621	Nil	Nil	Nil	Nil
Shares to be issued to T12 Management ⁹	5,405,405	5,405,405	Nil	Nil	Nil	Nil
Securities to be issued pursuant to L1 Offer ¹⁰	10,000,000	10,000,000	31,140,000	31,140,000	Nil	1,730,000

	Shares		Options		Performance Shares	Convertible Notes
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription		
TOTAL¹¹	3,026,395,849	3,142,252,991	79,640,000	136,140,000	50,000,000	1,730,000

Notes:

1. Converting into fully paid ordinary Shares upon the achievement of the Australian Government granting a permit to MCL to grow cannabis varieties for medical cannabis research for the purposes of product development between the date of issue of the Performance Shares and 5 years after that date. These Performance Shares were issued on 28 September 2017 as part of the consideration payable for CGB's acquisition of its 55% interest in MCL and approved by Shareholders on 17 September 2017. These Performance Shares are subject to a 12-month escrow period.
2. Based on a price per share of \$0.035 each to raise at least \$1,995,000 under the minimum subscription and up to \$5,950,000 under the maximum subscription.
3. Exercise price of \$0.10 on or before the expiry date of 30 April 2020. Refer to Schedule 2 for a summary of the terms and conditions of these Options and Section 1.2.7 for a summary of the terms of the Empire Mandate. Approval for these Options is being sought pursuant to Resolution 14.
4. Based on a Success Fee of \$100,000 on a maximum subscription raise under the Capital Raising Offer, with approval being sought pursuant to Resolution 13. The Success Fee is payable in Shares at the same price as those Shares offered under the Capital Raising Offer.
5. Shares expected to be subject to escrow pursuant to the requirements of the ASX Listing Rules. The Company expects to release an ASX announcement confirming applicable escrow requirements in respect of its Shares following reinstatement to trading.
6. These Shares are in addition to the 4,250,000 Shares that have already been issued to Messrs Ball and Cochran and for which ratification is being sought under Resolutions 4 and 5 of this Notice.
7. Refer to Section 1.2.4 for a summary of the HHC Agreement.
8. Refer to Section 1.2.5 for a summary of the T12 Agreement.
9. The T12 Management Offer is being made to Sebastian Edwards and Sam Edwards.
10. The Company and L1 have entered into a varied agreement under which the Company will issue 1,730,000 replacement convertible notes (having a total face value of \$2,076,000) and 31,140,000 options and 10,000,000 Collateral Shares. Refer to Section 1.2.6 for further information and Schedule 4 for the terms of the L1 Options.
11. This assumes that no additional Securities are issued, or Performance Share milestones satisfied, which would result in their conversion into Shares.

1.4.3 Use of funds

It is proposed that the funds raised plus the Company's existing cash will be applied in the next two years as follows:

Item	Minimum Subscription \$1,995,000	Maximum Subscription \$5,950,000
	Amount (\$) / (%)	Amount (\$) / (%)
Existing cash reserves of the Company ¹	5,859,218	5,859,218
	(74.6%)	(49.6%)
Funds raised under the Capital Raising Offer	1,995,000	5,950,000
	(25.4%)	(50.4%)

Item	Minimum Subscription \$1,995,000	Maximum Subscription \$5,950,000
	Amount (\$) / (%)	Amount (\$) / (%)
TOTAL	7,854,218	11,809,218
	(100%)	(100%)
<u>Use of Funds:</u>		
Production manufacture cost ²	2,600,000	3,500,000
	(33.1%)	(29.6%)
Medical research and product development ³	1,500,000	2,500,000
	(19.1%)	(21.2%)
Hemp business development and marketing ⁴	1,150,000	2,250,000
	(14.6%)	(19.1%)
Exploration and expenditure associated with the Bauxite Projects	200,000	300,000
	(2.5%)	(2.5%)
Costs associated with the re-compliance with Chapters 1 & 2 of the ASX Listing Rules ⁵	503,111	542,661
	(6.4%)	(4.6%)
Raw materials for inventory build	1,200,000	1,500,000
	(15.3%)	(12.7%)
Corporate and administration costs	400,000	750,000
	(5.1%)	(6.4%)
Balance for working capital ⁶	301,107	466,557
	(3.8%)	(4.0%)
TOTAL	7,854,218	11,809,218
	(100%)	(100%)

Notes:

- Existing cash reserves as per 31 December 2018 Financial Report.
- To fund the costs associated with the production and installation of manufacturing equipment related to the production of Canntab medical cannabis pain relief products, facilitating the production of medical cannabis skincare products for the Pharmocann joint venture and other potential customers. In addition to costs of outfitting medical cannabis equipment, this amount will also be used to fund the costs associated with operations conducted at the Bio Health production facility in Australia, including contributions to operational and production costs during the next two-year period.
- Including payment of research funding in accordance with existing contractual arrangements, including with TDRF (refer to Section 14.8 for further information), to be expended the next two-year period.
- Including increasing inventory purchase, marketing and advertising and sales team personnel, to be expended over the next two-year period.
- Including the fees payable to the Lead Manager. Pursuant to the terms of the lead manager mandate with Empire, Empire is entitled to a lead manager fee of 1% on the total

amount raised under the Capital Raising Offer (payable in cash). Empire is also entitled to a \$100,000 success fee, payable in shares if the Capital Raising Offer is fully subscribed.

The above table is a statement of current intentions as at the date of this Notice. Intervening events may alter the way funds are ultimately applied by the Company.

1.5 CGB Business Plan – Post Transactions

There will be a change to the Board as a result of the Transactions, as the ASX require the Company to maintain a majority of independent directors on the Board. In addition, through the acquisition of MCL, and pursuant to the terms of the Medcan Agreement, the Company will collaborate with and gain access to the skilled management teams of each of these respective companies. The following are the expected Board for the relevant entity post completion of the Transactions.

The Company's Board:

- (a) Pnina Feldman (*Executive Chairperson*);
- (b) Sholom Feldman (*Executive Director*);
- (c) John Easterling (*Independent Non-Executive Director*);
- (d) David Austin (*Independent Non-Executive Director*); and
- (e) Jonathan Cohen (*Independent Non-Executive Director*).

MCL's Board:

- (a) Pnina Feldman (*Executive Chairperson*);
- (b) Sholom Feldman (*Executive Director*);
- (c) Andrew Kavasilas (*Executive Director*); and
- (d) John Easterling (*Independent Executive Director*).

Medcan's Board:

- (a) Craig Cochran (*CEO*); and
- (b) Gareth Ball (*Executive Director*).

Following the Transactions, the Company will be comprised of two separate operating divisions; mining and cannabis.

Upon the successful completion of the Transactions, the Company will primarily focus on legally growing, producing, cultivating, manufacturing, importing and exporting hemp and medicinal cannabis products to service an increasing demand in the Australian and global markets, but will also retain its current interest in its existing Bauxite Projects.

1.5.1 Cannabis division

The Transactions will enable the Company to complete its second vertically integrated business from 'seed to consumer' in medicinal cannabis (as further discussed in Section 1.1.3).

Following completion of the Transactions, CGB plans to utilise MCL and Medcan's management experience in the cannabis industry and the intellectual property it has developed in its seed bank to take advantage of opportunities relating to the emerging medical cannabis and nutritional hemp industries.

Through its existing investment in seed growing and food processing infrastructure, the Company intends to generate revenue from hemp food and nutritional products. Marketing and branding strategies are aimed at both growing market share and increasing the size of the fledgling industry. The Company's vertically integrated business model is aimed at maximising margins across the value chain.

MCL's medical cannabis strategy is to leverage the value of the cannabis genetics it has developed over the last decade. Partnerships on auto immune and multiple sclerosis cannabis research with the world leading Israeli professors and cannabis research laboratory facilities at the Technion in Haifa, and the exporting of genetics to Canntab for use in medical cannabis products are examples.

MCL also intends to distribute medical cannabis products in Australia, initially pain relief products via an agreement with Canntab, and now to grow and manufacture its own medical cannabis products for the local and global markets.

MCL believes there is significant value in its intellectual property and the implementation of its strategy to generate potential revenues in the medical cannabis and nutritional hemp industries.

