

21 August 2019

Market Announcements Platform
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Cann Global Limited –Pre-Quotation Disclosure

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the reinstatement to quotation of fully paid Ordinary Shares in Cann Global Limited (ASX:CGB, **Company**).

Capital Structure

CGB confirms that the Company's capital structure is now as follows:

<i>Class</i>	<i>Number</i>
Fully Paid Ordinary Shares	3,093,435,254
Unlisted Options (exercisable at \$0.10, expiring 30/4/2020)	85,000,260
Unlisted Options (exercisable at \$0.05, expiring 19/7/2022)	31,140,000
Convertible Notes	1,730,000


Updated pro-forma balance sheet based on actual funds raised.

An updated pro-forma balance sheet based on actual funds raised is attached to this announcement at Appendix A.

Updated statement of commitments based on actual funds raised.

Item	Actual Subscription \$5,950,000 Amount (\$) / (%)
Opening cash reserves of the Company	5,859,218 -49.60%
Funds raised under the Capital Raising Offer	5,950,000 -50.40%
TOTAL	11,809,218 -100%
<u>Use of Funds:</u>	
Production manufacture cost	3,500,000 -29.60%
Medical research and product development	2,500,000 -21.20%
Hemp business development and marketing	2,250,000 -19.10%
Exploration and expenditure associated with the Bauxite Projects	300,000 -2.50%
Costs associated with the re-compliance with Chapters 1 & 2 of the ASX Listing Rules	860,300 -7.28%
Raw materials for inventory build	1,500,000 -12.70%
Corporate and administration costs	750,000 -6.40%
Balance for working capital	148,918 -1.26%
TOTAL	11,809,218 -100%

Distribution schedule of the numbers of holders in each class of security to be quoted:

				
CANN GLOBAL LIMITED		ISSUED CAPITAL (INCL. ESCROW SHARES) As of 19 Jul 2019		
Range of Units Snapshot		Composition : ES3, ES4, ORD		
Range	Total holders	Units	% of Issued Capital	
1 - 1,000	135	15,618	0.00	
1,001 - 5,000	63	228,085	0.01	
5,001 - 10,000	1,172	10,130,304	0.33	
10,001 - 100,000	4,831	209,260,150	6.76	
100,001 - 9,999,999,999	2,552	2,873,801,097	92.90	
Rounding			0.00	
Total	8,753	3,093,435,254	100.00	

Top 20 Shareholders

	Name	Number of Shares	%
1	LBT CORPORATION PTY LTD	519,403,514	16.8%
2	VOLCAN AUSTRALIA CORPORATION	189,375,000	6.1%
3	MARTIN PLACE SECURITIES	158,845,404	5.1%
4	ANDREW KAVASILAS	151,481,081	4.9%
5	TRANSGLOBAL CAPITAL PTY LTD	146,934,652	4.7%
6	FIRST STATE PTY LIMITED	114,486,021	3.7%
7	020428 PTY LTD	98,948,375	3.2%
8	SEBASTION WILLIAM EDWARDS	62,162,162	2.0%
9	WESTGLADE PTY LTD	32,071,839	1.0%
10	JONATHAN ISAACS	16,020,213	0.5%
11	JACOBSON HOLDINGS	15,771,429	0.5%
12	MEF I LP	15,000,000	0.5%
13	GVC INTERNATIONAL INVESTMENT	13,571,429	0.4%
14	ECOMETRIX PTY LTD	12,845,942	0.4%
15	MR JOHN MCDONALD &	12,544,811	0.4%
16	MR ISAAC JOHN ESPOSITO	12,500,000	0.4%
17	MR KARL BAARDA	11,071,440	0.4%
18	CHASE BUSINESS CONSULTING	11,000,000	0.4%
19	L1 CAPITAL GLOBAL	10,000,000	0.3%
20	BNP PARIBAS NOMS PTY LTD	10,000,000	0.3%
	TOTAL TOP 20	1,614,033,312	52.2%
	Other	1,479,401,942	47.8%
	Total	3,093,435,254	100.0%

Securities subject to ASX restrictions

The Company confirms that the following numbers of securities are subject to escrow:

Class	Number	Escrow period
Fully Paid Ordinary Shares	524,190,808	ASX Escrowed 24 Months from Date of Reinstatement to Trading
Fully Paid Ordinary Shares	705,804,687	ASX Escrowed 12 Months from 19 July 2019 19 July 2020
Unlisted Options	31,140,000	ASX Escrowed 12 Months from 19 July 2019 19 July 2020

Appointment / Resignation of Company Secretary

CGB confirms that, as previously foreshadowed, Mr Sholom Feldman has resigned as Company Secretary thereby reducing the administrative burden on the Company's Managing Director who has until now been responsible for both roles. Upon the resignation, Mr Alex Neuling's appointment as Secretary has now become effective.

Additional Pre-Quotation Disclosure

CGB confirms that the Company is in compliance with the listing rules and in particular Listing Rule 3.1.

Close of Offers and Issue of Securities

CGB refers to the Company's replacement prospectus dated 7 June 2019 (**Prospectus**) and the offers detailed therein (**Offers**). CGB confirms that all conditions to the Public Offer have been satisfied, the Offers have closed and all issues of securities under the Offers have been completed, as set out in the Company's ASX Appendix 3B lodged 19 July 2019.

