

3 October 2024

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

Dear Sir / Madam

Cann Group Limited (ASX:CAN) – Notice of Annual General Meeting

****Date change – AGM to be held: Wednesday, 6 November 2024, 10:00am, at Lander & Rogers, Level 15, 477 Collins Street, Melbourne, VIC 3000****

In accordance with Listing Rule 3.17, I attach a copy of the following documents being sent to shareholders today:

1. Chairman's Cover Letter to Notice of Annual General Meeting,
2. Notice of Annual General Meeting and Explanatory Memorandum; and
3. Proxy voting form.

Please also note the date of the AGM has been changed to Wednesday, 6 November 2024, at 10:00am.

Yours faithfully,



Steven Notaro
Company Secretary
Cann Group Limited

Authorised for release by the Board of Directors, Cann Group Limited.

About Cann Group

Cann Group Limited (ABN 25 603 949 739) is enhancing patients' lives by developing, producing, and supplying innovative cannabis medicines. The Company has built world-class research, cultivation and GMP manufacturing facilities in Melbourne, and a state-of-the-art large-scale cultivation and GMP manufacturing facility near Mildura, Victoria. Cann Group supplies a range of dried flower and oil products, as well as active pharmaceutical ingredients and extracts, to customers in Australia and around the world. Cann Group also owns Satipharm and its patent-protected capsule technology.

Learn more at: www.canngrouponlimited.com | www.satipharm.com

3 October 2024

Dear Shareholder

ANNUAL GENERAL MEETING 2024

You are invited to the Annual General Meeting of Cann Group Limited (**Company** or **Cann Group**) to be held in person at **10:00 am (Melbourne time)** on **Wednesday, 6 November 2024** at the offices of Lander and Rogers, Level 15, 477 Collins Street, Melbourne, VIC 3000.

The Notice of Annual General Meeting (**Meeting**) and Explanatory Memorandum (together, the **Notice**), and other documents and information, can be viewed and downloaded at the Company's website at www.canngrouponlimited.com.

The Notice contains information that is material in respect of the business of the Meeting and, accordingly, should be read in its entirety. A summary of the business purpose of each resolution is provided below to assist you, noting that the Notice has the complete details:

Item 1 and Resolution 1	Standard items of business concerning the annual financial statements and remuneration report
Resolution 2	Standard annual re-election of a Director
Resolution 3	CEO options in accordance with her employment contract
Resolution 4-6	Director options in consideration of a reduction to director fees to assist with cash flow
Resolutions 7-10	Securities issued to/to be issued to Obsidian Global GP, LLC and EverBlu Capital Pty Ltd in accordance with the contractual agreements for the convertible note announced to ASX on 21 November 2023
Resolution 11*	Additional 10% placement capacity annual renewal

* *special resolution*

Shareholders are strongly encouraged to vote by lodging a Proxy Form as early as possible, and in any event prior to the cut-off for proxy voting as set out in the Notice (being **10:00am (Melbourne time) on Monday, 4 November 2024**). Instructions for lodging proxies are included in your personalised Proxy Form. In addition to your personalised Proxy Form, the Proxy Form is also available on the Company's website at <https://www.canngrouponlimited.com/annual-general-meeting>.

In accordance with the Company's constitution, each resolution considered at the Meeting will be decided on a poll. The Company will also provide shareholders with a Company presentation from the CEO and an address from the Chairman and the opportunity to ask questions during the Meeting.

We look forward to your attendance and participation at the Meeting. Your continued support is greatly appreciated.

Yours faithfully



Dr Julian Chick, Chairman



ACN 603 949 739

Notice of Annual General Meeting and Explanatory Memorandum

Date: Wednesday, 6 November 2024

Time: 10:00am (Melbourne time)

Location: Lander & Rogers
Level 15, 477 Collins Street, Melbourne, VIC 3000

This Notice of Annual 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.

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NOTICE OF 2024 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**AGM**) of Cann Group Limited ABN 25 603 949 739 (**Company**) will be held at the offices of **Lander & Rogers, Level 15, 477 Collins Street, Melbourne, VIC 3000** at **10:00am (Melbourne time) on Wednesday, 6 November 2024** to transact the business set out below.

The Explanatory Memorandum and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Memorandum and the Proxy Form in their entirety. Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Memorandum which accompanies this Notice.

BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business at the Annual General Meeting:

1. Financial Statements and Reports

To receive the financial report, directors' report and auditor's report for the Company and its controlled entities for the financial year ended 30 June 2024.

Note: Except as set out in Resolution 1, there is no requirement for shareholders to approve these reports and therefore no resolution will be required to be passed on this matter.

2. Resolution 1 – Adoption of Remuneration Report

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

“That, pursuant to and in accordance with section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ending 30 June 2024 be adopted.”

Note: This resolution is advisory only and does not bind the Company or the Directors.

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

3. Resolution 2 – Re-election of Director

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

“That Mr. Douglas Rathbone, a Director who retires from office in accordance with ASX Listing Rule 14.4 and Rule 55.2 of the Company's Constitution and being eligible for re-election, be re-elected a Director of the Company.”

4. Resolution 3 – Approval of issue of options to Ms. Jennifer Pilcher, CEO & Managing Director

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

“That, for the purposes of ASX Listing Rule 10.14, section 200E of the Corporations Act and for all other purposes, approval is given for the Company to grant 4,500,000 Options to Ms. Jennifer Pilcher (or her nominee), CEO & Managing Director of the Company, on the terms set out in the Explanatory Memorandum.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

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5. Resolution 4 – Approval of issue of options to Dr. Julian Chick, Non-executive Chairman

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholder approval is given for the Company to issue 600,000 options, each to acquire one Share in the Company, to Dr. Julian Chick, Non-executive Chairman of the Company (or his nominee), on the terms set out in the Explanatory Memorandum.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

6. Resolution 5 – Approval of issue of options to Mr. Doug Rathbone, Non-executive Director

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholder approval is given for the Company to issue 300,000 options, each to acquire one Share in the Company, to Mr. Douglas (Doug) Rathbone, a Non-executive Director of the Company (or his nominee), on the terms set out in the Explanatory Memorandum.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

7. Resolution 6 – Approval of issue of options to Mr. Robert Barnes, Non-executive Director

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholder approval is given for the Company to issue 300,000 options, each to acquire one Share in the Company, to Mr. Robert Barnes, a Non-executive Director of the Company (or his nominee), on the terms set out in the Explanatory Memorandum.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

