

3 May 2018

Kate Kidson
Principal Adviser,
ASX Listings Compliance (Melbourne)

By email: kate.kidson@asx.com.au

Dear Ms Kidson,

Cann Group Limited (Company) – “Aware” Query

We refer to your letter of 1 May 2018.

In relation to your questions, we respond as follows:

1. Yes.
2. Not applicable.
3. 21 April 2018.
4. No.

The Company relied on Listing Rule 3.1A not to announce the information under Listing Rule 3.1. The preliminary discussions between the Company and Aurora Cannabis Inc (**Aurora**) were held on a confidential basis.

The Company formed the view that the information concerned an incomplete proposal or negotiation and was insufficiently definite to warrant disclosure. The Company also formed the view that a reasonable person would not have expected the information to have been disclosed.

The Company became aware of the brief article appearing in the “*Street Talk*” section of the Australian Financial Review in the morning of last Monday, 30 April 2018. As a consequence, the Company formed the view that the information ceased to be confidential.

Accordingly, the Company, promptly and without delay, prepared and released its Announcement to the market on the same morning prior to any trading of the Company’s shares on ASX having occurred.

5. We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. We confirm that these responses to your questions have been authorised and approved by the Board of the Company.



If you have any further queries, please let us know.

Yours sincerely,

Richard Baker
Company Secretary/Chief Financial Officer

1 May 2018

Richard Baker

Company Secretary
Cann Group Limited
Level 2, 409 St Kilda Road
Melbourne VIC 3004

By email: richard.baker@canngrouponlimited.com

Dear Mr Baker

Cann Group Limited ("CAN"): aware query

ASX Limited ("ASX") refers to the following:

- A. CAN's announcement entitled "Takeover Speculation in the Media" lodged on the ASX Market Announcements Platform and released at 10.11 am on 30 April 2018 (the "Announcement"), disclosing, inter alia, that CAN had recently had very preliminary and confidential discussions with Aurora Cannabis Inc in relation to a potential transaction.
- B. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* "When does an entity become aware of information".

- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks CAN to respond separately to each of the following questions and requests for information:

1. Does CAN consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did CAN first become aware of the information?
4. If the answer to question 1 is "yes" and CAN first became aware of the information before the relevant date, did CAN make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CAN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CAN took to ensure that the information was released promptly and without delay.
5. Please confirm that CAN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that CAN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CAN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEST on Thursday, 3 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CAN's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CAN's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at kate.kidson@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CAN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that CAN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CAN's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Kate Kidson

Principal Adviser, Listings Compliance (Melbourne)