

9 August 2021

ASX Market Announcements Office, Melbourne
Level 4, Rialto North Tower
525 Collins Street
MELBOURNE VIC 3000

Dear Sir / Madam

Cann Group Limited (ASX:CAN) – Correction to Notice of General Meeting – Tuesday, 7 September 2021

Cann Group Limited advises that it has identified two typographical errors in the Notice of Meeting issued to shareholders on 6 August 2021.

There are no changes to the resolutions for the meeting. The corrections relate to the following items:

- The paragraph entitled “Voting entitlement” on page 3 of the Notice of Meeting. The date on which the Board had determined for the purpose of voting at the meeting was **Sunday, 5 September 2021**, however the notice incorrectly specified **Tuesday, 7 September 2021**. Accordingly, the correct time and date on which shares must be held in order to entitle a shareholder to vote at the meeting is **11.00am (Melbourne time) on Sunday, 5 September 2021**.
- The last paragraph below the heading “Directed and Undirected Proxies” on page 4 of the Notice of Meeting incorrectly stated that proxy forms must be received by the share registry by **Tuesday, 7 September 2021** instead of **Sunday, 5 September 2021**. Accordingly, completed proxy forms must be received by the share registry by **11.00am (Melbourne time) on Sunday, 5, September 2021**.

A corrected Notice of Meeting is attached to this letter and the corrected Notice of Meeting, along with all other information in relation to the General Meeting, is able to be accessed from the company’s website located at <https://investors.canngrouponlimited.com/Investors/>.

All other aspects of the Notice of Meeting are otherwise unchanged.

The Company apologises for any inconvenience caused by this error.

Yours faithfully,



Geraldine Farrell
Company Secretary
Cann Group Limited

Authorised for release by the Company Secretary, Cann Group Limited.



CANN GROUP LIMITED

ACN 603 949 739

**Notice of Extraordinary General Meeting
and
Explanatory Memorandum**

TIME: 11.00 am (Melbourne time)

DATE: Tuesday, 7 September 2021

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, lawyer or other professional adviser without delay.

6 August 2021

Dear Shareholder

GENERAL MEETING

You are invited to the Extraordinary General Meeting of Cann Group Limited ("**Company**") to be held at **11.00 am (Melbourne time) on Tuesday, 7 September 2021** and we are pleased to enclose the Notice of Extraordinary General Meeting ("**Meeting**") and Explanatory Memorandum with this letter.

As previously announced to the market, the Company undertook a private placement of 32,472,724 fully paid ordinary shares to sophisticated and institutional investors in Australia ("**Placement**") which was completed on 23 July 2021.

It is also proposed to issue a total of 3,890,912 fully paid ordinary shares to certain directors of the Company (or their controlled entities) on the same terms as the Placement.

Finally, it is proposed that the Company undertake a share purchase plan ("**SPP**") to eligible Shareholders. Due to the proposed pricing of the SPP, the Company will be seeking Shareholder approval at the meeting to undertake the SPP. Certain directors of the Company (or their controlled entities) also wish to participate in the SPP.

The Company is seeking to reinstate its capacity for the issuance of new capital under the 15% limit in Listing Rule 7.1 by seeking the passing of a number of resolutions for the purposes of both Listing Rule 7.1 and Listing Rule 7.4.

The Company is also required to obtain Shareholder approval under Listing Rule 10.11 before issuing shares to Directors in relation to the Placement and the SPP.

The Board unanimously supports and recommends these Resolutions. Should they be approved, the Company will maintain appropriate flexibility to continue to evaluate and action appropriate funding options to support its future expansion and growth.

Virtual meeting

In accordance with the provisions of the Company's constitution and ASIC's no action statement on virtual meetings, the Company has adopted the following approach for the Meeting:

1. The Meeting will be held virtually (online) via an online platform, except for those members of the Board and management who are able to attend in person in a safe and permissible manner. There will be no physical attendance at the Meeting. This is an important health and safety measure, given we have thousands of Shareholders on our share register.
2. We encourage all Shareholders and proxyholders to participate in the Meeting virtually via the online platform at <https://agmlive.link/CANGM21>. To do this you will need a desktop or mobile/tablet device with internet access. When you log onto the online platform on the morning of the Meeting, you will need to provide your details (including your Shareholder Reference Number ("**SRN**") or Holder Identification Number ("**HIN**")) to be verified as a Shareholder or proxyholder. Following this you will be given details as to how to vote and ask questions during the Meeting.
3. Once the Meeting commences at 11.00am, you will be able to listen to the chairman of the Meeting talking live and in real-time.
4. Shareholders and proxyholders will be able to log in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions set out in the Notice and the enclosed Virtual General Meeting Online Guide. Shareholders and proxyholders are encouraged to participate in the Meeting virtually via the online platform.

5. Shareholders and proxyholders will have the ability to ask questions during the Meeting via the online platform, and to hear all of the discussion, subject to connectivity of their devices.
6. A detailed guide on how to participate virtually is set out in the enclosed Virtual General Meeting Online Guide. This Guide explains how you ensure your browser is compatible with the online platform, as well as a step-by-step guide to successfully log in and navigate the site. This Guide will be lodged with the ASX and is available on the Company's website at <https://investors.canngrouplimited.com/Investors/>
7. In addition to the above, Shareholder/proxyholder participation (as relevant) is possible by Shareholders lodging the enclosed Proxy Form electronically at the Company's Share Registry at **www.linkmarketservices.com.au** or, alternatively, returning it in the envelope provided or faxed to **02 9287 0309 (within Australia)** or **+61 2 9287 0309 (outside Australia)**, so that it is received by 11.00am on **Sunday, 5 September 2021**, in order to be valid. The Proxy Form is available on the Company's website at <https://investors.canngrouplimited.com/Investors/>.
8. In accordance with the Company's constitution, each resolution considered at the Meeting will be decided on a poll.

As always, the situation regarding the management of COVID-19 continues to evolve, so Shareholders are encouraged to monitor the Company's website for any further updates in relation to the arrangements for the Meeting. The Company appreciates the understanding of Shareholders during this difficult time. We look forward to your virtual attendance and participation at the Meeting.

Your continued support is greatly appreciated.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Allan McCallum', followed by a period.

Allan McCallum AO
Chairman

Notice of General Meeting

Notice is hereby given that an Extraordinary General Meeting of Cann Group Limited ABN 25 603 949 739 (“**Company**”) will be held at **11.00 am (Melbourne time) on Tuesday, 7 September 2021** to transact the special business set out below.

Shareholders should refer to the accompanying Explanatory Memorandum for further information concerning the special business to be transacted at this Extraordinary General Meeting.