8. Resolution 7 – Ratification of shares issued to Obsidian Global GP, LLC

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

“That, for the purpose of ASX Listing Rule 7.4, the prior issue of 40,000,000 fully paid ordinary shares issued to Obsidian Global GP, LLC on the terms set out in the Explanatory Memorandum is ratified.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

9. Resolution 8 – Ratification of convertible notes issued to Obsidian Global GP, LLC

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the prior issue of 711,963 convertible notes issued to Obsidian Global GP, LLC on the terms and conditions set out in the Explanatory Memorandum is ratified.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

10. Resolution 9 – Approval of issue of options to Obsidian Global GP, LLC

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

“That, for the purpose of ASX Listing Rule 7.1, Shareholders approve the issue of 6,735,867 Options, each to acquire one ordinary fully paid Share in the Company, to Obsidian Global GP, LLC on the terms set out in the Explanatory Memorandum.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

11. Resolution 10 – Approval of issue of options to EverBlu Capital Pty Ltd

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

“That, for the purpose of ASX Listing Rule 7.1, Shareholders approve the issue of 6,735,867 Options, each to acquire one ordinary fully paid Share in the Company, to EverBlu Capital Pty Ltd on the terms set out in the Explanatory Memorandum.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

12. Resolution 11 – Approval of additional 10% placement capacity for 12 months

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purpose of ASX Listing Rule 7.1A, approval is given for the issue of equity securities, as that term is defined in the Listing Rules, totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.”

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum

By Order of the Board



**Steven Notaro, Company Secretary
Cann Group Limited
3 October 2024**

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HOW TO VOTE

Voting entitlement

The Board of Directors of the Company (**Board**) has determined that for the purpose of voting at the Annual General Meeting, shares will be taken to be held by those persons who are registered as holding them at **7:00pm (Melbourne time) on Monday, 4 November 2024**. 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 Annual General Meeting (**Meeting**) in respect of that share.

Attendance at the Annual General Meeting

If you attend the Meeting, please bring your personalised Proxy Form with you. The barcode at the top of the form will help you to register. If you do not bring your form with you, you will still be able to attend the Meeting but representatives from our share registry will need to verify your identity. You will be able to register from **9:30am** on the day 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 by proxy

If a shareholder is unable to attend and vote at the Meeting, they are entitled to appoint a proxy to attend 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://www.canngrouponlimited.com/annual-general-meeting>

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.

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, Resolutions 1-11. 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 set out in the Notice.

If you return your Proxy Form but your nominated proxy does not 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 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 Resolutions 1-11.

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 delivered as set out below.

Lodging your Proxy Form

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 **10:00am on (Melbourne time) on Monday, 4 November 2024**:

- 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, by hand delivery or by facsimile to the Company's Share Registry at:

Link Market Services Limited

Online: www.investorcentre.linkgroup.com

** 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, you will need your "Holder Identifier" – Securityholder Reference Number (SRN) or Holder Identification Number (HIN).*

By Post:

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

By Facsimile:

(+61 2) 9287 0309

By hand delivery*:

Link Market Services Limited
Parramatta Square, Level 22, Tower 6
10 Darcy Street, Parramatta NSW 2150
OR
Level 12, 680 George Street, Sydney NSW 2000

* Delivery only during business hours (Monday to Friday, 9:00am-5:00pm)

If you have any queries and wish to contact our share registry, please call (+61) 1300 554 474.

Shareholders should consider lodging the Proxy Form electronically at the Company's Share Registry at www.investorcentre.linkgroup.com so that it is received by **10:00am (Melbourne time) on Monday, 4 November 2024**, 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 provide a “Certificate of Appointment of Corporate Representative” to the Company’s Share Registry by emailing that certificate to vote@linkmarketservices.com.au no later than 48 hours before the scheduled time for the Meeting; that is, by **10:00am (Melbourne time) on Monday, 4 November 2024**. A form of the certificate may be obtained from the Company’s Share Registry or online at www.linkmarketservices.com.au. 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 **10:00am (Melbourne time) on Monday, 4 November 2024**.

VOTING EXCLUSIONS

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(4) and 250BD of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of Excluded Persons.

However, the Company will not disregard a vote in favour of Resolution 1 made by an Excluded Person as proxy if the vote is not cast on behalf of an Excluded Person, and either:

- (a) the Excluded Person is appointed as proxy or attorney in writing that specifies the way the proxy or attorney is to vote on the resolution; or
- (b) the Excluded Person is the Chairman who has been appointed as proxy for a person entitled to vote and the appointment of the proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

The Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 3 – Approval of issue of options to Ms. Jennifer Pilcher	(a) a person referred to in Listing Rule 10.14.1 (a director of the Company), 10.14.2 (an associate of a director of the Company) or 10.14.3 (a person whose relationship with the Company or a director of the Company or their Associate is such that the ASX is of the opinion that the acquisition should be approved by security holders), who are eligible to participate in the Cann Group Employee Share Option Plan; or (b) an Associate of such person(s).
Resolution 4 – Approval of issue of options to Dr. Julian Chick, Non-executive Chairman	Dr. Julian Chick (or nominee) and any of his (or his nominee’s) associates, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity).
Resolution 5 – Approval of issue of options to Mr. Doug Rathbone, Non-executive Director	Mr. Doug Rathbone (or nominee) and any of his (or his nominee’s) associates, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity).
Resolution 6 – Approval of issue of options to Mr.	Mr. Robert Barnes (or nominee) and any of his (or his nominee’s) associates, and any other person who will obtain a material benefit as

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Robert Barnes, Non-executive Director	a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity).
Resolutions 7, 8 & 9 – Shares and Convertible Notes issued, and Options to be issued, to Obsidian Global GP, LLC	The Company will disregard any votes cast in favour of Resolutions 7, 8 and 9 by, or on behalf of Obsidian Global GP, LLC (Obsidian), or an Associate of Obsidian.
Resolution 10 – Options to be issued to EverBlu Capital Pty Ltd	The Company will disregard any votes cast in favour of Resolutions 10 by, or on behalf of EverBlu Capital Pty Ltd (EverBlu), or an Associate of EverBlu.
Resolution 11 – Approval of 10% placement capacity for 12 months	In accordance with the Listing Rules, the Company is required to disregard any votes cast in favour of this resolution by any person who is expected to participate in the issue of equity securities under this resolution and any person who will obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company, if this resolution is passed, and any Associates of those persons. However as at this time the Company has no proposal to issue any securities under Listing Rule 7.1A.2, no persons are excluded.