1.5.2 Mining division

Following completion of the Transactions, the Company will also focus on progressing its Bauxite assets to commercialisation. CGB's strategy is to:

- (a) define significant bauxite resources close to port and near established infrastructure;
- (b) short list potential joint venture partners;
- (c) gain requisite approvals;
- (d) establish mining operations;
- (e) export bauxite ore to Asian alumina refineries;
- (f) use initial DSO cash flow to fund further exploration and DSO production expansion; and
- (g) acquire or joint venture other mining projects of value to the Company.

Summary of South Johnstone Project

The Company has been granted a mining development licence (**MDL**) from the Queensland Department of Natural Resources and Mines at the Company's South Johnstone Bauxite project in Northern Queensland.

The South Johnstone Project is particularly well situated geographically as it is located only 15-24 kilometres from the Port of Mourilyan where there is a currently available export allocation to CGB and capacity for direct shipping to export markets.

The MDL grant is an important milestone for the Company. It is part of its overall strategy to develop an export operation in a staged development of South Johnstone that allows for long term mining and export, prospect by prospect at low cost. Conclusion of offtake or partnership arrangements and the initial pilot programme should prove the viability of this approach for the long term.

Concurrently, CGB will look to increase the JORC Indicated Resource from ongoing regional work programs while commencing production on the first prospects.

The main objective of the Company in developing this project is to generate positive net cash flows as quickly as possible.

Following on from the grant of the MDL by the Queensland Department of Mining in respect of the South Johnstone Bauxite Project and the sending of bulk samples to potential customer refineries to secure offtake, members of the Company's management team visited several Chinese bauxite refineries and aluminium smelters whose executives have expressed interest in partnering in the development of the South Johnstone Bauxite Project. The team has also met with Hong Kong based metals marketing platforms who have expressed an interest to assist in the commodity trading with CGB. This remains an ongoing process.

Off take

The Company is continuing its discussions with a number of groups including end users for off take of bauxite from South Johnstone.

Progress is being made in discussions with offtake partners and the current strategy of enabling the project to be ready for production in a staged manner will assist these efforts, by giving the end users clarity of timing for buying of the product.

High Demand

Forward demand continues to be strong for bauxite given the favourable demand and supply metrics.

The global market requires a constant supply of bauxite to meet the growing demand and South Johnstone is well positioned to capitalise on demand.

Bauxite at South Johnstone is predominantly gibbsite which is the preferred form of bauxite as it is easier to process at low temperature than non-gibbsitic bauxite.

Port

Profit margins in bauxite mines in general are strongly affected by transportation costs, and producers often need to even build the railroads and regular roads to transport the material many kilometres to a deep water port, and then in addition pay the cost of shipping from that port to a large importer of bauxite like China.

North Queensland is one of the nearest ports to China. It is closer than nearly all the major bauxite export provinces around the world.

The Company's South Johnstone Bauxite Project in North Queensland is situated near a deep water port suitable for exports and stands to have a significant competitive advantage in terms of transport and shipping costs.

Geological Summary of Material Information

CGB has an Indicated JORC Resource of 1.9 million tonnes at Camp Creek.

CGB's JORC Code Indicated Resource within EPM 18463 is based on a coverage of holes on a 200m x 200m grid over most of Camp Creek (51 auger holes and 1 aircore hole drilled into a sound geological model with bauxite recovered in most of those holes). Based on this understanding, a select portion of the bauxite mineralisation at Camp Creek (1.9 million tonnes at 29.7% Av Al₂O₃ 3.2% Rx SiO₂) has been classified as a JORC Code Indicated Resource (Refer tables below).

Camp Creek is one of the areas of bauxite mineralisation discovered by the Company through its regional drilling programs within exploration permit EPM 18463. EPM18463 was applied for by the Company to cover a bauxite exploration target (basaltic lava flows within the palaeo-Johnstone valley) based on the geologic model.

Geology and Geological Interpretation

Bauxite mineralisation occurs at surface in a weathering profile that is known from the drilling to extend from surface to a depth of about 5m. It is found as a continuous blanket overlying flat-lying basalt flows of the Atherton Province within EPM18463. The deposit formed by weathering of the basalt surfaces with resultant leaching of silica downwards and concentration of alumina towards the surface of the profile. In most of the drilling carried out to date, a gradual decline in alumina and increase in silica with depth is noted in the first few metres indicating an in-situ weathering profile over basalt.

Confidence in the geological interpretation of the mineral deposit at Camp Creek, and specifically within the MDL area, is high because of its simple geometry and topographic conformity - a flat-lying visible weathering horizon at surface related to a palaeo-surface. Drilling to date indicates there is little to no overburden.

Drilling on a 50m x 50m grid provides confidence that the geology and mineralisation can be interpolated between boreholes containing bauxite across un-dissected terrain at the same general elevation. Mineralisation at Camp Creek was only previously inferred from hole SJAC052 with the topography/geomorphology guiding the initial Inferred Resource estimation with topographic features such as plateaus, ridge tops etc, interpreted to be part of the original flat lava surface. Results from the September 2014 200m x 200m auger drilling program and the May/June 2015 50m x 50m air core/ auger drilling program at Camp Creek have proved the geological model to be accurate, giving higher confidence to the other resource areas inferred by the Company elsewhere in EPM18463.

Continuity of the mineral deposit was not assumed where the terrain is dissected by younger drainages (i.e. around the plateau edges). Drilling at Camp Creek has also shown this assumption to be correct - i.e. that the surrounding bauxite has been eroded away beyond the current plateau edges.

Mineral Resources and Ore Reserves Statement

The Company has not announced any JORC Measured Resources or Ore Reserves at the present time.

Competent Person Statement

The information in this announcement that relates to exploration results, Exploration Targets or Mineral Resources is based on, and fairly represents, information compiled by Dr Robert Coenraads BA Hons MSc PhD. Dr Robert Coenraads is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Coenraads contracts services to Cann Global Limited. Dr Coenraads has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Coenraads has given his consent to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

1.5.3 Growth Strategy

The Company will continue to seek value investments and opportunities in the resources sector to complement its existing business, to maximise shareholder value when the opportunities arise.

1.6 Risk Factors

1.6.1 Introduction

Shareholders should be aware that if the relevant Resolutions are approved and the Transactions are completed, the Company will be re-complying with Chapters 1 and 2 of the ASX Listing Rules and will be subject to various risk factors.

Based on the information available, a non-exhaustive list of risk factors are set out below.

The Company's Securities should be considered highly speculative because of the nature of the Company's business. The future profitability of the Company will be dependent on the successful commercial exploitation of its business and operations.

An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors.

The list of risk factors in this Section should not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The risk factors, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the Securities. Therefore, the Securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

The business assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

1.6.2 Key Risks relating to the Change in Nature and Scale of Activities

- (a) **Completion Risk:** The Company has agreed to acquire 100% of MCL, completion of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion of the acquisition cannot be fulfilled and, in turn, that completion of the acquisition does not occur.

If the acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved.

- (b) **Re-quotation of shares on ASX:** As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company's securities will remain in suspension until completion of the Transactions, the Capital Raising, re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from official quotation. The Company however, following the recent detailed discussions with the ASX surrounding these acquisitions and CGB's re-compliance obligations, at the moment sees no reason why the Company should not be able to re-comply according with these conditions.

- (c) **Dilution Risk:** The Company currently has 1,612,435,425 Shares on issue. The Company proposes to issue a maximum of 1,529,817,566 Shares, including 2,225,000 Shares to Medcan in consideration for the services to be provided under the Medcan Agreement and 1,277,142,857 Shares to MCL shareholders in consideration for the MCL Acquisition.

The Company is also proposing to issue 40,540,541 Shares to HHC shareholders (Resolution 3), 21,621,621 Shares to the T12 Shareholders (Resolution 7), 5,405,405 Shares to T12 Management (Resolutions 8 and 9), up to 170,000,000 Shares to participants under the Capital Raising (Resolution 10), 25,000,000 Shares to related parties who will participate in the Capital Raising (Resolutions 11 and 12) and 10,000,000 Collateral Shares to L1 (Resolution 17).

With the Company expected to have approximately 3,142,252,991 Shares on issue at the time of its reinstatement to trading, existing Shareholders are expected to be diluted by approximately 51.31% on completion of the Transactions and the Company's reinstatement to trading.