Special Business of General Meeting

1. Resolution 1 - Ratification of issue of shares under Placement

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

“That, for the purpose of Listing Rule 7.4, Shareholders ratify the prior issue of 32,472,724 ordinary shares in the Company as set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

2. Resolution 2

Resolution 2A - Approval of proposed placement of shares to Allan McCallum

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

“That, for the purpose of Listing Rule 10.11, Shareholders approve the issue of up to 545,455 ordinary shares in the Company at an issue price of \$0.275 to Mullacam Pty Ltd as trustee for The McCallum Family Super Fund, a controlled entity of Allan McCallum, on the terms set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

Resolution 2B - Approval of proposed placement of shares to Philip Jacobsen

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

“That, for the purpose of Listing Rule 10.11, Shareholders approve the issue of up to 2,727,273 ordinary shares in the Company at an issue price of \$0.275 to Philip and Maxine Jacobsen as trustee for Jayess Superannuation Fund, a controlled entity of Philip Jacobsen, on the terms set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

Resolution 2C - Approval of proposed placement of shares to Doug Rathbone

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

“That, for the purpose of Listing Rule 10.11, Shareholders approve the issue of up to 363,637 ordinary shares in the Company at an issue price of \$0.275 to Grapefull Pty Ltd as trustee for Grapefull Super Fund, a controlled entity of Doug Rathbone, on the terms set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

Resolution 2D - Approval of proposed placement of shares to Geoff Pearce

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

“That, for the purpose of Listing Rule 10.11, Shareholders approve the issue of up to 181,819 ordinary shares in the Company at an issue price of \$0.275 to Egea Pty Ltd, a controlled entity of Geoff Pearce, on the terms set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

Resolution 2E - Approval of proposed placement of shares to John Sharman

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

“That, for the purpose of Listing Rule 10.11, Shareholders approve the issue of up to 72,728 ordinary shares in the Company at an issue price of \$0.275 to Amira Sharman, spouse of John Sharman, on the terms set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

3. Resolution 3 - Ratification of shares issued to CSIRO

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

“That, for the purpose of Listing Rule 7.4, Shareholders ratify the prior issue of 387,595 ordinary shares issued to Commonwealth Scientific and Industrial Research Organisation as set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

4. Resolution 4 - Ratification of shares issued in respect of the acquisition of the Satipharm business

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

“That, for the purpose of Listing Rule 7.4, Shareholders ratify the prior issue of 4,278,615 ordinary shares to Harvest One Cannabis Inc in part consideration of the payment of the purchase price for the acquisition of the Satipharm business as set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

5. Resolution 5 - Approval of shares to be issued in respect of the acquisition of the Satipharm business:

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

“That, for the purpose of Listing Rule 7.1, Shareholders approve the issue of up to 5,500,000 ordinary shares to Harvest One Cannabis Inc in consideration of the deferred payment of the purchase price for the acquisition of the Satipharm business as set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

6. Resolution 6 - Approval of share purchase plan offer (SPP)

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

“That, for the purpose of Listing Rule 7.1, Shareholders approve the issue of up to 36,363,636 ordinary shares at an issue price of \$0.275 per share under a proposed share purchase plan offer by the Company, on the terms set out in the Explanatory Memorandum which accompanies and forms part of the Notice of this Meeting.”

A voting exclusion statement is set out below.

By Order of the Board



**Geraldine Farrell
Company Secretary**

6 August 2021

HOW TO PARTICIPATE AND VOTE

Voting entitlement

The Board of the Company has determined in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting, Shares will be taken to be held by those persons who hold them at **11.00am (Melbourne time) on Sunday, 5 September 2021**. This means that if you are not the registered holder of a Share at that time you will not be entitled to vote at the Meeting in respect of that Share.

Virtual Attendance at the Meeting

Due to health concerns and the current government imposed restrictions on public gatherings arising from the COVID-19 pandemic, Shareholders will not be able to attend the Meeting in person.

In accordance with the provisions of the Constitution, the Meeting will be held virtually via an online platform, except for the members of the Board and management who are able to attend in person in a safe and permissible manner. There will otherwise be no physical attendance at the Meeting. This is an important health and safety measure, given the Company has thousands of Shareholders on its share register.

The Meeting will be audio live (not visual) for participation by Shareholders and proxyholders via the online platform at <https://agmlive.link/CANGM21>. To participate you will need a desktop or mobile/tablet device with internet access. When you log onto the online platform at <https://agmlive.link/CANGM21> on the morning of the Meeting, you will need to provide your details (including your Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**)) to be verified as a Shareholder or proxyholder. Proxyholders will need their login details which will be provided by Link Market Services no later than 24 hours before the Meeting. Following this you will be given details as to how to vote and ask questions during the Meeting.

More information about how to use the online platform (including how to vote and ask questions online during the Meeting) is available in the Online Platform Guide, which has been lodged with the ASX and is available at <https://investors.canngrouplimited.com/Investors/>. If you intend to use the online platform, we recommend that you test to see that it works on your device before the Meeting commencement at 11.00am. Shareholders and proxyholders will be able to log in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions set out in the Notice and the enclosed Virtual General Meeting Online Guide.

Further instructions on device configurations are provided in the enclosed Virtual General Meeting Online Guide, which is available on the Company's website at <https://investors.canngrouplimited.com/Investors/>.

Additional information about the proposed items of special business is set out in the Explanatory Memorandum that accompanies and forms part of this Notice.

Discussion will take place on all items of special business to be considered at the Meeting. Shareholders will have a reasonable opportunity to ask questions in respect of the special business of the Meeting during the Meeting via the online platform. To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following requests:

- Shareholder questions should be stated clearly and should be relevant to the special business of the Meeting; and
- Shareholders should not ask questions at the Meeting relating to any matters that are personal to the Shareholder or commercial in confidence or not relevant to the special business of the Meeting.

All Resolutions will be determined by Poll

In accordance with the Constitution, each Resolution considered at the Meeting will be decided by a poll.

Voting via online platform – During the Meeting

Shareholders participating in the Meeting via the online platform will be able to vote directly at any time between the start of the Meeting at 11.00am (Melbourne time) and the closure of voting as announced by the Chairman during the Meeting.

Voting by Proxy

If a Shareholder is unable to participate virtually and vote at the Meeting, they are entitled to appoint a proxy to attend virtually and vote on their behalf. To do so, they can appoint the Chairman as their proxy or insert the name of their alternative proxy in the space provided in the enclosed Proxy Form. You can direct your proxy to vote for or against, or abstain from voting on, a Resolution by marking '**For**', '**Against**' or '**Abstain**' for the item of special business in the appropriate box in the enclosed Proxy Form.

The Proxy Form is available on the Company's website at <https://investors.canngrouplimited.com/Investors/>.

The following applies in terms of proxy appointments:

- a proxy need not be a Shareholder, and may be an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting;
- a Shareholder entitled to cast two or more votes may appoint two proxies; and
- where two proxies are appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of that Shareholder's votes.

As noted earlier, Link Market Services will contact proxyholders at least 24 hours prior to the start of the Meeting to provide them with the proxyholder login information that they will need to enter into the online platform.