However, the Company need not disregard a vote in favour of **Resolutions 3-10** by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following criteria 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.

Key Management Personnel as proxies

In accordance with section 250BD of the Corporations Act, a vote on **Resolutions 3-6** must not be cast by a person appointed as a proxy, where that person is an Excluded Person.

However, an Excluded Person may cast a vote on Resolution 3 as a proxy if either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the relevant resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Definitions

For the purposes of this voting exclusion statement:

- (a) "Associate" has the meaning set out in Chapter 19 of the Listing Rules;
- (b) "Excluded Persons" means the Key Management Personnel and their Closely Related Parties;
- (c) "Key Management Personnel" are the Directors and those other persons who have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, as listed in the Remuneration Report for the year ended 30 June 2024; and
- (d) a "Closely Related Party" of such a Key Management Personnel means:
 - a spouse or child of such a Key Management Personnel;
 - a child of such a Key Management Personnel;
 - a dependent of such a Key Management Personnel or of the spouse such a Key Management Personnel; or
 - a company such a Key Management Personnel controls.
- (e) "Eligible Employee" has the meaning given in the Company's Employee Share Option Plan, Long-Term Incentive Plan, Employee Share Contribution Plan or the Employee Share Gift Plan, as applicable.

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EXPLANATORY MEMORANDUM

This Explanatory Memorandum, which accompanies and forms part of the Notice of Annual General Meeting of Cann Group Limited ("Company"), has been prepared to assist shareholders of the Company and any of their appointed representatives ("Shareholders") with their consideration of the resolutions set out in the Notice of Annual General Meeting dated 3 October 2024 ("Notice").

Item 1: Financial Statements and Reports

During the Meeting there will be a reasonable opportunity for Shareholders to ask questions and comment on the financial report, directors' report, auditor's report for the Company and its controlled entities for the for the financial year ended 30 June 2024, and on the business, operations and management of the Company. No resolution will be required to be passed on this matter.

Further, in accordance with section 250PA of the *Corporations Act 2001* (Cth) (**Corporations Act**), a Shareholder who is entitled to cast a vote at the Company's Annual General Meeting (**Meeting**) may submit a written question to the Company's auditor if the question is relevant to:

- (a) the content of the auditor's report; or
- (b) the conduct of the audit of the financial report,

by giving the question to the Company by no later than **5:00pm (Melbourne time) on Wednesday, 30 October 2024**, being the fifth business day before the day on which the AGM is to be held. The auditor will then compile the questions relevant to the content of the auditor's report or the conduct of the audit of the financial report into a question list. At or before the start of the Meeting, the Company will make the question list reasonably available to the Shareholders attending the Meeting.

Shareholders can view or download the Company's 2024 Annual Report (**Annual Report**) from the Company's website at www.canngrouponlimited.com.

Item 2: Resolution 1 - Adoption of Remuneration Report

The Remuneration Report for the year ended 30 June 2024 is set out in the Annual Report.

Pursuant to section 250R(2) of the Corporations Act, a resolution that the Company's 2024 Remuneration Report as set out in pages 14 to 22 (inclusive) of the Annual Report (**Remuneration Report**) be adopted must be put to a vote at the Meeting. The vote on the proposed resolution is advisory only and does not bind the Company or the Company's Board of Directors (**Board**). However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration practices and policies.

Pursuant to the Corporations Act, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings of the Company (**AGMs**), Shareholders will be required to vote at the second of those AGMs on a resolution (a **spill resolution**) to decide whether a general meeting of Shareholders is to be held within 90 days of the date of that AGM to consider the election of the Company's directors (**Directors**). If a spill resolution is passed (that is, more than 50% of votes cast in favour), all of the Directors will cease to hold office at the end of that general meeting, unless re-elected at that meeting. The Company's remuneration report for the year ended 30 June 2023 was adopted at the AGM held on 26 October 2023, therefore a spill resolution cannot occur at the Meeting.

During the Meeting there will be a reasonable opportunity for Shareholders at the Meeting to comment on and ask questions about the Remuneration Report.

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Voting

The Chairman of the Meeting (**Chairman**) intends to vote undirected proxies in favour of the adoption of the Remuneration Report.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in **FAVOUR** of adopting the Remuneration Report.

Item 3: Resolution 2 - Re-election of Director

Mr. Douglas Rathbone was appointed as a Director on 16 March 2015 and was last re-elected by Shareholders at the 2021 AGM held on 10 November 2021. Mr. Rathbone is required to retire from office under the Constitution and ASX Listing Rule 14.4, which requires that no Director holds office (without re-election) past the longer of three years and the third AGM following their appointment (other than the Managing Director). Being eligible, Mr. Rathbone has offered himself for re-election and is seeking re-election by Shareholders at the Meeting. His biographical details are set out below:

Mr. Douglas (Doug) Rathbone AM

Doug is the former Managing Director and CEO of Nufarm Limited (ASX:NUF) and brings to the Board strong leadership skills and experience in agribusiness, marketing and innovation. He is Chairman of Rathbone Wine Group, Director of Cotton Seed Distributors, Leaf Resources (ASX:LER) and AgBiTech Pty Ltd, an Honorary Life Governor of the Royal Children's Hospital and a former Director of the CSIRO and the Burnett Centre for Medical Research. Over a 40-year career at Nufarm, Doug led the transformation of a small Australian agribusiness company into one of the world's leading crop protection and seed companies with an extensive global footprint.

Mr. Rathbone has served as a non-executive director since his appointment as a director on 16 March 2015.

The Chairman intends to vote undirected proxies in **FAVOUR** of the re-election of Mr. Rathbone.

Directors' recommendation

The Directors (other than Mr. Rathbone) recommend that Shareholders vote in **FAVOUR** of the re-election of Mr. Rathbone.

Item 4: Resolution 3 - Approval of issue of options to Ms. Jennifer Pilcher

Introduction

This resolution seeks Shareholder approval pursuant to ASX Listing Rule 10.14 to issue 4,500,000 options (**Employee Options**), with each Employee Option to acquire one fully paid ordinary share in the Company, to Ms Jennifer Pilcher as a long term incentive upon being appointed to the role of CEO & Managing Director effective from 1 April 2024, on the terms described below and in accordance with the Company's Employee Option Plan (EOP).