- (d) **ASX Suspension**

The Company's Securities have been suspended since 1 August 2018. As such, there is no market for Shares and the Shares offered pursuant to the Prospectus are highly illiquid.

- (e) **Liquidity:** On completion of the Transactions, the Company proposes to issue up to 1,529,817,566 Shares. The Company understands that ASX may treat some of these Shares as restricted securities in accordance with Chapter 9 of the Listing Rules.

This could be considered an increased liquidity risk as a portion of issued Shares may not be able to be traded freely for a period of time.

(f) **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.

- (g) **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.

(h) **Integration Risk**

Given that on completion of the Transactions, independent businesses will be brought 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.

1.6.3 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 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.

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:** As set out in Section 1.1.2, Medcan currently holds a Production Licence from the ODC received in November 2017, a Cannabis Import and Export License and a cannabis manufacture licence.

The Company will rely 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.

- (c) **Establishment and implementation of new legislative regime**

The Company operates (or intends to operate) in an industry which has recently experienced key regulatory and legislative changes.

The legislative amendments to key Australian legislation only came into effect fairly recently (for example, the legislative amendments to the ND Act only came into effect in Australia in October 2016).

The ODC has published regulations and a series of guidelines which explain how the reforms are to operate, and the application processes for licences and permits. Although this guidance is quite prescriptive, as with any new legislative regime, there remains some uncertainty as to the interpretation of the new laws and regulations and the review methodology that the ODC will adopt.

- (d) **Change to laws or regulations**

The operations and proposed operations of the Company Group, and Medcan are subject to a variety of laws, regulations and guidelines. The industrial hemp and medicinal cannabis industries are evolving globally, including in Australia. It is likely that governments worldwide, including Australia, will continue to explore the benefits, risks and operations of companies involved in the hemp and medicinal cannabis sectors. In particular, the regulation of hemp and medicinal cannabis is a partisan and divisive issue and, as a result, a change in government or increase in political lobbying may result in a change in government policy and an amendment of legislation and/or regulation.

The introduction of new legislation or amendments to existing legislation by governments, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the licensing, operations or contractual obligations of the Company Group, and

Medcan, could impact adversely on the assets, operations and financial performance of CGB and the hemp and medicinal cannabis industry in general.

(e) **Agricultural Factors**

The business of MCL and Medcan is 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, 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.

(f) **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.

(g) **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 intends to provide access to its products under the Special Access Scheme and 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.

(h) **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.

(i) **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.

(j) **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's strategic relationships may be negatively affected 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. 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.

(k) **Key Supplier Risk**

The Company Group, MCL and Medcan have arrangements with a number of key suppliers. To the extent that the Company Group and Medcan 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.

(l) **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.

(m) **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.

(n) **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.

Protection of Intellectual Property: The Company relies on a combination of trade secret protection (i.e. know-how), and confidentiality agreements to protect its intellectual property and without infringing on the proprietary rights of others. Failure to adequately protect its intellectual property rights may have a material adverse impact on the Company's business.

1.6.4 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.

1.6.5 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 Company's Shares could fluctuate significantly. The market price of the Company's 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 the Company's 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 Company's 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 Company's 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 Notice, 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.

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.

1.7 Transactions – advantages / disadvantages / recommendation

1.7.1 Advantages of the Transactions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the Transactions represent a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in the Company's Shares;
- (b) the Transactions provide the Company with the opportunity to increase the value of the Company; and
- (c) the Company may be able to take advantage of the forecasted multi-billion dollar growth in the newly legalised cannabis industries in Australia and globally.

1.7.2 Disadvantages of the Transactions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the Company will be changing the scale of its activities which may not be consistent with the objectives of all Shareholders;
- (b) the Transactions, Capital Raising and associated transactions the subject of this Notice will result in the issue of a significant number of Shares to the

MCL Shareholders, Medcan and new investors which will have a dilutionary effect on the holdings of Shareholders;

- (c) there are inherent risks associated with the change in nature of the Company's activities. Some of these risks are summarised in Section 1.6.2 above;
- (d) future outlays of funds from the Company may be required for its proposed business operations; and
- (e) there are additional risk factors associated with the change in nature of the Company's activities resulting from the Transaction. Some of the key risks are summarised in Section 1.6 above.

1.7.3 Plans for the Company if the Resolutions are not passed

If the Resolutions are not passed, the Company will be required by the ASX to either sell off its interest in MCL or spin it out of the company in an independent IPO. The Company would then return to being a pure mineral exploration company, and thereby shareholders will potentially lose the direct value of the MCL and Medcan businesses moving forward. Additionally, the Company may look for other potential projects which have the potential to deliver future growth to Shareholders.

1.7.4 Directors' Recommendation

The Company has undertaken appropriate enquiries into the assets, liabilities, financial position, financial performance, profits and losses and prospects of MCL, for the Board to be satisfied that the Transaction are in the interests of the Company and its Shareholders. Other than as stated, the Directors do not have any material personal interests in the outcome of the Resolutions.

Other than Sholom Feldman and Pnina Feldman in respect of Resolutions 11 and 12 respectively who do not provide a recommendation due to having an interest in these Resolutions, the Board unanimously recommends that Shareholders vote in favour of the Resolutions as, after an assessment of the advantages and disadvantages referred to in Sections 1.7.1 and 1.7.2, they are of the view that the advantages significantly outweigh the disadvantages and consider the Transactions to be in the best interests of Shareholders.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

2.1 General

As outlined in Section 1 of this Explanatory Statement, the Company has entered into the MCL Agreement pursuant to which the Company acquire the remaining MCL Shares which it does not already hold from the MCL Shareholders. The Company has also entered into the Medcan Agreement pursuant to which Medcan has agreed to facilitate the manufacture, importing and exporting of cannabis products and/or ingredients to enable the Company to meet its business objectives.

A detailed description of the Transactions is outlined in Section 1. ASX has determined that the Transactions will result in the change in the nature and scale of the Company's bauxite activities.

Resolution 1 seeks approval from Shareholders for the change to the nature and scale of the activities of the Company resulting from the Transactions.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that, given the change in the nature and scale of the Company's activities upon completion of the Transactions, ASX requires the Company to:

- (a) obtain Shareholder approval; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

Accordingly, it is anticipated that the Company's Shares will remain suspended until the Company has settled the Acquisition and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

The Company will not be undertaking a consolidation of its capital as part of its proposed re-compliance with Chapters 1 & 2 of the Listing Rules. The Company has received a waiver from the ASX of Listing Rules 1.1 (Condition 12) and 1.1 (Condition 2). Refer to Section 2.3 below.

If the Resolutions are not approved at the Meeting, it is expected that the Company's Shares will be reinstated to quotation on ASX's Official List after the Company announces the results of the Meeting in accordance with the Listing Rules and Corporations Act.

2.3 Guidance Note 12

Changes to ASX Guidance Note 12 alter ASX's policy in relation to the application of the "20 cent rule" to re-compliance listings. Previously a company was required to re-comply to the Official List of the ASX at an issue price of 20 cents per share as part of compliance with Chapters 1 and 2 of the ASX Listing Rules. Guidance Note 12 states that this issue price can now be below 20 cents where an entity's securities have been trading on ASX at less than 20 cents. ASX will consider a request not to apply the 20 cent rule provided the issue price or sale price for any securities being issued or sold as part of, or in conjunction with, the transaction:

- (a) is not less than two cents each; and
- (b) is specifically approved by security holders as part of the approval obtained under Listing Rule 11.1.2; and

- (c) ASX is otherwise satisfied that the entity's proposed capital structure after the transaction will satisfy Listing Rules 1.1 condition 1 and 12.5 (appropriate structure for a listed entity).

For this reason, the Company is seeking Shareholder approval for the Company to issue Shares upon re-compliance at an issue price of not less than \$0.02 per Share, as part of the approvals sought under ASX Listing Rule 11.1.2.

Further, Guidance Note 12 indicated that if an entity is proposing to issue options as part of the transaction (and the entity's ordinary securities have been trading at less than 20 cents), ASX will consider a request for ASX not to apply the Minimum Option Exercise Price Rule, provided that:

- (a) the exercise price for the options:
 - (i) is not less than two cents each; and
 - (ii) is specifically approved by security holders as part of the approvals obtained under ASX Listing Rule 11.1.2; and
- (b) ASX is otherwise satisfied that the entity's proposed capital structure after the transaction will satisfy ASX Listing Rule 1.1 Condition 1 and 12.5.