Directed and Undirected Proxies

If you choose to appoint a proxy, the Board encourages you to direct your proxy how to vote on each Resolution, by marking either '**For**', '**Against**' or '**Abstain**' for the item of special business on the Proxy Form.

If you sign the enclosed Proxy Form and do not appoint the Chairman or specify an individual or body corporate as your proxy, you will have appointed the Chairman as your proxy by default. In that case, your Shares will be voted on the proposed Resolutions in accordance with your directions on the Proxy Form.

If you do not direct the Chairman how to vote your Shares, the Chairman will vote undirected proxies on, and in favour of, all of the proposed Resolutions. Where the Chairman is appointed as your proxy, you will be taken to have expressly authorised the Chairman to cast your votes on all of the proposed Resolutions.

If you return your Proxy Form but your nominated proxy does not virtually attend the Meeting, then your proxy will revert to the Chairman. As each Resolution will be determined on a poll, if your nominated proxy is either not recorded as virtually attending the Meeting or does not vote on the Resolution, the Chairman is taken, before voting on the Resolution closes, to have been appointed as your proxy for the purposes of voting on the Resolution.

If you do not direct the Chairman how to vote your Shares, the Chairman intends to vote undirected proxies in favour of each Resolution.

To vote by proxy, please complete and sign the enclosed Proxy Form and return in accordance with the instructions set out on the Proxy Form. Completed Proxy Forms must be received by the Share Registry by **11.00 am (Melbourne time) on Sunday, 5 September 2021**.

Lodging your Proxy Form

A Proxy Form is enclosed in this Notice of General Meeting. For the appointment of a proxy to be effective for the Meeting, the following documents must be received no later than 48 hours before the scheduled time for the Meeting; that is by **11.00 am (Melbourne time) on Sunday, 5 September 2021**:

- the enclosed Proxy Form; and
- if the enclosed Proxy Form is signed by the appointor's attorney - the authority under which the appointment was signed or a certified copy of the authority.

Documents may be lodged online, by posting, delivery or facsimile to the Share Registry at:

Link Market Services Limited

Online: www.linkmarketservices.com.au

By Post:

Cann Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Delivery to Link Market Services Limited*:

1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9.00am-5.00pm)

Facsimile:

(+61 2) 9287 0309

If you have any queries and wish to contact Link Market Services Limited, please call (+61) 1300 554 474.

Shareholders should consider lodging the Proxy Form electronically at the Share Registry at www.linkmarketservices.com.au or, alternatively, returning it in the envelope provided or faxed to the Share Registry on **02 9287 0309 (within Australia)** or **+61 2 9287 0309 (outside Australia)**, so that it is received by **11.00 am (Melbourne time) on Sunday, 5 September 2021**, in order to be valid.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the Meeting. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body corporate could exercise at the Meeting or in voting on a resolution. Unless it has previously been given to the Company, the representative should bring evidence of their appointment to the meeting, together with any authority under which it is signed. The appointment must comply with Section 250D of the Corporations Act.

Attorneys

A Shareholder may appoint an attorney to vote on their behalf. To be effective for the Meeting, the instrument effecting the appointment (or certified copy of it) must be received no later than 48 hours before the scheduled time for the Meeting; that is by **11.00 am (Melbourne time) on Sunday, 5 September 2021**.

VOTING EXCLUSION STATEMENTS

The Company will disregard any votes cast in favour of a Resolution by or on behalf of a person named below in respect of that Resolution, or any Associate of such a person.

Resolution 1 – Ratification of issue of Securities under Placement

In accordance with the Listing Rules, the Company is required to disregard any votes cast in favour of this Resolution 1 by any person who participated in the issue of Shares under the Placement and any Associates of those persons.

Resolution 2A - Participation in the Placement by Allan McCallum

The Company will disregard any votes cast on Resolution 2A by or on behalf of Allan McCallum, or any Associate of Allan McCallum and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary shares in the Company).

Resolution 2B - Participation in the Placement by Philip Jacobsen

The Company will disregard any votes cast on Resolution 2B by or on behalf of Philip Jacobsen, or any Associate of Philip Jacobsen and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary shares in the Company).

Resolution 2C - Participation in the Placement by Doug Rathbone

The Company will disregard any votes cast on Resolution 2C by or on behalf of Doug Rathbone, or any Associate of Doug Rathbone and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary shares in the Company).

Resolution 2D - Participation in the Placement by Geoff Pearce

The Company will disregard any votes cast on Resolution 2D by or on behalf of Geoff Pearce, or any Associate of Geoff Pearce and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary shares in the Company).

Resolution 2E - Participation in the Placement by John Sharman

The Company will disregard any votes cast on Resolution 2E by or on behalf of John Sharman, or any Associate of John Sharman and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary shares in the Company).

Resolution 3 - Ratification of shares issued to CSIRO

The Company will disregard any votes cast on Resolution 3 by or on behalf of CSIRO, or any Associate of CSIRO.

Resolution 4 - Ratification of shares issued in respect of the acquisition of the Satipharm business

The Company will disregard any votes cast on Resolution 4 by or on behalf of Harvest One Cannabis Inc, or any Associate of Harvest One Cannabis Inc.

Resolution 5 - Approval of shares to be issued in respect of the acquisition of the Satipharm business

The Company will disregard any votes cast on Resolution 5 by or on behalf of Harvest One Cannabis Inc, or any Associate of Harvest One Cannabis Inc and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary shares in the Company).

Resolution 6 - Approval of shares to be issued under SPP

The Company has received a standard waiver from ASX to the voting exclusion in respect of Resolution 6 so that each Shareholder who may participate in the SPP is entitled to vote on it.

The Company will disregard any votes cast on Resolution 6 by or on behalf of any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary shares in the Company).

Voting exclusion to not apply

However, the Company need not disregard a vote in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chairperson to vote on the Resolution as the chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum which accompanies and forms part of the Notice of Extraordinary General Meeting dated 6 August 2021 (Notice), has been prepared to assist Shareholders with their consideration of the Resolutions set out in the Notice.

Certain capitalised words are defined as set out in the Glossary at the end of this Explanatory Memorandum.

Background

On 26 July 2021 the Company announced a placement of 36,363,636 fully paid ordinary shares (**Shares**) at an issue price of \$0.275 per Share to raise \$10.0m in total (**Placement**). 32,472,724 of the Shares were issued on 28 July 2021 using the Company's existing placement capacity under Listing Rule 7.1.

Certain related parties to the Company (being directors) have elected to participate in the Placement and, subject to the requisite Shareholder approval being obtained for the purposes of Listing Rule 10.11, have committed to subscribe for a total of 3,890,912 Shares under the Placement (**Participating Director Shares**).

It is further proposed that the Company undertake a share purchase plan (**SPP**) to eligible Shareholders. Due to the proposed pricing of the SPP, the Company will be seeking Shareholder approval at the Meeting to undertake the SPP. Certain related parties to the Company (being directors) also wish to participate in the SPP and owing to the proposed pricing of the SPP, they must obtain Shareholder approval for the purposes of Listing Rule 10.11 in order to do so.