To ensure the Company can attract and retain the executive talent, the Board considers it is important for Cann to offer incentives to its directors and executives that are in line with market practice and in alignment with the interests of shareholders. Further, the Directors consider the proposed award of Employee Options to be appropriate for the CEO role and in line with shareholder interests and are hereby put to shareholders for approval.

The only related parties of the Company who may participate in the EOP are Directors of the Company. Under the EOP, the Directors of the Company may issue options to the Directors and employees of the Company and its subsidiaries, and to their associated entities.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in the ASX's opinion, such that approval should be obtained. Accordingly, Resolution 3 seeks shareholder approval under ASX Listing Rule 10.14 to allow the issue of the Employee Options to Ms. Jennifer Pilcher as CEO and Managing Director under the Company's EOP.

If shareholders approve Resolution 3, the Company will proceed with the issue of the Employee Options to Ms. Pilcher on the terms and conditions as set out in this Notice. Furthermore, Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. If shareholder approval is given for the purposes of ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1, and the Employee Options issued pursuant to Resolution 3 will not deplete the Company's 15% Placement Capacity under ASX Listing Rule 7.1.

If shareholders do not approve Resolution 3, the proposed issue of Employee Options to Ms. Pilcher will not proceed, and the Board would need to consider alternative remuneration options.

Terms of the Employee Options

The terms of the Employee Options are as follows:

	Tranche 1	Tranche 2	Tranche 3
Number of options	1,500,000	1,500,000	1,500,000
Exercise price	\$0.06	\$0.08	\$0.10
Vesting date	1 July 2025	1 July 2026	1 July 2027
Expiry date	30 June 2029	30 June 2029	30 June 2029
Issue price	\$nil	\$nil	\$nil

Each vested Employee Option entitles Ms Pilcher (or her nominee) to be issued one ordinary fully paid share in the Company upon exercise of that Employee Option. Prior to vesting and exercise, Employee Options do not entitle Ms Pilcher to any dividends or voting rights.

Disclosures for the purposes of ASX Listing Rules 10.14 and 10.15

The following disclosures are made for the purposes of ASX Listing Rules 10.14 and 10.15:

Name of recipient	Ms. Jennifer Pilcher (or her nominee), being a Director of the Company (ASX Listing Rule 10.14.1) (and/or, to the extent any Employee Options are issued to her nominee, under ASX Listing Rule 10.14.2, being an Associate of a Director of the Company).
Maximum number to be Granted	4,500,000 Employee Options.
Fixed Remuneration of the recipient	\$375,000 plus superannuation per annum.
Short Term Incentive of the recipient	Up to 50% of Fixed Remuneration subject to performance targets.
Long Term Incentive of the recipient	4,500,000 Options as outlined in this Notice.
Total number of securities previously issued to Ms Pilcher under the EOP	Nil.

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Consideration	The Employee Options will be issued for nil consideration, and consequently there are no funds raised from the initial issue of Employee Options.
Material terms of the Employee Options	a summary of the material terms of the Employee Options is included above.
Material terms of the EOP	a summary of the material terms of the EOP can be found in Schedule 1 to this Notice of Meeting.
Type of security	The Employee Options have been selected by the Board as the most appropriate way to incentivise and reward the CEO & Managing Director having regard to important factors which include: <ul style="list-style-type: none"> • the important and strategic nature of the CEO role, • the direct alignment to creating shareholder value through share price growth, • the need to attract and retain highly qualified and capable executives like Ms Pilcher; and • the need to conserve cash resources.
Value per Employee Option	The value which the Company attributes to the Employee Options ranges from 1c to 2c per Option. This value has been ascertained using a trinomial valuation model which references a closing share price of 3.8 cents, share price volatility of 61%, a risk-free interest rate of 3.61%, a dividend yield of 0, and an early exercise factor assumption of 2.5.
Loans	No loan will be made by the Company in relation to the grant of the Employee Options.
Date for issue and allotment of securities	Subject to shareholder approval of this resolution, the Company will issue the Employee Options as soon as practicable after the Meeting, or in any event no later than 3 years after the date of the Meeting in accordance with ASX Listing Rule 10.15.7.
Other	<ul style="list-style-type: none"> - Details of securities issued under the EOP are published in the annual report of the Company relating to the period in which such securities have been issued, along with details regarding approval for the issue of those securities which was obtained under ASX Listing Rule 10.14. - Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EOP after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule. - if approval is given under ASX Listing Rule 10.14, approval does not need to be sought under ASX Listing Rules 7.1 or 10.11. - if shareholders do not approve Resolution 3, the proposed issue of Employee Options to Ms. Pilcher will not proceed, and the Board would need to consider alternative remuneration options.

Termination Benefits approval – section 200B and s200E Corporations Act

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous three years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders or an exemption applies.

Approval is therefore sought under section 200E of the Corporations Act to allow for the Board to determine to accelerate vesting of some or all of Ms Pilcher's (or her nominee's) unvested Employee

Options in the event Ms Pilcher ceases employment in 'good leaver' circumstances (being cessation due to events such as voluntary resignation, death, serious disability or redundancy) for the benefit not to be a termination benefit for the purposes of the Corporations Act. Where Ms Pilcher ceases employment in 'bad leaver' circumstance (means a Leaver who is not a Good Leaver), all unvested Employee Options will lapse, unless the Board determines otherwise.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating Ms Pilcher's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

The value of any benefit relating to the Employee Options given in connection with Ms Pilcher ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

- the number of Employee Options held by Ms Pilcher (or her nominee) prior to cessation of her employment,
- the date when, and circumstances in which, Ms Pilcher ceases employment,
- the number of Employee Options that vest (which could be all of the Employee Options held by Ms Pilcher (or her nominee)) as a result of the acceleration; and
- the market price of the Company's shares on ASX on the date the Employee Options vest

Voting

The Chairman intends to vote undirected proxies in **FAVOUR** of this resolution.

A voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors (other than Ms Pilcher) unanimously recommend that Shareholders vote in **FAVOUR** of Resolution 3.

Items 5-7: Resolutions 4, 5 & 6 - Approval of issue of options to Non-executive Directors

Introduction

Resolutions 4-6 seek shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of 1,200,000 options (Director Options), being 600,000 options to Dr. Julian Chick (Chairman), and 300,000 options each to Mr. Douglas Rathbone and Mr. Robert Barnes as Non-executive Directors.