For this reason, the Company is also seeking Shareholder approval for the Company to issue Options upon re-compliance at an exercise price of not less than \$0.02 per Option, as part of the approvals sought under ASX Listing Rule 11.1.2.

3. RESOLUTION 2 – ISSUE OF CONSIDERATION TO MCL SHAREHOLDERS

3.1 General

Resolution 2 seeks Shareholder approval for the issue of 1,277,142,857 Shares to the MCL Shareholders (**MCL Consideration**) in consideration for the MCL Acquisition as further detailed in Section 1 above.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue the MCL Consideration during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is conditional on the approval of the Transaction Resolution.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the MCL Consideration:

- (a) the maximum number of securities to be issued is 1,277,142,857 Shares at a deemed issue price of \$0.037 per Share;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or

modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;

- (c) the Shares will be issued for nil cash consideration in consideration of the MCL Acquisition;
- (d) the Shares will be issued to the MCL Shareholders, none of whom are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the MCL Consideration as the Shares are being issued in consideration for the MCL Acquisition.

4. RESOLUTION 3 – ISSUE OF CONSIDERATION TO HHC SHAREHOLDERS

4.1 General

Resolution 3 seeks Shareholder approval for the issue of 40,540,541 Shares to the HHC Shareholders (**HHC Consideration**) in consideration for the acquisition by MCL of a further 30% interest in the issued share capital of HHC on top of the original 25% acquired initially. As detailed in Section 1.1.3, HHC is a manufacturer of hemp foods based in Queensland.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1.

The effect of Resolution 3 will be to allow the Company to issue the HHC Consideration during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is conditional on the approval of the Transaction Resolution.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the HHC Consideration:

- (a) the maximum number of securities to be issued is 40,540,541 Shares at a deemed issue price of \$0.037 per Share;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration in consideration of the HHC Acquisition;
- (d) the Shares will be issued to the HHC Shareholders, none of whom are related parties of the Company (other than by virtue of the HHC Acquisition);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (f) no funds will be raised from the issue of the HHC Consideration as the Shares are being issued in consideration for the acquisition by MCL of a further interest in the issued capital of HHC.

5. RESOLUTIONS 4 AND 5- RATIFICATION OF PRIOR ISSUE – SHARES GARETH BALL AND CRAIG COCHRAN

5.1 General

On 28 August 2018, the Company issued a total of 4,250,000 Shares at a deemed value of 3.5 cents per Share to Gareth Ball and Craig Cochran, directors of Medcan, for services provided by Medcan to the Company for extensive commercial and regulatory advice and assistance in relation to various ways of maximising the value of the Company's investment in MCL.

Resolutions 4 and 5 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 3.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 4,250,000 Shares were issued as follows:
- (i) 2,870,000 shares were issued to Craig Cochran; and
 - (ii) 1,380,000 shares were issued to Gareth Ball;
- (b) the Shares were issued for nil cash consideration in satisfaction of services provided by Medcan;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Craig Cochran and Gareth Ball, who are not related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for services provided by Medcan.

6. RESOLUTION 6 – ISSUE OF SHARES TO MEDCAN AUSTRALIA PTY LTD

6.1 General

Resolution 6 seeks Shareholder approval for the issue of 2,500,000 Shares to Medcan at a deemed value of 3.5 cents per Share, being the quarterly share issue (**Management Shares**) pursuant to the terms of the Medcan Agreement. These shares are to be issued pursuant to the Company's capacity under Listing Rule 7.1 and 7.2 and is capped at 5,000,000 Shares per quarter.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1.

The effect of Resolution 6 will be to allow the Company to issue the Shares to Medcan during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is conditional on the approval of the Transaction Resolution.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Management Shares:

- (a) the maximum number of securities to be issued is 5,000,000 Shares;
- (b) the Management Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the Management Shares will be issued for nil cash consideration in consideration of the services to be provided under the Medcan Agreement;
- (d) the Management Shares will be issued to Medcan, who is not a related party of the Company;
- (e) the Management Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue the Management Shares are being issued in consideration for services to be provided under the Medcan Agreement.

7. RESOLUTION 7 – ISSUE OF CONSIDERATION TO T12 SHAREHOLDERS

7.1 General

Resolution 7 seeks Shareholder approval for the issue of 21,621,621 Shares to the T12 Shareholders (**T12 Consideration**) in consideration for the acquisition by MCL of the fully paid issued ordinary share capital of T12. As detailed in Section 1.2.5, T12 is a manufacturer of health foods based in Queensland.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1.

The effect of Resolution 7 will be to allow the Company to issue the HHC Consideration during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is conditional on the approval of the Transaction Resolution.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the T12 Consideration:

- (a) the maximum number of securities to be issued is 21,621,621 Shares at a deemed issue price of \$0.037 per Share;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration in consideration of the acquisition of T12;
- (d) the Shares will be issued to the T12 Shareholders, Sebastian and Sam Edwards, who are not a related party of the Company (other than by virtue of the T12 Acquisition);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the T12 Consideration as the Shares are being issued in consideration for the acquisition by MCL of the issued capital of T12.

8. RESOLUTIONS 8 AND 9 – ISSUE OF T12 MANAGEMENT SHARES

8.1 General

These Resolutions seek Shareholder approval for the issue of 2,702,703 Shares to Mr Sebastian Edwards and 2,702,702 Shares to Mr Sam Edwards (**T12 Management Shares**) pursuant to the terms of the T12 Agreement.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1.

The effect of these Resolutions will be to allow the Company to issue the Management Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is conditional on the approval of the Transaction Resolution.

8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the T12 Management Shares:

- (a) the maximum number of securities to be issued is 5,405,405 T12 Management Shares at a deemed issue price of \$0.037 per T12 Management Share;
- (b) the T12 Management Shares will be issued within 3 months after the receipt of Shareholder approval and after completion of the acquisition of T12 and it is intended that issue of the Shares will occur on one date;
- (c) the T12 Management Shares will be issued for nil cash consideration in consideration of the management services to be provided;
- (d) the T12 Management Shares will be issued to Mr Sebastian Edwards and Mr Sam Edwards, neither of whom are related parties of the Company;
- (e) the T12 Management Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the T12 Management Shares are being issued in consideration for the management services to be provided.

9. RESOLUTION 10 – CAPITAL RAISING

9.1 General

This Resolution seeks Shareholder approval to enable the Company to issue up to 170,000,000 Shares at an issue price of \$0.035 per Share to raise up to \$5,950,000 (**Capital Raising**) with a minimum raising of \$1,995,000 by the issue of 57,000,000 Shares. A 1 for 2 free attaching Option will be issued (exercise price of \$0.10 on or before the expiry date of 30 April 2020). The Capital Raising will not be underwritten.

The Shares to be issued under the Capital Raising will be issued pursuant to a Prospectus to satisfy the admission requirement in Condition 3 of Listing Rule 1.1.

None of the subscribers for Shares under the Capital Raising will be related parties of the Company for the purpose of Listing Rule 10.11 (other than as specified in Resolutions 11 and 12, as to which refer to Section 10).

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity. This Resolution is conditional on the approval of the Transaction Resolution.

9.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Shares to be issued is 170,000,000 together with up to 85,000,000 free attaching Options (on a 1 for 2 basis);
- (b) the Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.035 per Share and the Options will be issued for nil consideration;
- (d) the Directors will determine to whom the Securities will be issued but these persons will not be related parties of the Company (other than as specified in Resolutions 11 and 12);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the terms and conditions of the Options are set out in Schedule 2; and
- (g) the Company intends to use the funds raised from the Capital Raising as outlined in Section 1.4.3 above.

10. RESOLUTIONS 11 & 12 – RELATED PARTY PARTICIPATION IN CAPITAL RAISING

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to provide the ability for Directors, Prina Feldman and Sholom Feldman (the **Related Parties**), to participate in the Capital Raising in an amount of up to 12,500,000 Shares each (a total of 25,000,000), with up to 6,250,000 free attaching Options, each on the terms and conditions set out below in their own right or via a nominee.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Related Parties would be participating in the Capital Raising at the same price as other Shareholders and therefore it is considered that the related party provisions of the Corporations Act do not apply.