The Company has recently issued Shares to Commonwealth Scientific and Industrial Research Organisation (**CSIRO**) for services provided to the Company by CSIRO under the Research Services Agreement between the parties. The Company may continue to issue Shares as part payment under that contract in the future in relation to services that are provided by CSIRO.

The Company has also recently issued Shares to Harvest One Cannabis Inc (**Harvest One**) for the acquisition of the Satipharm business under the acquisition agreement between the parties. The Company may issue Shares as part deferred payment under that contract in the future.

The Company is seeking a number of approvals at this Meeting in relation to the Placement and the SPP as well as the issue of Shares to CSIRO and Harvest One.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES UNDER THE PLACEMENT

1.1 Introduction

Resolution 1 seeks Shareholder approval to ratify the issue of the Placement Shares to professional and sophisticated investors, pursuant to the Placement.

1.2 Listing Rule 7.1 and 7.4

Generally speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its Shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period (**Placement Capacity**).

Listing Rule 7.4 provides that, an issue of equity securities by an entity made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 at the time of issue and approval of its ordinary Shareholders is subsequently obtained.

1.3 Approval of issue of Placement Shares

The issue of the Placement Shares under the Placement does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by the Shareholders, it utilises the Company's Placement Capacity, reducing the Company's ability to issue further equity securities without Shareholder approval under Listing Rule 7.1.

The issue of the Placement Shares did not breach Listing Rule 7.1 at the time of issue. Ratification of the issue of the Placement Shares is sought to preserve the Company's Placement Capacity following the

issue of those Shares. In the current environment, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder ratification of the issue of the Placement Shares under Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Placement Shares will be excluded from the Company's Placement Capacity, preserving the number of equity securities it can issue without Shareholder approval over the next 12-months. This will allow the Company ongoing flexibility in its ability to issue equity in these continued uncertain times.

If Resolution 1 is not passed, the Placement Shares will utilise the Company's Placement Capacity significantly, decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Placement Shares.

Failure to ratify the issue of the Placement Shares would result in the Company being unable to maximise further business opportunities by making a further issue of equity securities within the next 12-month period without first undertaking the administrative burden and delay and cost of obtaining Shareholder approval. Any delay associated with obtaining Shareholder approval means that the Company cannot act in an opportunistic manner and potentially puts any such raising at risk through the approval period.

1.4 Information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is set out below:

- (a) the Placement Shares were issued to sophisticated and professional investors within the meaning of sections 708(8) and 708(11) of the Corporations Act or other investors to whom the Company could issue securities without disclosure pursuant to section 708 of the Corporations Act, as identified by the Company's lead manager, PAC Partners;
- (b) 32,472,724 Shares were issued on 30 July 2021;
- (c) the Placement Shares were issued at \$0.275 per Share ;
- (d) the Placement Shares were issued as fully paid ordinary shares in the capital of the Company and from the date of issue rank equally in all respects with the existing Shares on issue.;
- (e) the purpose of the issue of the Placement Shares was to raise funds to provide working capital for the Company, to support investment in production capabilities and to accelerate growth opportunities; and
- (f) a voting exclusion statement is included in the Notice.

1.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTIONS 2A – 2E - APPROVAL OF PROPOSED PLACEMENT OF SHARES TO DIRECTORS OF THE COMPANY

2.1 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not, subject to specified exceptions, issue or agree to issue equity securities to a related party (as defined in the Listing Rules) or other person set out in that Listing Rule, without Shareholder approval.

2.2 Participating Director Shares

As noted above, the Placement includes commitments the Company secured from the following related parties (being Directors (or their nominees)) to subscribe for the Participating Director Shares (subject to the requisite Shareholder approval being obtained for the purpose of Listing Rule 10.11), as set out in the table below:

Resolution	Participating Director	Nominee	Participating Director Shares
Resolution 2A	Allan McCallum	Mullacam Pty Ltd as trustee for The McCallum Family Super Fund	545,455
Resolution 2B	Philip Jacobsen	Philip and Maxine Jacobsen as trustees for Jayess Superannuation Fund	2,727,273
Resolution 2C	Doug Rathbone	Grapefull Pty Ltd as trustee for Grapefull Super Fund	363,637
Resolution 2D	Geoff Pearce	Egea Pty Ltd	181,819
Resolution 2E	John Sharman	Amira Sharman (spouse of John Sharman)	72,728

2.3 Approval of Participating Director Shares

To this end, Resolutions 2A – 2E seek Shareholder approval to the issue of Participating Director Shares for the purposes of Listing Rule 10.11.

If Resolutions 2A – 2E are passed, the Company will be able to complete the issue of the Participating Director Shares.

It should also be noted that if Resolutions 2A – 2E are passed, the Participating Director Shares issued will be excluded from the calculation of the Company's Placement Capacity under Listing Rule 7.1, preserving the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Participating Director Securities.

If Resolutions 2A – 2E are not passed, the Participating Director Shares will not be issued. As a result, the Directors would be unable to participate in the Placement, thereby limiting the alignment of the Participating Director's interests with that of the Company and the Shareholders and reducing the funds raised by the Company for its needs.

2.4 Information required by Listing Rule 10.13

Pursuant to Listing Rule 10.13, the following information is provided in relation to Resolutions 2A – 2E:

- (a) Participating Director Shares as set out in the table above will be issued to each of the Participating Directors or their nominee entities;
- (b) the Participating Directors fall under rule 10.11.1 of the Listing Rules, each being a director of the Company, and therefore a related party;
- (c) the issue price will be \$0.275 per Participating Director Share, being the same issue price as for the Placement Shares;
- (d) the Participating Director Shares are expected to be issued within two Business Days of the date of this Meeting but in any event no later than one month after the date of this Meeting;
- (e) the Participating Director Shares are fully paid ordinary shares in the capital of the Company and from the date of issue rank equally in all respects with the existing Shares;
- (f) the funds raised from the issue to the Participating Directors will go towards the same items as the Placement Shares as noted above;
- (g) the Participating Director Shares are being paid for in cash by the relevant Directors and are not intended to remunerate or incentivise the Director; and
- (h) a voting exclusion statement is included in the Notice.

2.5 Directors' Recommendation

The Directors (excluding the Participating Directors only in relation to the Resolutions 2A – 2E which applies to themselves or their nominees - as set out in the table above - due to their material personal interest in the outcome of the relevant Resolution), unanimously recommend that Shareholders vote in favour of Resolutions 2A – 2E.

2.6 Related party transactions

Chapter 2E of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party (as defined in the Corporations Act and includes Directors) of the public company, the public company or entity must obtain the approval of the public company's members unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Under section 210 of the Corporations Act, Shareholder approval is not needed to give a financial benefit on terms that would be reasonable in the circumstances if the company and the Related Party were dealing at arm's length.

