



ASX ANNOUNCEMENT

1 April 2020

Business update

1 April 2020 – Cann Group Limited (ASX: CAN) today provided a business update in relation to the following matters.

COVID-19 impacts on current operations

The Company has implemented appropriate changes in order to comply with the Government mandated guidelines, safeguarding Cann Group's commitment to the health and welfare of its employees and business partners. A business continuity plan has been implemented which includes moving to a shift-based operation for its cultivation facilities and all other staff working from home. As a supplier of medical products to Australian patients, Cann Group's operations are an essential service and the Company expects to continue operating throughout the COVID-19 pandemic.

Mildura funding and timetable

Cann Group continues to progress funding options relating to the planned Mildura production facility. All appropriate options are being pursued and developed with the objective of putting the Company in a position to proceed on a basis that represents a prudent outcome for shareholders, while supporting the continued growth of the business.

Given the current economic uncertainty and market volatility relating to the COVID-19 impacts, the Board may not make a decision on funding until the end of the financial year. The Company believes sufficient working capital is in place to support current operations over that period.

Previous estimates on the timeline associated with the construction and commissioning of the Mildura facility may be impacted by COVID-19 related delays. These estimates will be regularly reviewed and an update will be provided when the Company is in a position to provide more certain estimates.

Manufacturing milestone

In manufacturing news, Cann Group is pleased to report that the first of its GMP manufactured product formulations, dried cannabis flower and cannabis oil from its Australian-grown cannabis, have completed initial shelf life stability testing and can now be released to the market to fill specific customer orders.

CANN GROUP LIMITED

Authorised for release by Geraldine Farrell, Company Secretary, Cann Group Limited.

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About Cann Group

Cann Group Limited (ABN 25 603 949 739) is building a world-class business focused on breeding, cultivating, manufacturing and supplying medicinal cannabis for sale and use within Australia and for approved overseas export markets. The company has established research and cultivation facilities in Melbourne and is developing a state-of-the-art cultivation facility near Mildura, Victoria. Cann Group has executed collaboration agreements that have enabled it to establish a leading position in plant genetics, breeding, extraction, analysis and production techniques required to facilitate the supply of medicinal cannabis for a range of diseases and medical conditions. The Company is commercialising a range of imported and locally sourced and manufactured medicinal cannabis products. **Learn more about Cann Group at www.cann grouplimited.com**