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose

relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

This Resolution is conditional on the approval of the Transaction Resolution.

10.2 Shareholder Approval (ASX Listing Rule 10.11)

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed participation of the Related Parties in the Capital Raising:

- (a) the related parties are two of the Directors, Pnina Feldman and Sholom Feldman;
- (b) the maximum number of securities to be issued is 25,000,000 being 12,500,000 Shares and 6,250,000 free attaching Options each;
- (c) the Shares and Options will be issued to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated they will be issued on one date;
- (d) the Shares will be fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares and issued in return for an investment at \$0.035 each, being the same as all other Shares issued under the Capital Raising and the Options are issued for nil consideration as they are free attaching to the Shares on a 1 for 2 basis, being the same as all other Options issued under the Capital Raising;
- (e) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in this Explanatory Statement;
- (f) the terms and conditions of the Options are set out in Schedule 2;

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares and attaching Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Shares and Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

11. RESOLUTION 13 – ISSUE OF SHARES – EMPIRE CAPITAL PARTNERS

11.1 General

This Resolution seeks Shareholder approval for an issue of Shares to Empire Capital Partners Pty Ltd (**Empire Capital**) in consideration for the provision of lead management and corporate advisory services.

\$100,000 worth of Shares is payable as a success fee where the Capital Raising is over-subscribed on the same terms as the Capital Raising (**Success Fee**).

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a

longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is conditional on the approval of the Transaction Resolution.

11.2 Dilution

Success Fee

Below, is a worked example of the number of Shares that may be issued and the dilutionary effect solely in respect of the Success Fee based on an issue price of \$0.035 being the issue price under the Capital Raising.

Assumed issue price	Maximum number of Shares which the Company could issue (rounded up to the nearest whole number) for Success Fee	Current Shares on issue as at the date of this Notice	Increased number of Shares on issue assuming the Company issued the maximum amount pursuant to the Success Fee	Dilution effect on existing Shareholders
\$0.035	2,857,142	1,612,435,425	1,615,292,567	0.18%

Assuming no Options are exercised or other Shares issued and the maximum number of Shares under the Success Fee (as set out in the worked example above) are issued, the number of Shares on issue would increase from 1,612,435,425 (being the number of Shares on issue as at the date of this Notice) to 1,615,292,567 and the shareholding of existing Shareholders would be diluted by 0.18%.

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

12. RESOLUTION 14 – PLACEMENT – OPTIONS - EMPIRE CAPITAL PARTNERS

12.1 General

This Resolution seeks Shareholder approval for the issue of up to 20,000,000 Options in consideration for lead manager services provided by Empire Capital in respect of the Capital Raising.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Company to issue Options to Empire Capital during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

This Resolution is conditional on the approval of the Transaction Resolution.

12.2 ASX waiver of Listing Rule 7.3.2

ASX Listing Rule 7.3.2 provides that the date or dates by which an entity must issue securities approved by shareholders under ASX Listing Rule 7.1 is no later than 3 months following the date of the meeting.

The Company has received a waiver from the requirements of ASX Listing Rule 7.3.2 to enable it to complete the issue of Options to Empire Capital after completion of a research note as per the terms of the mandate with Empire Capital, rather than within the 3 months following the Meeting (**ASX Waiver**).

12.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued is 20,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration in satisfaction of lead management services provided by Empire Capital;
- (d) the Options will be issued to Empire Capital, who is not a related party of the Company;
- (e) the Options will be issued on the same terms and conditions as those issued under the Capital Raising and as set out in Schedule 2; and
- (f) no funds will be raised from the issue as the Options are being issued in consideration for of lead management services provided by Empire Capital.

13. RESOLUTION 15 - APPROVAL TO ISSUE CONVERTIBLE SECURITY - L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND

13.1 General

As set out in Section 1.2.6, the Company has agreed to entered into the L1 Convertible Securities Agreement under which the Company will issue 1,730,000 replacement convertible securities (having a face value of \$2,076,000) to L1 (**Convertible Securities**).

MCL had entered into the convertible securities agreement with L1 at the time when the Company was expecting to float MCL (rather than merge MCL into the Company as a wholly owned subsidiary). This agreement provided the additional capital which was required to fund ongoing requirements and the continued development of the Company. Although the Company initial public offering (IPO) of MCL shares did not occur by 31 May 2018 (which was an event of default), the parties agreed to vary the agreement for the convertible notes.

The key terms of the L1 Convertible Securities Agreement are summarised in Schedule 3.

This Resolution seeks Shareholder approval for the issue of the Convertible Securities to L1 in accordance with ASX Listing Rule 7.1. Following the approval of this Resolution, the Convertible Securities will be carried as a security in the Company's capital structure.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Company to issue the Convertible Securities to L1 in accordance with the Convertible Securities Agreement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) and to allow the Company to issue Shares on conversion of the Convertible Security in accordance with the terms of the L1 Convertible Securities Agreement, without using the Company's 15% annual placement capacity.

13.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Convertible Securities:

- (a) the Convertible Securities have a face value of \$1.00 per security;
- (b) the maximum number of equity securities to be issued is 1,730,000 Convertible Securities with a total face value of \$2,076,000. The maximum number of Shares to be issued on conversion of the Convertible Securities is currently unknown and will be determined in accordance with the conversion mechanism provided for under the Convertible Shareholder Agreement as shown in Schedule 3.
- (c) the Convertible Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Convertible Securities will occur on the same date;
- (d) the Convertible Securities are to be issued with a total face value of \$2,076,000 and otherwise pursuant to the terms of Convertible Shareholder Agreement as summarised in Schedule 3;
- (e) the Convertible Securities will be issued to L1, which is not a related party of the Company;
- (f) the material terms of the Convertible Securities are set out in Schedule 3;
- (g) the Shares to be issued on conversion of the Convertible Securities, will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (h) the funds raised from the issue of the Convertible Securities will be used for ongoing working capital for MCL's businesses.

13.3 Dilution

Set out below is a worked example of the number of Shares that may be issued upon conversion of the Convertible Securities assuming the following volume weighted average price (**VWAP**) during the 5 trading days prior to the conversion:

- (a) the last day of the month of April is \$0.035 per Share;
- (b) the last day of the month of May is \$0.030 per Share;
- (c) the last day of the month of June is \$0.040 per Share;

Month	Assumed conversion price (85% of the VWAP)	Maximum number of Shares to be issued upon conversion	Current Shares on issue as at the date of this Notice	Increased number of Shares on issue following conversion	Dilution effect on existing Shareholders
April	\$0.030	69,781,513	1,612,435,425	1,682,216,938	4.1%
May	\$0.026	81,411,765	1,612,435,425	1,693,847,190	4.81%
June	\$0.034	61,058,824	1,612,435,425	1,673,494,249	3.65%

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out in the worked example above are issued, the number of Shares on issue would increase from 1,612,435,425 (being the number of Shares on issue as at the date of this Notice) to 1,693,847,190 and the shareholding of existing Shareholders would be diluted by 4.15%.

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

14. RESOLUTION 16 – APPROVAL TO ISSUE OPTIONS- L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND

14.1 General

This Resolution seeks Shareholder approval for the issue of 31,140,000 Options to L1 Capital pursuant to the L1 Convertible Securities Agreement, having the terms set out in Schedule 4 (**L1 Options**).

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Company to issue the L1 Options pursuant to the Convertible Securities Agreement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

14.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of L1 Options to be issued is 31,140,000;
- (b) the L1 Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the L1 Options will be issued for nil cash consideration to L1 pursuant to the Convertible Securities Agreement
- (d) the L1 Options will be issued to L1, who is not a related party of the Company;
- (e) the L1 Options will be issued on the terms and conditions set out in Schedule 4; and

- (f) no funds will be raised from the issue as the L1 Options are being issued to L1 pursuant to the Convertible Securities Agreement.

15. RESOLUTION 17 – APPROVAL TO ISSUE COLLATERAL SHARES - L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND

15.1 Collateral Shares and the L1 Convertible Securities Agreement

The Collateral Shares to be issued to L1 Capital are in consideration of L1 Capital entering into the L1 Convertible Securities Agreement.