As the terms of the proposed issue of Shares to the Participating Directors contained in Resolutions 2A – 2E will be at the same price and terms as the Shares under the Placement, the exception in section 210 of the Corporations Act applies in the circumstances and Shareholder approval is not required for the purposes of Section 208 of the Corporations Act.

3. RESOLUTION 3 - RATIFICATION OF SHARES ISSUED TO CSIRO

3.1 Introduction

Resolution 3 seeks Shareholder approval to ratify the prior issue of 387,595 Shares to CSIRO (**CSIRO Shares**) under the Research Services Agreement.

3.2 Listing Rule 7.1 and 7.4

Refer to the summary of Listing Rule 7.1 and 7.4 in section 1.2 of this Notice.

3.3 Approval of issue of shares to CSIRO

The issue of the CSIRO Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it utilises part of the Company's Placement Capacity.

The issue of the CSIRO Shares did not breach Listing Rule 7.1 at the time of issue. Ratification of the issue of the CSIRO Shares is sought to preserve the Company's Placement Capacity. In the current environment, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder ratification of the issue of the CSIRO Shares under Listing Rule 7.4.

If Resolution 3 is passed, the issue of the CSIRO Shares will be excluded from the Company's Placement Capacity. This will allow the Company ongoing flexibility in its ability to issue equity in these continued uncertain times.

If Resolution 3 is not passed, the CSIRO Shares will utilise the Company's Placement Capacity, decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the CSIRO Shares.

Failure to ratify the issue of the CSIRO Shares would result in the Company being unable to maximise further business opportunities by making a further issue of equity securities within the next 12-month period without first undertaking the administrative burden and delay and cost of obtaining Shareholder approval. Any delay associated with obtaining Shareholder approval means that the Company cannot act in an opportunistic manner and potentially puts any such raising at risk through the approval period.

3.4 Information required under Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is set out below:

- (a) the Shares were issued to CSIRO;
- (b) the Shares were issued as follows:
 - (i) 113,157 Shares were issued on 19 February 2021 (**February CSIRO Shares**);
 - (ii) 67,543 Shares were issued on 14 May 2021 (**May CSIRO Shares**); and

- (iii) 206,895 Shares were issued on 27 July 2021 (**July CSIRO Shares**).
- (c) the February CSIRO Shares and the May CSIRO Shares were issued at \$0.57 per Share, and the July CSIRO Shares were issued at \$0.40 per Share;
- (d) the CSIRO Shares were issued as fully paid ordinary shares in the capital of the Company and from the date of issue rank equally in all respects with the existing Shares;
- (e) the CSIRO Shares were issued pursuant to terms and conditions of a share purchase agreement between CSIRO and the Company for services provided to the Company by CSIRO under a Research Services Agreement. No funds were raised by the Company from the issue;
- (f) a summary of the material terms of the Research Services Agreement are included in Schedule B; and
- (g) a voting exclusion statement is included in the Notice.

3.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 - RATIFICATION OF SHARES ISSUED IN RESPECT OF THE ACQUISITION OF THE SATIPHARM BUSINESS

4.1 Introduction

Resolution 4 seeks Shareholder approval to ratify the Shares issued in respect of the acquisition of the Satipharm business.

On 10 March 2021 the Company completed the acquisition of the Satipharm business (**Satipharm**) from Harvest One. Satipharm is a European-based business exclusively licensed to develop and market the proprietary Gelpell delivery system for cannabinoids.

The acquisition of Satipharm involves a total maximum consideration of CAD\$4.0m which includes conditional deferred consideration of up to CAD\$1.5M.

The Company paid an initial payment of CAD\$2.5M on 10 March 2021 satisfied by the issue of 4,278,615 Shares (**Harvest One Shares**), based on the AUD equivalent of CAD\$2.5 million at an issue price of \$0.60 per Share (being the VWAP of Shares during the 5 full trading days on the ASX ending on 9 March 2021).

The balance of the consideration payable to Harvest One of up to CAD\$1.5m is payable on a deferred basis on achieving agreed operational and financial results. This deferred consideration is payable by the issuance of further Shares or cash, at the option of the Company. A key summary of the arrangements relating to the conditional deferred consideration was included as an annexure to the Company's announcement on 15 February 2021. The Company expects that the final element of the conditional deferred consideration will be paid during September 2021.

4.2 Listing Rule 7.1 and 7.4

Refer to the summary of Listing Rule 7.1 and 7.4 in section 1.2 of this Notice.

4.3 Approval of issue of Harvest One Shares

The issue of the Harvest One Shares did not breach Listing Rule 7.1 at the time of issue. Ratification of the issue and allotment of the Harvest One Shares is sought to preserve the Company's Placement Capacity.

If Resolution 4 is passed, the issue of the Harvest One Shares will be excluded from the Company's Placement Capacity, preserving the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Harvest One Shares. This will allow the Company ongoing flexibility in its ability to issue equity in these continued uncertain times.

If Resolution 4 is not passed, the Harvest One Shares will be included in the Company's Placement Capacity, decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Harvest One Shares.

Failure to ratify the issue of the Harvest One Shares would result in the Company not having its full Placement Capacity available and therefore being unable to maximise business opportunities by proceeding with a further issue of equity securities within the next 12 month period. Any delay associated with obtaining Shareholder approval means that the Company cannot act in an opportunistic manner and potentially puts any such raising or the issue of securities for an acquisition at risk through the approval period.

4.4 Information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is set out below:

- (a) the Harvest One Shares were issued to Harvest One;
- (b) 4,278,615 Shares were issued on 10 March 2021;
- (c) the Harvest One Shares were issued at \$0.60 per Share;
- (d) the Harvest One Shares were issued as fully paid ordinary shares in the capital of the Company and from the date of issue rank equally in all respects with the existing Shares;
- (e) the Harvest One Shares were issued in consideration of initial payment of the purchase price in respect of the acquisition of Satipharm. No funds were raised by the Company from the issue;
- (f) a summary of the material terms of the share sale agreement are set out in Schedule C; and
- (g) a voting exclusion statement is included in the Notice.

4.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 - APPROVAL OF SHARES TO BE ISSUED IN RESPECT OF THE ACQUISITION OF THE SATIPHARM BUSINESS.

5.1 Introduction

As noted in item 4.1 above, subject to the Satipharm business achieving certain agreed operational and financial results, the Company is required to pay additional consideration to Harvest One to up to CAD\$1.5m. This consideration is payable by way of shares (**Deferred Harvest One Shares**) or cash, at the option of the Company.

The deferred consideration payable in relation to the achievement of certain financial results will be a maximum of CAD\$750,000, payable by way of cash or shares (**Results Harvest One Shares**). Based on the relevant VWAP and the CAD/AUD exchange rate as at 30 June 2021, the maximum number of Results Harvest One Shares that would be issued will be 2,000,000 Shares.