The Director Options (subject to approval) are being issued in exchange for each Director agreeing to a reduction in their Director fees for the 12 months comprising 1 October 2024 to 30 September 2025 as set out in the table below:

	Current Fixed Fee (inclusive of superannuation)	New Fixed Fee (inclusive of superannuation)
Chairman	\$120,000	\$100,000
Non-executive Director (x2)	\$65,000	\$55,000
Total fees	\$250,000	\$210,000

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities to a related party of the company. Dr. Julian Chick, Mr. Douglas Rathbone, and Mr. Robert Barnes, as Directors, are related parties of the Company by virtue of section 228(2) of the Corporations Act.

Accordingly, Resolutions 4 to 6 seek shareholder approvals under ASX Listing Rule 10.11 to allow the issue of the Director Options to each Non-executive Director.

If shareholder approval is given for the purposes of ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1, and the Director Options issued pursuant to Resolutions 4 to 6 will not deplete the Company's 15% Placement Capacity under ASX Listing Rule 7.1. In addition, Director Fees payable will be reduced by a total of \$40,000 cash, inclusive of superannuation, for the next 12-month period.

To the extent shareholders do not approve Resolutions 4 to 6, the proposed issue of Directors Options will not proceed, and the Board will continue to be paid their Current Fixed Fees per the table above.

Information required under Listing Rule 10.13

In accordance with ASX Listing Rule 10.13, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to shareholders:

Names of recipients (Recipients)	Resolution 4: Dr. Julian Chick (or nominee) Resolution 5: Mr. Douglas Rathbone (or nominee) Resolution 6: Mr. Robert Barnes (or nominee) Each a director of the Company.
Maximum number of securities to be issued	1,200,000 Options, being: <ul style="list-style-type: none"> • 600,000 Options to Dr. Julian Chick (or nominee) • 300,000 Options to Mr. Douglas Rathbone (or nominee) • 300,000 Options to Mr. Robert Barnes (or nominee)
Date for issue and allotment of securities	Subject to shareholder approval, the Company will issue the Director Options as soon as practicable after the Meeting, or in any event no later than one (1) month after the date of the Meeting.
Issue price per security and use of funds	The Director Options will be granted for nil consideration and there will be no funds raised from the issue of these securities. However, to the extent that any Director Options are exercised, the Company will raise funds from the payment of the Exercise Price per Director Option. The Company expects that any such funds raised will be applied towards its working capital requirements.
Current remuneration package (inclusive of superannuation)	<ul style="list-style-type: none"> • Dr. Julian Chick - \$120,000 per annum • Mr. Douglas Rathbone - \$65,000 per annum • Mr. Robert Barnes - \$65,000 per annum
Terms of securities	The options will have an exercise price of 8 cents per share, and vest in three equal tranches on 1 November 2025, 1 November 2026, and 1 November 2027. All options will expire on 31 October 2029. There are no performance hurdles attached.

Approval not sought under Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties of a public company. For the purposes of Chapter 2E, the Directors are related parties of the Company, by virtue of section 228(2) of the Corporations Act. A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies or shareholder approval is obtained. Relevantly, one exception is where the benefit constitutes "reasonable remuneration" in respect of the duties and responsibilities of the related party in the management of the public company.

For the reasons detailed above, in the view of the Board, the issue of the Director Options constitutes "reasonable remuneration" given in it replaces certain cash remuneration and, as the provision of such benefits is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider the Company is required to seek shareholder approval under Chapter 2E of the Corporations Act in order to give the Non-Executive Directors the financial benefit that is inherent in the issue to them of the Director Options.

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Voting

The Chairman intends to vote undirected proxies in **FAVOUR** of this resolution.

A voting exclusion statement is included in the Notice.

Directors' recommendation

Each of the Directors do not wish to make a recommendation to Shareholders about Resolutions 4-6, on the basis that those resolutions are connected with the remuneration of Non-executive directors, and the Directors consider it appropriate to abstain from making recommendations about remuneration related resolutions.

Item 8: Resolution 7 - Ratification of shares issued to Obsidian Global GP, LLC (Obsidian)

Introduction

This resolution seeks Shareholder approval to ratify the prior issue of 40,000,000 shares to Obsidian Global GP, LLC (**Obsidian Shares**) under a convertible securities and share placement agreement between the Company and Obsidian dated 20 November 2023 (**Obsidian Agreement**).

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 Shareholders is subsequently obtained.

Approval of issue of shares to Obsidian

The issue of the Obsidian 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.

Ratification of the issue of the Obsidian Shares is being sought in accordance with the terms of the Obsidian Agreement. The issue of the Obsidian Shares did not breach Listing Rule 7.1 at the time of issue.

To this end, Resolution 7 seeks Shareholder ratification of the issue of the Obsidian Shares under Listing Rule 7.4.

If Resolution 7 is passed, the issue of the Obsidian Shares will be excluded from the Company's Placement Capacity.

If Resolution 7 is not passed, the Obsidian Shares will utilise the Company's Placement Capacity, decreasing the number of equity securities it can issue without shareholder approval over the relevant 12-month period following the issue date of the Shares as noted below.

Information required under Listing Rule 7.5

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

- (a) the Obsidian Shares were issued to Obsidian Global GP, LLC pursuant to the terms and conditions of the Obsidian Agreement as follows:

Date of issue	Shares issued (no.)	Issue price per share (\$)	Reason for issue*
21/11/2023	985,286	0.112680	Commitment Shares

22/11/2023	3,333,333	0.112680	Placement Shares
02/02/2024	2,099,905	0.074577	Conversion of Notes under Conversion Notice #1
23/02/2024	2,397,104	0.066111	Conversion of Notes under Conversion Notice #2
11/06/2024	8,094,031	0.035200	Conversion of Notes under Conversion Notice #3
04/07/2024	6,379,543	0.022377	Conversion of Notes under Conversion Notice #4
15/07/2024	15,050,476	0.022377	Conversion of Notes under Conversion Notice #5
09/09/2024	1,660,322	0.028600	Conversion of Notes under Conversion Notice #6
Total	40,000,000		

- (b) the Obsidian 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;
- (c) the Obsidian Shares were issued pursuant to the terms and conditions of the Obsidian Agreement; and
- (d) a summary of the material terms of the Obsidian Agreement are included in Schedule 2 to the Notice.

Voting

The Chairman intends to vote undirected proxies in **FAVOUR** of this resolution.

A voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in **FAVOUR** of Resolution 7.