Where at any time the Company is required to issue Shares to L1 Capital under the L1 Convertible Securities Agreement, then L1 Capital may, by written notice to the Company, elect to partially or wholly satisfy the Company's obligation to issue the relevant Shares to L1 Capital by reducing the Collateral Shareholding Number (being the number of Collateral Shares issued to L1 Capital at any time, as amended from time to time) by the corresponding number of Shares.

L1 Capital may at any time by written notice to the Company elect to reduce the Collateral Shareholding Number and must advance funds to the Company in an amount determined by multiplying the reduction in the Collateral Shareholding Number by the Variable Conversion Price (as defined in the L1 Convertible Securities Agreement). If the L1 Convertible Securities Agreement terminates or expires and the Collateral Shareholding Number is greater than zero, then L1 Capital must sell the Collateral Shareholding Number of Shares on-market and pay 95% of the net sale proceeds to the Company first, in reduction of any Amount Outstanding, and (where there is any balance remaining) by paying the balance to the Company.

15.2 General

This Resolution seeks Shareholder approval for the issue of up to 10,000,000 Collateral Shares to L1 in consideration of L1 entering into the Convertible Securities Agreement.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

15.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Collateral Shares to be issued is 10,000,000 at a deemed issue price of \$0.035 per Share;
- (b) the Collateral Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Collateral Shares will be issued for nil issue price in consideration of L1 entering into the Convertible Securities Agreement;

- (d) the Collateral Shares will be issued to L1. L1 is not a related party of the Company;
- (e) the Collateral Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) No funds will be raised from the issue of the Collateral Shares which are issued to L1 in consideration of it entering into the Convertible Securities Agreement.

16. RESOLUTION 18 – TO ELECT JONATHAN COHEN AS INDEPENDENT DIRECTOR

16.1 General

ASX Listing Rule 14.3 provides that an entity must accept nominations up to 30 days before the date a general meeting is called at which directors may be elected.

The Company has agreed with the ASX as a condition of the relisting to maintain a board comprised of a majority of independent directors.

Mr Jonathan Cohen has been nominated as a Non-executive Independent Director.

In accordance with Clause 14.3 of the Constitution of the Company, Mr Jonathan Cohen has provided consent in writing to the Registered Office of the Company signifying his candidature to act as director of the Company.

16.2 Qualifications and background

Jonathan Cohen is admitted to practise as a barrister in the State of New South Wales. He completed his Diploma of Law at Sydney University, Legal Practitioners Admission Board in 1998 and was admitted as a lawyer in the Supreme Court of New South Wales in 1999. He was admitted to the Bar in New South Wales in 2007 and has practiced continuously as a barrister in the State of New South Wales. He has also worked in the ACT, Queensland, South Australia and Victoria.

He has a broad practice and works amongst other things in the areas of criminal law and commercial law.

16.3 Independence

If elected the board considers that Mr Jonathan Cohen will be an independent director.

16.4 Board recommendation

The Board supports the election of Mr Johnathan Cohen and recommends that Shareholders vote in favour of Resolution 18.

17. RESOLUTION 19 – TO ELECT JOHN EASTERLING AS INDEPENDENT DIRECTOR

17.1 General

ASX Listing Rule 14.3 provides that an entity must accept nominations up to 30 days before the date a general meeting is called at which directors may be elected.

The Company has agreed with the ASX as a condition of the relisting to maintain a board comprised of a majority of independent directors.

Mr John Easterling has been nominated as a Non-executive Independent Director.

In accordance with Clause 14.3 of the Constitution of the Company, Mr John Easterling has provided consent in writing to the Registered Office of the Company signifying his candidature to act as director of the Company.

17.2 Qualifications and background

Mr John Easterling has experience in the development of therapeutical products from plants, including experience specifically in medical Cannabis cultivation and products.

He is an advocate for legislation reform in Australia to allow wider access to medical cannabis and has met with government officials to promote its importance.

Mr Easterling founded the Amazon Herb Company in 1990 and serves on the board of the Amazon Center of Environmental Education and Research. He currently maintains a personal research garden of multiple cannabis strains in California and is co-owner of a licensed medical cannabis farm, Crystal Pharm Organics, in Oregon.

Mr Easterling believes the dramatic growth and interest in cannabis is still in its early stages and Australia has a unique window of opportunity to become a global leader in this space.

17.3 Independence

If elected the board considers that Mr John Easterling will be an independent director.

17.4 Board recommendation

The board believes that the addition of Mr Easterling, through his experience, knowledge and contacts, will add enormous value and be of significant assistance to the Company to ensure that it continues to be a leading Australian hemp and medical Cannabis company.

The board supports the election of Mr John Easterling and recommends that Shareholders vote in favour of Resolution 19.

18. RESOLUTION 20 – TO ELECT DAVID AUSTIN AS INDEPENDENT DIRECTOR

18.1 General

ASX Listing Rule 14.3 provides that an entity must accept nominations up to 30 days before the date a general meeting is called at which directors may be elected.

The Company has agreed with the ASX as a condition of the relisting to maintain a board comprised of a majority of independent directors.

Mr David Austin has been nominated as a Non-executive Independent Director.

In accordance with Clause 14.3 of the Constitution of the Company, Mr David Austin has provided consent in writing to the Registered Office of the Company signifying his candidature to act as director of the Company.

18.2 Qualifications and background

David Austin is a solicitor practicing in Sydney. He has spent many years in the corporate world in the computer, aerospace and heavy engineering industries, and worked for the Northern Territory Government in the 1980s where he was responsible for petroleum, energy, and pipeline policy.

During a secondment, he reviewed the Northern Territory Mineral Royalty Act and devised a new mineral royalty regime which encouraged the development of a number of major mining projects.

18.3 Independence

If elected the board considers that Mr David Austin will be an independent director.

18.4 Board recommendation

The Board supports the election of Mr David Austin and recommends that Shareholders vote in favour of Resolution 20.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Bauxite Projects means the South Johnstone Project located in Queensland and the New England Bauxite Project located in New South Wales.

Board means the current board of Directors of the Company.

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

Capital Raising means the capital raising to be undertaken by the Company, and required as a condition precedent to the Acquisition, being the subject of Resolution 10.

Cleansing Prospectus means the cleansing prospectus to be lodged for the Convertible Securities pursuant to the L1 Convertible Securities Agreement.

Collateral Shares means the Collateral Shares to be issued under the L1 Convertible Securities Agreement.

CBD means cannabidiol.

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

Chair means the chair of the Annual General Meeting.

Constitution means the Company's constitution.

Convertible Securities has the meaning given to it in Section 13.1.

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

CPI means consumer price index.

Directors means the current directors of the Company.

DSO means direct shipping ore.

EST means Eastern Standard Time.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

GMP means good manufacturing practice.

HHC or **Hemp Hulling Co** means MCL's 55% owned subsidiary Hemp Hulling Co (Qld) Pty Ltd (ACN 611 071 213).

HHC Acquisition means the proposed acquisition by MCL of an additional 30% interest in HHC pursuant to the terms of the HHC Agreement.

HHC Agreement means the heads of agreement between (among others) HHC and MCL dated in or around November 2017.

HHC Consideration means the consideration payable for the HHC Acquisition, as described in Section 4.

L1 Convertible Securities Agreement has the meaning given it in Section 1.2.6.

L1 Options has the meaning given in Section 14.1.

Management Shares has the meaning given to it in Section 6.1.

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

MCL Acquisition means acquisition by the Company of the MCL Shares from the MCL Shareholders under the MCL Agreement.

MCL Agreement means the legally binding terms sheet between CGB, MCL and the MCL Shareholders (as amended).

MCL Consideration means 1,277,142,857 Shares to be paid to the MCL Shareholders by the Company as consideration under the MCL Agreement (the subject of Resolution 2).

MCL Shareholders means the holders of the MCL Shares.

MCL Shares means 45% of the issued share capital of MCL to be acquired by the Company.

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

Medcan Agreement means the Agreement between the Company and Medcan entered on 31 March 2019.

Meeting refer to General Meeting.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share on the terms set out in Schedule 2.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

ODC means the Office of Drug Control.

Production Licences means the Medical Cannabis Production Licences (Australian Cultivation and Production Licences) granted to Medcan by the ODC in November 2017.

Prospectus means the prospectus to be prepared by the Company in accordance with Chapter 6D of the Corporations Act, pursuant to which the Capital Raising will be undertaken.