The deferred consideration payable upon the delivery of certain equipment will be a maximum of CAD\$750,000, payable by way of cash or shares (**Equipment Harvest One Shares**). Based on the CAD/AUD exchange rate and the Company's share price as at the date of this Notice, the estimated Equipment Harvest One Shares to be issued by the Company is 3,000,000 Shares. As the CAD/AUD exchange rate and the Share price may fluctuate after the date of this Notice, Resolution 5 seeks Shareholder approval for the issue of up to a further 500,000 Shares.

5.2 Listing Rule 7.1 and 7.4

Refer to the summary of Listing Rule 7.1 and 7.4 in section 1.2 of this Notice.

5.3 Approval of the issue of the Deferred Harvest One Shares

As at the date of this Notice, the issue of the Deferred Harvest One Shares will cause the Company to exceed its Placement Capacity and therefore, the Group is required to obtain Shareholder approval prior to the issue of the Deferred Harvest One Shares.

If Resolution 5 is passed, the issue of the Deferred Harvest One Shares will be excluded from the Company's Placement Capacity, preserving the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Deferred Harvest One

Shares. This will allow the Company ongoing flexibility in its ability to issue equity in these continued uncertain times.

If Resolution 5 is not passed, the Deferred Harvest One Shares may not be able to be issued as the Company's Placement Capacity may be exceeded.

Failure to approve the issue of the Deferred Harvest One Shares would also mean that the Company may have to pay cash for the deferred consideration which may become due to Harvest One under the acquisition of Satipharm, reducing the Company's cash reserves.

5.4 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is set out below:

- (a) the Deferred Harvest One Shares will be issued to Harvest One;
- (b) a maximum of 5,500,000 Shares will be issued;
- (c) the Results Harvest One Shares will be issued at a price of \$0.403 cents per Share, being the VWAP calculated based on 30 full trading days on the ASX ending on the ASX trading day immediately prior to 30 June 2021;
- (d) the Equipment Harvest One Shares will be issued at a price to be determined based on the VWAP for the 30 full trading days on the ASX trading day immediately prior to the date on which the equipment delivery is completed, which is likely to be a date in September 2021;
- (e) the Deferred Harvest One Shares are fully paid ordinary shares in the capital of the Company and from the date of issue will rank equally in all respects with the existing Shares.
- (f) the Deferred Harvest One Shares will be issued during September 2021, and in any event will be issued no later than 3 months after the date of this Meeting;
- (g) the Deferred Harvest One Shares will be issued in consideration of the deferred purchase price in respect of the acquisition of Satipharm, and subject to the Satipharm business achieving agreed operational and financial results. No funds will be raised by the Company from the issue;
- (h) a summary of the material terms of the agreement are set out in Schedule C; and
- (i) a voting exclusion statement is included in the Notice.

5.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 - APPROVAL OF SHARE PURCHASE PLAN OFFER (SPP)

6.1 Introduction

Resolution 6 seeks Shareholder approval for the issue of up to 36,363,636 Shares (**SPP Shares**) at a price of \$0.275 per Share, being the same price as the Placement, pursuant to a share purchase plan (**SPP**) to be launched by the Company subject to approval of this Resolution 6.

Under the proposed SPP, eligible Shareholders will be entitled to subscribe for up to a maximum of \$30,000 of Shares at a price of \$0.275 per Share. The Company seeks to raise up to \$10.0 million through the conduct of the SPP.

6.2 Listing Rule 7.1 and SPPs

As noted in section 1.2 of this Notice, Listing Rule 7.1 (subject to certain exceptions) requires the prior approval of Shareholders for an issue of equity securities if those equity securities will, when aggregated with the equity securities issued by the Company during the previous 12 months, exceed a company's Placement Capacity.

Exception 5 in Listing Rule 7.2 usually applies to an SPP. However because the SPP Shares are to be issued at the same price as the Placement, the discount is such that the price falls below the limit imposed by exception 5. As such, the Company is seeking Shareholder approval under Listing Rule 7.1 to enable the SPP to proceed at this price.

6.3 Proposed issue of SPP Shares

Shareholder approval for the issue and allotment of the SPP Securities is sought to enable the SPP to ensure that existing Shareholders are provided the opportunity to participate in the Company's capital raising activities at the same price as those who participated in the Placement.

If Resolution 6 is passed, the SPP offer can be launched and the issue of the SPP Shares will be excluded from calculating the Company's Placement Capacity, preserving the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the SPP Securities. This will allow the Company ongoing flexibility in its ability to issue equity in these continued uncertain times.

If Resolution 6 is not passed, the SPP offer cannot be launched at the price proposed and the SPP Shares will not be able to be issued as the Company's Placement Capacity would be exceeded.

Failure to approve the issue of the SPP Shares would mean that the Company may not be sufficiently capitalised to invest in integration of the Company's supply chain and expanded production capabilities, or to allocate additional resources to the marketing and distribution for the Satipharm business. In addition, the Directors are keen to ensure that existing Shareholders are given the opportunity to invest in the Company and its future strategic direction at the same price as those who invested in the Company through the Placement.

The Directors may participate in the SPP, and the standard waiver granted by ASX which allow all Shareholders to vote on this Resolution 6, includes a concurrent waiver to enable them to participate in the SPP on the same terms as all other Shareholders without additional Shareholder approval under LR10.11 if this Resolution 6 is passed by Shareholders.

6.4 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is set out below:

- (a) the SPP will be open to all Shareholders as at the relevant record date of the SPP with an address in Australia or New Zealand and who are not US persons or acting on behalf of US persons;
- (b) up to 36,363,636 Shares are proposed to be issued under the proposed SPP.
- (c) the SPP Shares are fully paid ordinary shares in the capital of the Company and from the date of issue will rank equally in all respects with the existing Shares;
- (d) the Company intends to launch the SPP shortly after the date of the Meeting and the SPP Shares are likely to be issued within a period of 5 Business Days after the closing date of the SPP and in any event, no later than 3 months after the date of the Meeting;
- (e) the SPP Shares will be issued at a price of \$0.275 per Share;
- (f) funds raised from the SPP will be aggregated with the proceeds of the Placement and used for the same purposes as the Placement; and
- (g) refer to the voting exclusion statement in the Notice of Meeting for details of those persons or entities which will be excluded from voting on Resolution 6.

6.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

SCHEDULE A - GLOSSARY

ASIC	means the Australian Securities and Investment Commission.
Associate	has the meaning set out in Chapter 19 of the Listing Rules.
ASX	means the Australian Securities Exchange or ASX Limited as the context requires.
Board	means the board of Directors of the Company.
Chairman	means the chair of the Board or the person chairing the meeting (as the context requires) and who will be Chairman of the Meeting.
Company	means Cann Group Limited ABN 25 603 949 739
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
CSIRO	means Commonwealth Scientific and Industrial Research Organisation
Directors	means the directors of the Company.
Explanatory Memorandum	means this explanatory memorandum.
Harvest One	means Harvest One Cannabis Inc
Listing Rules	means the ASX Listing Rules.
Meeting	means the extraordinary general meeting of members called under the Notice.
Notice	means the notice of meeting to which this Explanatory Memorandum is attached.
Proxy Form	means the proxy form attached to or accompanying the Notice.
Related Party	has the meaning given in the Listing Rules or the Corporations Act, as the context requires.
Research Services Agreement	means the research services umbrella agreement entered into between the Company and CSIRO dated 24 October 2018.
Resolution	means a resolution set out in the Notice.
Share	means a fully paid ordinary share in the Company.
Shareholder	means a holder of a Share.
Share Registry	means Link Market Services as the Company's share registry.
VWAP	means the volume weighted average share price for the relevant number of trading days as defined in the Listing Rules.