Item 9: Resolution 8 - Ratification of convertible notes issued to Obsidian Global GP, LLC (Obsidian)

Introduction

This resolution seeks Shareholder approval to ratify the prior issue of 711,963 convertible notes to Obsidian Global GP, LLC (**Obsidian Notes Outstanding**) under a convertible securities and share placement agreement between the Company and Obsidian dated 20 November 2023 (**Obsidian Agreement**).

On 27 November 2023, the Company issued a total of 1,322,200 convertible securities to Obsidian in exchange for A\$2 million, in accordance with the terms and conditions of the Obsidian Agreement. As at the date of this Notice, 610,237 convertibles notes have been converted into 35,681,381 fully paid ordinary shares of the Company (as outlined above in Resolution 7), with a balance of 711,963 convertible notes outstanding and the subject of this Resolution 8.

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 Shareholders is subsequently obtained.

Approval of issue of convertible notes to Obsidian

The issue of the Obsidian Notes Outstanding 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.

Ratification of the issue of the Obsidian Notes Outstanding is being sought in accordance with the terms of the Obsidian Agreement. The issue of the Obsidian Notes Outstanding (or the Total Obsidian Notes) did not breach Listing Rule 7.1 at the time of issue.

To this end, Resolution 8 seeks Shareholder ratification of the issue of the Obsidian Notes Outstanding under Listing Rule 7.4.

If Resolution 8 is passed, the issue of the Obsidian Notes Outstanding will be excluded from the Company's Placement Capacity.

If Resolution 8 is not passed, the Obsidian Notes Outstanding will continue to utilise the Company's Placement Capacity, decreasing the number of equity securities it can issue without shareholder approval over the relevant 12-month period following the issue date of the Obsidian Notes Outstanding.

Information required under Listing Rule 7.5

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

- (a) the Obsidian Notes were issued to Obsidian Global GP, LLC;
- (b) the Company issued 1,322,200 convertible notes (**Total Obsidian Notes**) on 27 November 2023 under the Company's available placement capacity pursuant to ASX Listing Rule 7.1, of which there is a balance of 711,963 convertible notes outstanding;
- (c) a summary of the material terms of the Obsidian Notes Outstanding is set out in the table below, and in Schedule 2 of this Notice:

Face Value*	US\$1.265 per convertible security
Variable Conversion Price*	The lesser of: (a) 80% of the average of the lowest daily VWAP during the 10 trading days prior to the date of delivery of the conversion notice; and (b) the Premium Conversion Price
Maximum Share Number for Obsidian Notes Outstanding	45,000,000

* The Face Value and Variable Conversion Price terms shown are the default terms pursuant to the Obsidian Agreement which were triggered on 8 March 2024 following a suspension of trading of the Company's securities which exceeded five trading days.

- (d) the Company received A\$1,076,937 million (before costs) for the issue of the Obsidian Notes Outstanding, being 53.8% of the initial A\$2 million raised for the Total Obsidian Notes;
- (e) the purpose of the issue of the Total Obsidian Notes was to raise funds for working capital to assist the Company in achieving its (then) targeted annual rate of production of 12.5 tonne medicinal cannabis;
- (f) a summary of the material terms of the Obsidian Agreement is included in Schedule 2 of this Notice; and
- (g) Obsidian is not a related party of the Company.

Voting

The Chairman intends to vote undirected proxies in **FAVOUR** of this resolution.

A voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in **FAVOUR** of Resolution 8.

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Item 10: Resolution 9 - Approval of issue of options to Obsidian Global GP, LLC (Obsidian)

Introduction

This resolution seeks Shareholder approval for the issue of 6,735,867 Options, each option to acquire one fully paid ordinary share, to Obsidian Global GP, LLC (**Obsidian Options**) pursuant to the Obsidian Agreement.

Listing Rule 7.1

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**).

The proposed issue of the Obsidian Options does not fit within any of the exceptions set out in Listing Rule 7.2. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1.

Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Obsidian Options under the terms of the Obsidian Agreement. In addition, the issue of any Obsidian Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the issue of the Obsidian Options cannot proceed and the Company must pay A\$150,000 to Obsidian in lieu of the issue of the options.

Accordingly, Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Obsidian Options.

Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

Recipient	Obsidian Global GP, LLC
Maximum number of Obsidian Options	6,735,867 Options
Issue Date	the Obsidian Options will be issued no later than 3 months after the date of the Meeting and are intended to be issued within 2 business days of the Meeting.
Purpose of issue, use of funds	to satisfy the Company's obligations under the Obsidian Agreement. The Company will not receive any funds from the issue of Obsidian Options, except to the extent they are exercised.
Terms of the Obsidian Options	Each option has an exercise price of 22.5 cents and an expiry date which is two (2) calendar years after the date of issue of the Options. A summary of the material terms of the Obsidian Options are set out in Schedules 2 and 3.
Obsidian Agreement	A summary of the material terms of the Obsidian Agreement are set out in Schedule 2.
Confirmatory Statements	<ol style="list-style-type: none">1. The Obsidian Options are not being issued under, or to fund, a reverse takeover; and2. The recipient is not a related party of the Company, a member of the Company's Key Management Personnel, a substantial holder of the Company, an adviser of the Company or an associate of any of these parties.

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Voting

The Chairman intends to vote undirected proxies in **FAVOUR** of this resolution.

A voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in **FAVOUR** of Resolution 9.

Item 11: Resolution 10 - Approval of issue of options to EverBlu Capital Pty Ltd (EverBlu)

Introduction

This resolution seeks Shareholder approval for the issue of 6,735,867 Options, each option to acquire one fully paid ordinary share, to EverBlu Capital Pty Ltd (**EverBlu Options**) acting as lead manager to the obsidian convertible securities transaction (**Obsidian Transaction**), and as announced to the ASX on 21 November 2023 in announcement titled "Cann Group raises A\$2m via entry into convertible securities facility".

Listing Rule 7.1

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**).

The proposed issue of the Obsidian Options does not fit within any of the exceptions set out in Listing Rule 7.2. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1.

Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Company will be able to proceed with the issue of the EverBlu Options. In addition, the issue of any EverBlu Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, the issue of the EverBlu Options cannot proceed.

Accordingly, Resolution 10 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the EverBlu Options.

Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 10:

Recipient	EverBlu Capital Pty Ltd
Maximum number of EverBlu Options	6,735,867 Options
Issue Date	the EverBlu Options will be issued no later than 3 months after the date of the Meeting and are intended to be issued within 2 business days of the Meeting.
Purpose of issue, use of funds	to satisfy the Company's obligations owing to the lead manager in connection with the Obsidian Transaction. The Company will not receive any funds from the issue of EverBlu Options, except to the extent they are exercised.
Terms of the EverBlu Options	Each option has an exercise price of 22.5 cents and an expiry date which is two (2) calendar years after the date of issue of the Options, and all material terms are the same as the Obsidian Options.

	A summary of the material terms of the Obsidian Options are set out in Schedules 2 and 3.
Confirmatory Statements	<ol style="list-style-type: none"> 1. The EverBlu Options are not being issued under, or to fund, a reverse takeover; and 2. The recipient is not a related party of the Company, a member of the Company's Key Management Personnel, a substantial holder of the Company, an adviser of the Company or an associate of any of these parties.

Voting

The Chairman intends to vote undirected proxies in **FAVOUR** of this resolution.

A voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in **FAVOUR** of Resolution 10.

Item 12: Resolution 11 - Approval of 10% placement capacity for 12 months

General

Listing Rule 7.1A provides that an Eligible Entity (as defined in the Listing Rules) may seek Shareholder approval at its annual general meeting to allow it to issue equity securities up to 10% of its issued capital over the following period of 12 months (**10% Placement Capacity**). The Company is an Eligible Entity.

If Shareholders approve this resolution, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of this Resolution 11 will be to allow the Company to issue up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the date of the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

The Directors understand that many Eligible Entities have sought this form of Shareholder approval to enable a capital raising to be implemented where appropriate during the following year, without incurring costs for obtaining Shareholder approval or incurring any time delay and associated deal risk in obtaining such approval.

Accordingly, Shareholder approval of this resolution is considered to be a prudent approach. The Directors believe that this resolution will provide the Company with flexibility to raise capital quickly if advantageous terms are available and is in the best interests of the Company.

If the resolution is not passed, the Company will not be able to access the additional 10% Placement Capacity and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1. If the Company then needs to issue additional equity securities it will need to call a Shareholder meeting to seek that approval, attracting the relevant costs and time delay and associated deal risk from that delay.

Resolution 11 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this resolution for it to be passed.

Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue equity securities in addition to those under the Eligible Entity's 15% annual placement capacity under Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalization (excluding restricted securities and securities quoted on deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and as at 2 October 2024 has a market capitalisation of \$32,806,654 based on a share price of \$0.07.

Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities, being fully paid ordinary shares in the capital of the Company (ASX Code: CAN).

The exact number of equity securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

(A x D) - E

Where:

- A:** is the number of shares on issue 12 months before the date of issue or agreement:
- plus the number of shares issued in the previous 12 months under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
 - plus the number of shares issued in the previous 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
 - plus the number of shares issued in the previous 12 months under an agreement to issue securities within Listing Rule 7.3 exception 16 where:
 - the agreement was entered into before the commencement of the previous 12 month period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or rule 7.4;
 - plus the number of partly paid ordinary shares that became fully paid in the previous 12 months;
 - plus the number of shares issued in the previous 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - less the number of shares cancelled in the previous 12 months.
- D:** is 10%.
- E:** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders or shares under Listing Rule 7.1 or 7.4.

Information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this resolution.

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(a) Minimum Price

The minimum price (being a cash only price) at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 10 ASX trading days of the date on which the price at which the equity securities are to be issued is agreed, the date on which the equity securities are issued.

(b) Date of issue

The equity securities may be issued under the 10% Placement Capacity commencing the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), (after which date, an approval under Listing Rule 7.1A ceases to be valid),

or such longer period if allowed by ASX.

(c) Risk of voting dilution

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any shares under the issue.

If the Resolution is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing shares is shown in the table below.

The table below seeks to demonstrate the potential dilution of existing Shareholders resulting from the issue of equity securities under the 10% Placement Capacity calculated in accordance with the formula contained in Listing Rule 7.1A.2. The table does this by setting out the potential number of shares issued and funds raised on the basis of:

- (i) the current number of shares on issue;
- (ii) the number of shares on issue changing (variable 'A' in the formula); and
- (iii) a variation in the issue price of the shares (noting that shares may only be issued at up to a 25% discount based on the volume weighted average price of the shares calculated over the 15 ASX trading days preceding the issue).

Number of shares on issue - Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.035 (50% decrease in Issue Price)	\$0.07 (Current Issue Price)	\$0.14 (100% increase in Issue Price)
Shares on issue (Current Variable A*) 468,666,483 shares	Additional 10% Shares issued	46,866,648	46,866,648	46,866,648
	Funds raised	\$1,640,333	\$3,280,665	\$6,561,331
50% increase in Variable A* 702,999,725 shares	Additional 10% Shares issued	70,299,972	70,299,972	70,299,972

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	Funds raised	\$2,460,499	\$4,920,998	\$9,841,996
100% increase in Variable A* 937,332,966 shares	Additional 10% Shares issued	93,733,296	93,733,296	93,733,296
	Funds raised	\$3,280,665	\$6,561,331	\$13,122,661

**The number of Shares on issue (variable A in the formula) could increase as a result of Shares that do not require Shareholder approval to be issued (such as under a pro-rata rights issue, shares issued under a takeover offer or shares issued on the exercise of options) or that are issued with Shareholder approval under Listing Rule 7.1.*

The table above uses the following assumptions:

1. The current number of quoted shares on issue is 468,666,483 as at 2 October 2024.
2. The current issue price set out in the table is the closing price of the shares on the ASX on 2 October 2024.
3. The Company issues the maximum possible number of equity securities under the 10% Placement Capacity.
4. The Company has not issued any equity securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. No further securities are bought back and cancelled by the Company under an on-market buyback.
6. The issue of equity securities under the 10% Placement Capacity consists only of shares. It is assumed that no options are exercised into shares before the date of issue of the equity securities.
7. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
8. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
9. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue - this is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for the shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the shares may be issued at a price that is at a discount to the market price for those shares on the date of issue.

Purpose of issue under 10% Placement Capacity

The Company may issue equity securities under the 10% Placement Capacity for cash consideration only, in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with an acquisition), continued expenditure on the Company's current assets and general working capital.

The cash issue price will comply with the minimum issue price noted in paragraph (a) above.

Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement Capacity. The identity of the allottees under the 10% Placement Capacity will be determined on a case-by-case basis having regard to the factors including the following:

- (i) the purpose of the issue,

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- (ii) alternative methods of raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate,
 - (iii) the effect of the issue of the equity securities on the control of the Company,
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company.
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisors (if applicable).