Completion of Agreements

CGB confirms that all conditions precedent to the agreements between the Company and the vendors of MCL, T12 and HHC have been satisfied and the agreements have been completed.

Concurrently with this announcement, the Company is releasing the following documents:

- *Appendix 1A and Information Form and Checklist.*
- *The Company's constitution.*
- *Corporate Governance Statement*
- *The Company's securities trading policy.*
- *Audited historical accounts for MCL, HHC and T12*

APPENDIX A – UPDATED PRO-FORMA BALANCE SHEET

\$ooo	HY2019 Statutory (Note1)	Subsequent events (Note 2)	Capital Raising (Note 3)	Pro forma
Current assets				
Cash	5,859	608	5,609	12,076
Trade and other receivables	883	251	-	1,134
Inventory	356	44	-	400
Total current assets	7,098	903	5,609	13,610
Non-current assets				
Plant and equipment	106	369	-	476
Investments	1,959	-	-	1,959
Intangible assets	1,922	2,380	-	4,302
Exploration and evaluation assets	2,047	-	-	2,047
Equity-accounted investees	278	-265	-	12
Total non-current assets	6,312	2,484	-	8,796
Total assets	13,410	3,387	5,609	22,407
Current liabilities				
Trade and other payables	-1,242	-80	-	-1,321
Other liabilities	-5,013	-448	-	-5,461
Current tax liabilities	-293	-	-	-293
Total current liabilities	-6,548	-527	-	-7,075
Total liabilities	-6,548	-527	-	-7,075
Net assets	6,863	2,860	5,609	15,332
Equity				
Share capital	29,601	47,494	5,253	82,348
Reserves	4,939	-45,078	565	-39,574
Non-controlling interest	-692	792	-	99
Accumulated losses	-26,985	-347	-209	-27,542
Total equity	6,863	2,860	5,609	15,332

1. HY2019 is the reviewed statutory balance sheet as at 31 December 2018.

2. Subsequent events reflect the following:

Acquisition of the remaining 45% interest in MCL (MCL Acquisition)

As set out in Section 14.2, CGB entered into the MCL Agreement under which it will acquire the remaining 45% of the issued capital of MCL it does not already hold. Consideration for the MCL Acquisition will be satisfied through the issue of 1,277,142,857 Shares in CGB. Based on a Share price of \$0.035 per share, the fair value of the consideration of the MCL Offer is \$44.7 million.

Acquisition of a 55% interest in HHC (HHC Acquisition)

As set out in Section 14.3, CGB has entered into the HHC Agreement to acquire 55% of the issued capital of HHC in two stages.

Stage one: 25% was acquired for cash consideration of \$300k and the issue of a 5% shareholding in Vitahemp Pty Ltd, a subsidiary of MCL. In November 2017, \$145k of the cash consideration was paid to the shareholders of HHC. The remaining cash consideration was paid in January 2018. In February 2018, 5% of the issued capital in Vitahemp Pty Ltd was issued to Peter Edwards.

Stage two: the remaining 30% will be acquired through the issue of 40,540,541 CGB Shares at a fair value of \$0.035 per Share, a total consideration of \$1.41 million.

Inter-company loans of \$111,620 with MCL and \$9,168 with T12 are eliminated as part of the adjustment.

Acquisition of T12 Holdings Pty Ltd (T12 Acquisition)

As set out in Section 14.5, CGB entered into the T12 Agreement to acquire 100% of the issue capital of T12 for 21,621,621 Shares in CGB at a fair value of \$0.035 per Share, a total consideration of \$757k. In addition, 5,405,405 CGB Shares will be issued to Sebastian Edwards and Sam Edwards at a fair value of \$0.035 per Share. The Directors have determined that the T12 Acquisition represents an asset acquisition as T12 does not carry on a business as defined in AASB 3.

Issue of further convertible notes to L1 Capital Global Opportunities Master Fund

As set out in Section 14.9 on 27 February 2019, CGB received \$600,000 from L1 and in return issued L1 600,000 convertible notes with a redemption price of \$1.20 each and 52,747,253 options with an exercise price of \$0.035.

A further agreement was entered into on 27 February whereby all existing notes and options that CGB and MCL had issued to L1 were redeemed through the issue of new CGB convertible notes with a maturity of 15 November 2019 and a redemption price of \$1.20 and the issue of 31,140,000 options with a three year maturity and exercise price of \$0.05.

3. Under the agreement 10,000,000 shares were issued to L1. These shares are to be used to satisfy the conversion rights under the convertible note or otherwise sold by L1 with the proceeds to be paid to CGB. The **Minimum Subscription** represents the issue of 57,000,000 Shares at \$0.035 per Share and 28,500,000 options to raise \$1.995 million. Transaction costs of \$902,000 will be incurred, of which \$856,000 will be expensed and \$46,000 will be recognised against equity.

The Capital Raising represents the issue of 170,000,000 Shares at \$0.035 per Share and 85,000,260 Options to raise \$5.950 million. Transaction costs of \$945,000 have been incurred, of which \$814,000 will be expensed and \$131,000 will be recognised against equity.