SCHEDULE B – SUMMARY OF RESEARCH SERVICES AGREEMENT

The Research Services Agreement was entered into between the CSIRO and the Company on 24 October 2018, with a commencement date of 1 October 2018. Under this agreement, which operates as an umbrella agreement, CSIRO agrees to undertake certain research services for the Company in relation to the development of technologies to be used in the commercial manufacture and sale of medicinal cannabis products for human use. The services are outlined by way of individual projects (specified in individual Project Agreements) that are governed by the umbrella terms of the Research Services Agreement. Under the Research Services Agreement, the Company owns all Project IP and Project Deliverables that are generated by CSIRO under Projects.

The Company and CSIRO agree that 50% of the fees payable under the Research Services Agreement are payable as a cash component, with the remaining 50% of the fees payable by way of shares (**Share Component**), as further specified in a share purchase agreement which was entered into between the parties on 24 October 2018, the same date as the Research Services Agreement.

Fees are invoiced by CSIRO on a quarterly basis.

The Share Component for the fees is calculated in accordance with the following formula:

$$\text{No. of Shares} = \frac{\text{50\% of the service fees under the RSA}}{\text{VWAP}}$$

The VWAP is calculated as the 10 daily VWAP (rounded to the nearest cent) for all shares sold through a normal trade on the ASX automated trading system during the 10 days ending on the third business day prior to the last day of each quarter.

The Research Services Agreement is due to expire on the earlier of 30 September 2022 or whenever the total fees spent on projects totals \$3million. Any Projects that are commenced during the term will continue, notwithstanding the termination or expiry of the Research Services Agreement.

SCHEDULE C - SUMMARY OF THE MATERIAL TERMS OF THE AGREEMENT FOR THE ACQUISITION OF THE SATIPHARM BUSINESS

The share sale agreement was entered into on 15 February 2021 for the acquisition of the Satipharm group of entities owned by Harvest One, being:

- Satipharm Limited;
- Satipharm AG;
- Satipharm Europe Ltd;
- Satipharm Australia Pty Ltd;
- Satipharm Canada Limited; and
- Phytotech Therapeutics Ltd.

The acquisition was completed on 10 March 2021. All consideration was paid, or is payable, in scrip.

CAD\$2.5 million was paid at Completion via the issue of 4,278,615 ordinary shares in the Company at an issue price of \$0.602 per share (calculated as the VWAP of the Company's shares during the 5 full trading days on the ASX ending on 9 March 2021).

Deferred consideration of up to CAD\$1.5M will also be payable by the Company if certain operational and financial results are achieved via the issuance of further new shares in the Company. The Company also has the option to elect to pay this in cash instead of scrip.

The particulars of the criteria for each aspect of the deferred consideration payment are set out below:


- CAD\$0.750 million following delivery of the Gelpell Manufacturing Equipment in accordance with the required specifications and satisfactory working conditions to the Company's nominated facility in Australia;
- first earn out payment of up to CAD\$0.250 million linked to an agreed revenue of the Satipharm business for the 6 months to 30 June 2021 set out in the transaction document (if the revenue is below the agreed revenue for that period, the first earn out payment will be reduced to an amount equal to an agreed fraction of the actual revenue for that period set out in the transaction document);
- second earn out payment of up to CAD\$0.250 million linked to gross profit of the Satipharm business for the financial year ended 30 June 2021 set out in the transaction document (if the actual gross profit is below the agreed gross profit for that period, the second earn out payment will be reduced to an amount equal to an agreed multiple of the actual gross profit for that period set out in the transaction document); and
- third earn out payment payable of up to CAD\$0.250 million linked to an agreed EBITDA loss of the Satipharm business for the 6 months to 30 June 2021 set out in the transaction document (if the actual EBITDA loss is greater than the agreed EBITDA loss for that period, the third earn out payment will be effectively reduced by CAD\$1 for every CAD\$1 that the actual EBITDA loss for that period is greater than the agreed EBITDA loss for that period).


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Cann Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address or by other means given above under 'LODGE YOUR VOTE' by **11:00am (Melbourne time) on Sunday, 5 September 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelopment or by sending to one of the addresses or by other means given above under 'LODGE YOUR VOTE'. Further instructions regarding lodging your proxy online are set out in the box below:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

Unique PIN:

(for telephone attendance)

Australia : 1800 572 288

New Zealand: 0800 448 986

Worldwide: +61 1800 572 288

PROXY FORM

I/We being a member(s) of Cann Group Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am (Melbourne time) on Tuesday, 7 September 2021 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting. You can participate by logging in online at <https://agmlive.link/CANGM21> (refer to details in the Virtual General Meeting Online Guide). To access the **Notice of General Meeting and Explanatory Memorandum** this can be viewed and downloaded at the Company's website at <https://investors.canngrouponlimited.com/Investors/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of issue of shares under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of shares to be issued in respect of the acquisition of the Satipharm business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2A Approval of proposed placement of shares to Allan McCallum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of share purchase plan offer (SPP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2B Approval of proposed placement of shares to Philip Jacobsen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
2C Approval of proposed placement of shares to Doug Rathbone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
2D Approval of proposed placement of shares to Geoff Pearce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
2E Approval of proposed placement of shares to John Sharman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Ratification of shares issued to CSIRO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Ratification of shares issued in respect of the acquisition of the Satipharm business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



Virtual Meeting Online Guide

Before you begin

Ensure your browser is compatible. Check your current browser by going to the website: **whatismybrowser.com**

Supported browsers are:

- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer 9 and up

To attend and vote you must have your securityholder number and postcode.

Appointed Proxy: Your proxy number will be provided by Link before the meeting.

Please make sure you have this information before proceeding.

Virtual Meeting Online Guide

Welcome to the Link Group Annual General Meeting

LINKGroup

Please register your details to participate

Full Name

Mobile (e.g. 022 123 1234)

Email

Company Name

I have read and accept the [Terms & Conditions](#)

REGISTER AND WATCH AGM

Help Numbers: 1800 990 363

Step 1

Open your web browser and go to <https://agmlive.link/CANGM21>

Step 2

Log in to the portal using your full name, mobile number, email address, and company name (if applicable).

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Meeting'** button.

- On the left – a live video webcast of the Meeting
- On the right – the presentation slides that will be addressed during the Meeting
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and a list of company documents to download

Note: If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

This will bring up a box which looks like this.