Proxy Form means the proxy form accompanying the Notice.

Related Parties means Directors Prina Feldman and Sholom Feldman.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of this Notice.

Security has the meaning set out in the ASX Listing Rules.

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

Shareholder means a registered holder of a Share.

Success Fee means as defined in Section 11.1.

TGA means the Therapeutic Goods Administration of Australia.

THC means tetrahydrocannabinol.

Transaction Resolution means Resolution 1.

T12 means T12 Holdings Pty Ltd (ACN 611 071 455).

T12 Acquisition means the proposed acquisition by MCL of a 100% interest in T12 pursuant to the terms of the T12 Agreement.

T12 Agreement means the heads of agreement between (among others) T12 and MCL dated in or around August 2018.

T12 Consideration means the consideration payable for the T12 Acquisition, the subject of Resolution 7.

T12 Management Shares has the meaning given to it in Section 8.1.

T12 Management means Sebastian Edwards and Sam Edwards.

SCHEDULE 1 – PRO FORMA BALANCE SHEET

The pro-forma statement of financial position set out below is derived from the historical consolidated financial position as at 31 December 2018 and is shown for illustrative purposes.

\$000	HY2019 Statutory (Note 1)	Subsequent events (Note 2)	Minimum subscription (Note 3)	Pro forma Minimum	Maximum Subscription (Note 4)	Pro forma Maximum
Current assets						
Cash	5,859	608	1,698	8,165	5,609	12,076
Trade and other receivables	883	251	-	1,134	-	1,134
Inventory	356	44	-	400	-	400
Total current assets	7,098	903	1,698	9,699	5,609	13,610
Non-current assets						
Plant and equipment	106	369	-	476	-	476
Investments	1,959	-	-	1,959	-	1,959
Intangible assets ⁵	1,922	2,380	-	4,302	-	4,302
Exploration and evaluation assets	2,047	-	-	2,047	-	2,047
Equity-accounted investees	278	(265)	-	12	-	12
Total non-current assets	6,312	2,484	-	8,796	-	8,796
Total assets	13,410	3,387	1,698	18,495	5,609	22,407
Current liabilities						
Trade and other payables	(1,242)	(80)	-	(1,321)	-	(1,321)
Other liabilities	(5,013)	(448)	-	(5,461)	-	(5,461)
Current tax liabilities	(293)	-	-	(293)	-	(293)
Total current liabilities	(6,548)	(527)	-	(7,075)	-	(7,075)
Total liabilities	(6,548)	(527)	-	(7,075)	-	(7,075)
Net assets	6,863	2,860	1,698	11,420	5,609	15,332
Equity						
Share capital ⁶	29,601	47,494	1,707	78,802	5,253	82,348
Reserves ⁷	4,939	(45,078)	242	(39,897)	565	(39,574)
Non-controlling interest	(692)	792	-	99	-	99
Accumulated losses	(26,985)	(347)	(252)	(27,584)	(209)	(27,542)
Total equity	6,863	2,860	1,698	11,420	5,609	15,332

Notes:

1. HY2019 is the reviewed statutory balance sheet as at 31 December 2018.
2. Subsequent events reflect the following as set out in the notice of meeting and explanatory statement above:
 - Acquisition of the remaining 45% interest in MCL (MCL Acquisition)
 - Acquisition of a 55% interest in HHC (HHC Acquisition)
 - Acquisition of T12 Holdings Pty Ltd (T12 Acquisition)

In addition, 5,405,405 CGB Shares will be issued to Sebastian Edwards and Sam Edwards.

Issue of convertible notes to L1 Capital Global Opportunities Master Fund. Under the agreement 10,000,000 shares are to be issued to L1 as collateral shares.

3. The **Minimum Subscription** represents the issue of 57,000,000 Shares at \$0.035 per Share and 28,500,000 Options to raise \$1.995 million. Transaction costs of \$902,000 will be incurred, of which \$856,000 will be expensed and \$46,000 will be recognised against equity. Transaction costs include 20,000,000 options to be issued to Empire. The Directors determined the fair value of the options to be granted to Empire to be \$79,000.
4. The **Maximum Subscription** represents the issue of 170,000,000 Shares at \$0.035 per Share and 85,000,000 Options to raise \$5.950 million. Transaction costs of \$945,000 will be incurred, of which \$814,000 will be expensed and \$132,000 will be recognised against equity. Transaction costs include 20,000,000 options to be issued to Empire. The Directors determined the fair value of the options to be granted to Empire to be \$79,000. In addition, if the maximum raise is achieved Empire will receive \$100,000 in shares.
5. **Intangible assets** - The pro forma adjustment to intangible assets reflects the difference between the fair value of the consideration for HHC and the assets of T12 and the net tangible assets acquired based on each entities reviewed financial statements at 31 December 2018. This is summarised below:

\$000	HHC	T12	Total
Consideration			
- fair value of shares issued (see note 6)	1,419	757	2,176
- investment prior to 31 December 2018	278	-	278
- non controlling interest	99		99
Total consideration	1,796	757	2,553
Net assets	221	(48)	172
Intangible asset	1,575	805	2,380

6. **Share capital** – the pro forma adjustment to share capital reflects following share capital issues:

	# of shares	FV	\$000
Acquisition of:			
- 45% additional interest in MCL	1,277,142,857	\$0.035	44,700
- HHC	40,540,541	\$0.035	1,419
- T12	21,621,621	\$0.035	757
Management shares issued to T12 management	5,405,405	\$0.035	189
Management shares issued to Medcan management	2,250,000	\$0.035	79
Collateral shares issued to L1 Capital	10,000,000	\$0.035	350
	1,356,960,424		47,494

7. The **decrease in reserves** primarily relates to the acquisition of a further 45% of MCL. MCL was already consolidated in CGB and therefore the acquisition of the additional 45% represents a change in the proportion of controlling and non-controlling interests. The pro forma adjustment reflects the difference between the consideration paid for the further 45% of \$44,700,000 and the non-controlling interest recognised at 31 December 2018 in relation to MCL of \$692,000.

SCHEDULE 2 – OPTION TERMS

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

The amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5:00 pm (EST) on 30 April 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6. 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 of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under clause (b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance

with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

8. Shares issued on exercise

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

9. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

11. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

12. Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – L1 CONVERTIBLE SECURITIES AGREEMENT

A summary of the material terms of the L1 Convertible Securities Agreement is set out below:

- (a) **Issue of Convertible Securities:** Subject to the conditions precedent (set out in paragraph (b) below) and Shareholder and regulatory approval, within 5 business days of the Company obtaining ASX approval for re-instatement to trading (**ASX Approval**) and shareholder approval to issue the Convertible Securities (the subject of Resolution 17 of this Notice) (**Issue Date**), the Company must issue to L1 Capital the Convertible Securities, with each being uncertified, secured by a way of a general security agreement and convertible, and each having a face value equal A\$1.20 per Convertible Security (**Face Value**), in consideration of the cancellation of the documents and liabilities specified below in clause (d) and be convertible into Shares.
- (b) **Conditions Precedent:** The issue of the Convertible Securities is subject to:
- (i) the company delivering the required Board resolutions certificates;
 - (ii) execution of the general security agreement whereby the Company grants to L1 Capital security over the Company and MCL's property;
 - (iii) the Company issuing the Collateral Shares and the L1 Options;
 - (iv) the Company has obtained Shareholder Approval to the issue of the Convertible Securities, Collateral Shares and Options; and
 - (v) the Company has obtained ASX Approval.
- (c) **Interest:** No interest is payable on the convertible securities unless an Event of Default (as defined in the L1 Convertible Securities Agreement) occurs.
- (d) **Options:** Subject to the Company obtaining Shareholder Approval to the issue of the Convertible Securities, Collateral Shares and Options and ASX Approval, at or prior to on or before issue of the Convertible Securities, the Company must grant to L1 the 31,140,000 options (**Options**) and promptly deliver to the Investor an option certificate from the Company's security registrar confirming that the name of the Investor has been entered onto the Company's option register as holding the Options.
- (e) **Consequence of Issue:** Upon the Company issuing the Convertible Securities and L1 Options to L1 Capital, the convertible securities and options originally issued by MCL to L1 Capital (as described in Section 1.2.6) are redeemed and cancelled and the MCL convertible securities agreement will be of no further force or effect. Further the Company guarantee (as described in Section 1.2.6) will be of no further force or effect.
- (f) **Conversion and Redemption:** While there is an Amount Outstanding (being the aggregate total of the Face Values of the outstanding Convertible Securities and all other amounts payable by the Company to L1 Capital in relation to the outstanding Convertible Securities, including accrued interest (if any) (**Amount Outstanding**)), L1 Capital may in its discretion elect to convert one or more of the Convertible Securities at the Variable Conversion Price by providing the Company with a notice (**Conversion Notice**).