Voting Card

Please provide your Shareholder or Proxy details

SHAREHOLDER DETAILS

Shareholder Number Post Code

SUBMIT DETAILS AND VOTE

OR

PROXY DETAILS

Proxy Number

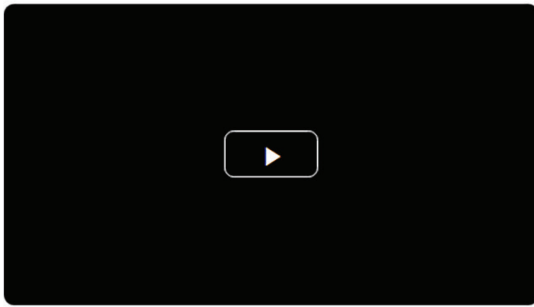
SUBMIT DETAILS AND VOTE

If you are an individual or joint securityholder you will need to register and provide validation by entering your securityholder number and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with all of the resolutions to be voted on by securityholders at the Meeting (as set out in the Notice of Meeting). You may need to use the scroll bar on the right hand side of the voting card to view all resolutions.

Securityholders and proxies can either submit a Full Vote or Partial Vote.



+

Get a Voting Card

?

Ask a Question

Downloads

- 📄 Notice of meeting
- 📄 Annual report

ABC COMPANY PTY LTD
X123456789
✕

Voting Card

Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for each resolution. If you would like complete a partial vote, please specify the number of votes for each resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the the Unitholder's voting instructions.

Full Vote
Partial Vote

Resolution 2B For Against Abstain

RE-ELECTION OF MR. ABC AS A DIRECTOR

Resolution 2C For Against Abstain

RE-ELECTION OF MS XYZ AS A DIRECTOR

Resolution 3 For Against Abstain

INCREASE TO DIRECTORS' MAXIMUM FEE POOL LIMIT

Resolution 4 For Against Abstain

ADOPTION OF REMUNERATION REPORT

SUBMIT VOTE

Full Votes

To submit a full vote on a resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

Partial Votes

To submit a partial vote on a resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes (for any or all) resolution/s. The total amount of votes that you are entitled to vote for will be listed under each resolution. When you enter the number of votes it will automatically tally how many votes you have left.

Note: If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolutions scroll down to the bottom of the box and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

Note: You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time. Please make any changes and submit your voting cards.

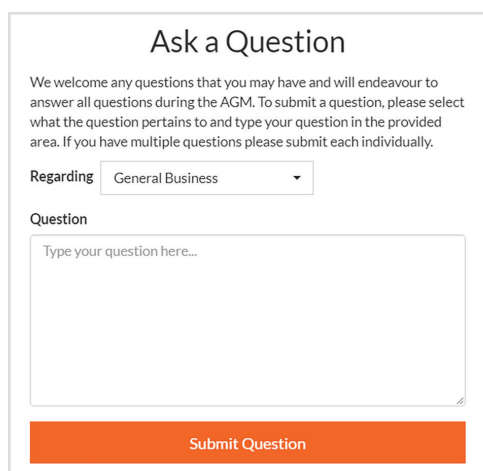
Once voting has been closed all submitted voting cards cannot be changed.

2. How to ask a question

Note: Only securityholders are eligible to ask questions.

If you have yet to obtain a voting card, you will be prompted to enter your securityholder number or proxy details before you can ask a question. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

The 'Ask a Question' box will then pop up with two sections for completion.



The 'Ask a Question' form is titled 'Ask a Question'. It contains a welcome message: 'We welcome any questions that you may have and will endeavour to answer all questions during the AGM. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.' Below this is a 'Regarding' section with a dropdown menu currently set to 'General Business'. Underneath is a 'Question' section with a text input field containing the placeholder 'Type your question here...'. At the bottom of the form is an orange 'Submit Question' button.

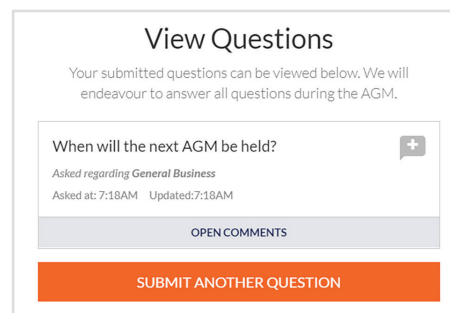
In the 'Regarding' section click on the drop down arrow and select the category/resolution for your question.

Click in the 'Question' section and type your question and click on 'Submit'.

A 'View Questions' box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to exercise your right of reply, you can submit another question.

Note that not all questions are guaranteed to be answered during the Meeting, but we will do our best to address your concerns.



The 'View Questions' box is titled 'View Questions'. It contains a message: 'Your submitted questions can be viewed below. We will endeavour to answer all questions during the AGM.' Below this is a question card for 'When will the next AGM be held?'. The card includes the text 'Asked regarding General Business' and 'Asked at: 7:18AM Updated:7:18AM'. There is a plus icon in the top right corner of the card. Below the card is a grey 'OPEN COMMENTS' button and an orange 'SUBMIT ANOTHER QUESTION' button.

3. Downloads

View relevant documentation in the Downloads section.

4. Voting closing

Voting will end 5 minutes after the close of the Meeting.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising the remaining voting time. If you have not submitted your vote, you should do so now.

5. Phone Participation

What you will need

- a) Land line or mobile phone
- b) The name of your holding/s
- c) To obtain your unique PIN, please contact Link Market Services Help Number on +61 1800 990 363.

Joining the Meeting via Phone

Step 1

From your land line or mobile device, call: +61 1800 071 092

Step 2

You will be greeted with a welcome message and provided instructions on how to participate in the Meeting. Please listen to the instructions carefully.

At the end of the welcome message you will be asked to enter your **PIN** followed by the hash key. This will verify you as a securityholder and allow you to ask a question on the resolutions at the Meeting.

Step 3

Once you have entered your **PIN**, you will be greeted by a moderator. Once the moderator has verified your details you will be placed into a waiting room and will hear music playing.

Note, If your holding cannot be verified by the moderator, you will attend the Meeting as a visitor and will not be able to ask a question.

Step 4

At the commencement of the Meeting, you will be admitted to the Meeting where you will be able to listen to proceedings.

Asking a Question

Step 1

When the Chairman calls for questions on each resolution, you will be asked to **press *1** on your keypad should you wish to raise your hand to ask a question.

Step 2

When it is your time to ask your question, you will hear an auto prompt that your line has been unmuted and you can then start speaking.

Note, if at any time you no longer wish to ask your question, you can lower your hand by **pressing *1** on your key pad. If you also joined the Meeting online, we ask that you mute your laptop or desktop device while you ask your question.

Step 3

Your line will be muted once your question has been answered.

Contact us

Australia

T 1300 554 474

E info@linkmarketservices.com.au

New Zealand

T +64 9 375 5998

E enquiries@linkmarketservices.co.nz