Following the receipt of a Conversion Notice, the Company must effect the conversion of the conversion amount specified in that Conversion Notice by issuing L1 Capital the number of conversion Shares specified in that Conversion Notice on the conversion date specified in that Conversion Notice. Upon the Company doing so, the Amount Outstanding will be reduced by the Conversion Amount and the relevant number of Convertible Securities will be redeemed.

The Variable Conversion Price is 85% of the average of the daily VWAP during the 5 trading days prior to the Conversion Notice Date, rounded down to the nearest A\$0.001.

- (g) **Compulsory Redemption at Maturity:** On 15 November 2019 (**Maturity Date**), to the extent not already redeemed, the Company must redeem the outstanding Convertible Securities by paying the Amount Outstanding in respect of the Convertible Securities to L1 Capital in cash. The Company may not redeem any Convertible Securities prior to the Maturity Date.
 - (h) **Preservation of Variable Conversion Price:** If the Company is unable to issue Conversion Shares to L1 on a Conversion Date in compliance with the Agreement for any reason, then without limiting any other rights of L1 under the Agreement, L1 may (but is not required to) elect to:
 - (i) both
 - (A) hold over the Variable Conversion Price that would have applied to the Conversion (the **Applicable Price**); and
 - (B) once the Company's inability to issue the Investor's Shares is overcome, apply the Applicable Price to determine the number of Conversion Shares that are then issuable and require such number of Conversion Shares to be issued by the Company; or
 - (j) by notice to the Company require the Company to pay the Investor the Alternative Amount in lieu of the Conversion Shares.
 - (k) **Ranking of Amount Outstanding:** The Convertible Securities constitute direct, secured and unconditional obligations of the Company, and except as otherwise detailed in the L1 Convertible Securities Agreement, rank ahead of all unsecured obligations of the Company, other than those mandatorily preferred at law. The Convertible Securities confer no right to attend or vote at general meetings of the Company.
 - (l) **Cleansing Prospectus:** On or before the issue of the Convertible Securities, the Company must lodge a Cleansing Prospectus with ASIC and must keep the offer under the Cleansing Prospectus open for acceptance, and otherwise do all things necessary to ensure that any Conversion Shares issued on conversion of the Convertible Securities are tradable on receipt by L1 Capital without any further action being required by the Company or L1 Capital. However, the Company may from time to time withdraw the Cleansing Prospectus when it reasonably considers that it is required by law to do so subject to the Company lodging a replacement Cleansing Prospectus with ASIC as soon as it is legally able to do so. The time when there is no Cleansing Prospectus open for acceptance of offers must not exceed 7 days on any one occasion and the time when there is no Cleansing Prospectus open for acceptance of offers must not exceed 30 days in aggregate.
- At any time prior to the lodgement of a Cleansing Prospectus that is in respect of an issue of Shares, L1 Capital may elect, by notice to the Company, that the Company:
- (i) issue the relevant L1 Capital Shares, but L1 Capital must give an undertaking that the issue and sale of the shares will not violate the Corporations Act; or
 - (ii) pay L1 Capital the greater of:
 - (A) (in the case of a required issue of Conversion Shares) the value of the Conversion Shares, determined by multiplying the number of Conversion Shares required to be issued, multiplied by the closing bid price of the Shares on the Trading Day prior to the Conversion Notice Date; and

- (B) 115% of the Amount Outstanding that would have otherwise been the subject of the issue of the relevant Securities,

(Alternative Amount).

- (m) **Collateral Shares:** Subject to the Company obtaining Shareholder Approval to the issue of the Convertible Securities, Collateral Shares and Options and ASX Approval, on or before Issue the Company must issue to L1 or its nominee the Collateral Shares, on the basis that the value of the Collateral Shares will be set off against the Company's obligations with respect to the Convertible Securities.

Where at any time the Company is required to issue Shares to the L1 under the Agreement, then L1 may, by written notice to the Company, elect to partially or wholly satisfy the Company's obligation to issue the relevant Shares to L1 by reducing the Collateral Shareholding Number by the corresponding number of Shares. If L1 does so, then:

- (i) the Collateral Shareholding Number will be reduced by that number of Collateral Shares specified in the Investor's notice; and
- (ii) the Company's obligation to issue Shares to the Investor will be satisfied to the same extent.

L1 may at any time by written notice to the Company elect to reduce the Collateral Shareholding Number. If L1 does so, L1 must pay the Company the Variable Conversion Price multiplied by the reduction in the Collateral Shareholding Number.

If the Agreement terminates or expires and the Collateral Shareholding Number is greater than zero, then L1 must, within ten (10) days, sell the Collateral Shareholding Number of Shares on-market and pay apply 95% of the net sale proceeds:

- (i) first, in reduction of any Amount Outstanding; and
- (ii) (where there is any balance remaining) by paying the balance to the Company.:

- (n) **Conduct of Affairs:** For so long as there is any Amount Outstanding, the Company must not, and must ensure that each of its subsidiaries does not do anything that is outside of the ordinary course of its business.
- (o) **L1 Capital's dealings in Securities:** L1 Capital may purchase and/or sell or otherwise dispose of any securities, at any time (in compliance with applicable laws) and hold or not hold any securities for any term.
- (p) **Termination:** The L1 Convertible Securities Agreement may be terminated by agreement of the parties at any time and otherwise by notice by either party where the issue of the Convertible Securities has not occurred within three business days of the Issue Date, or L1 Capital may terminate where an Event of Default or change of law occurs.
- (q) **Terms of Options:** Refer to Schedule 4 of this Notice.

The L1 Convertible Securities Agreement otherwise contains terms and conditions which are considered standard for an agreement of its nature.

SCHEDULE 4 – L1 OPTIONS

1. L1 Options

The terms and conditions of the free attaching L1 Options under the L1 Offer are as follows:

(a) **Entitlement**

Each L1 Option entitles the holder to subscribe for one Share upon exercise of the L1 Option.

(b) **Exercise Price**

The amount payable upon exercise of each L1 Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each L1 Option will expire at 5:00 pm (EST) on the date which is three years after their date of issue (**Expiry Date**). An L1 Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The L1 Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The L1 Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the L1 Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each L1 Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **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 of the payment of the Exercise Price for each L1 Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of L1 Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to

ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the L1 Options.

If a notice delivered under clause (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the L1 Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an L1 Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the L1 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the L1 Options without exercising the L1 Options.

(k) **Change in exercise price**

An L1 Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the L1 Option can be exercised.

(l) **Transferability**

The L1 Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Cann Global Limited

ABN 18 124 873 507

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

CGB

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 1:00pm (EST) Sunday, 30 June 2019

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cann Global Limited hereby appoint



the Chairman
of the Meeting

OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Cann Global Limited to be held at Level 16, 1 Market Street, Sydney, New South Wales on Tuesday, 2 July 2019 at 1:00pm (EST) and at any adjournment or postponement of that Meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

For Against Abstain

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Resolution 11 Approval for Sholom Feldman (or Nominee), as a Director and Related Party, to participate in the Offer

Resolution 12 Approval for Prina Feldman (or Nominee), as a Director and Related Party, to participate in the Offer

Resolution 13 Issue of Shares - Empire Capital Partners

Resolution 14 Issue of Options - Empire Capital Partners

Resolution 15 Approval to issue Convertible Securities - L1 Capital Global Opportunities Master Fund

Resolution 16 Approval to issue Options - L1 Capital Global Opportunities Master Fund

Resolution 17 Approval to issue Collateral Shares - L1 Capital Global Opportunities Master Fund

Resolution 18 To elect Jonathan Cohen as Non-Executive Independent Director

Resolution 19 To elect John Easterling as Non-Executive Independent Director

Resolution 20 To elect David Austin as Non-Executive Independent Director

For Against Abstain

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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

CGB

252204A

Computershare +