No allottees under the 10% Placement Capacity have been determined as at the day of finalisation of this Notice and may include existing substantial Shareholders and/or new Shareholders. However, the allottees cannot include any directors, related parties or associates of a related party of the Company without further specific Shareholder approval.

Previous Issues

The Company has issued no equity securities in the 12 months prior to the Meeting under Listing Rule 7.1A.2.

Previous Approval

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting on 26 October 2023.

Compliance with Listing Rules 7.1A.4 and 3.10.5A

When the Company issues equity securities pursuant to the 10% Placement Capacity, it will:

- (i) state in its ASX announcement of the proposed issue under Listing Rule 3.10.3 or in its application of the equity securities under Listing Rule 2.7 that the equity securities are being issued under Listing Rule 7.1A; and
- (ii) give to the ASX a list of the recipients of the equity securities and the number of equity securities issued to each (not for release to the market) immediately after the equity securities are issued, in accordance with Listing Rule 7.1A.4(b).

Special resolution

This resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this resolution for it to be passed.

Voting exclusion

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of equity securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this resolution.

The Chairman intends to vote undirected proxies in **FAVOUR** of this resolution.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in **FAVOUR** of this resolution.

SCHEDULES

Schedule 1: Summary of Employee Share Option Plan (EOP)

A summary of the key terms, and relevant definitions, of the EOP is set out below. The provisions outlined below of the EOP must be read subject to the Corporations Act and the Listing Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of all the rights, liabilities and obligations of the Company under the EOP.

SUMMARY OF EOP TERMS	
Who can participate	<p>Eligible Employees, including all full-time or part-time employees of a Group Company (including any employee on parental leave, long service leave or other special leave as approved by the Board), and any individual providing services to a Group Company (including as director).</p> <p>Options may not be issued to any Director under the EOP unless Shareholder approval has been obtained as required by the Corporations Act or the Listing Rules.</p>
Type of securities offered	<p>Options.</p> <p>Each Option issued entitles the Eligible Employee to receive one Plan Share, subject to meeting the conditions set out in the invitation to apply for a grant of Options ("Invitation").</p>
Invitations	<p>The Board may make an Invitation to an Eligible Employee to apply for a grant of Options which can be accepted by the Eligible Employee completing and executing the application form and submitting it to the Company with the application period specified in the Invitation.</p> <p>The Invitation must include (among other things) the following information:</p> <ul style="list-style-type: none"> • the maximum number of Options the Eligible Employee may apply for, • the amount (if any) the Eligible Employee has to pay for the underlying Plan Shares to be issued or transferred in satisfaction of the Options ("Exercise Price"), • the proposed grant date the Options will be granted to the Eligible Employee ("Grant Date"), • the period of time during which the Options may be applied for by the Eligible Employee ("Application Period"), • the vesting conditions (if any) attaching to the Options ("Vesting Conditions"), • any conditions that must be satisfied, reached or met (subject to the terms of the EOP) before a Plan Share can be freely transferable, if any ("Transfer Conditions"); and • if the Invitation is being made in reliance on the Corporations Act or any other instrument or regulatory relief issued by ASIC, any other terms or conditions that may be prescribed by the Corporations Act or that instrument or relief. <p>Invitations are personal to the Eligible Employee and the Company shall only issue the Options offered in the Invitation to that Eligible Employee (unless the Invitation says otherwise).</p>
Consideration for Options	<p>The consideration for the granting of the Options is the services expected of an Eligible Employee to or for the benefit of the Group.</p>

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	Eligible Employees do not have to pay money or give other consideration for the grant of an Option.
Vesting Conditions	If the Invitation includes Vesting Conditions, these must be satisfied or waived prior to the issue or transfer of Plan Shares on exercise of the Options.
Terms of the Plan Shares	<p>Unless otherwise provided in an Invitation and subject to the Plan Rules, Plan Shares rank equally with existing Shares on and from their date of issue ("Issue Date") in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the Issue Date.</p> <p>The Company will apply for all Plan Shares to be admitted to trading on the ASX in accordance with the requirements of the Listing Rules.</p>
Restrictions on the Plan Shares	<p>Participants agree to accept the Plan Shares subject to the Constitution and the EOP rules, complying with any Transfer Conditions and agree to comply with a holding lock (as defined in the Listing Rules) on the Plan Shares until any Transfer Conditions expire or are waived.</p> <p>The on-sale of Plan Shares may be restricted under the Corporations Act in the 12 months immediately following the Issue Date unless the Company takes the required steps to enable the on-sale of the Plan Shares.</p>
Lapse of Options	<p>An Option lapses on the earlier of:</p> <ul style="list-style-type: none"> • the Issue Date, • the day after a change of control (as defined in the EOP), • the day after a Participant ceases to be an employee, officer or consultant of the Company or a subsidiary ("Cessation Event") (subject to the "Good Leaver" rules described below), • 10 years from the Grant Date or any other date (not more than 15 years from the Grant Date) determined by the Board and set out in the Invitation, • the date the Board determines that the Option should lapse because the Participant has committed a Default Event (as defined in the EOP); or • the date the Board determines that the Option is incapable of vesting.
"Good Leavers"	<p>If a Participant suffers a Cessation Event and is a "Good Leaver" (i.e. ceases to be an Eligible Employee due to events such as voluntary resignation, death, serious disability or redundancy):</p> <ul style="list-style-type: none"> • any unvested Options held by the Participant will lapse on the Cessation date, • the Board may, in its absolute discretion at any time before the vested Options are exercised, serve a notice in writing on the Good Leaver requiring them to sell some or all of their vested Options to any person nominated by the Board at fair market value (determined as the date of the notice); and • the Participant may exercise any vested Options before the date 180 days after the Cessation Date or, if notified by the Board in writing, such later date as the Board may determine in its absolute discretion, after which such vested Options lapse if not exercised.
Change in Control	<p>If there is a Change of Control (as defined in the Plan), the Board may, at its discretion, elect to determine to do any of the following in respect of an Option:</p> <ul style="list-style-type: none"> • buy back or cancel the Option (whether Vested or not) in exchange for their Fair Market Value, • waive the Vesting Conditions on the Option,

	<ul style="list-style-type: none"> • waive the Transfer Conditions on the Option, if Vested, • require that the Option, if vested be exercised on or before the date of the Change of Control ; or • require that Options are disposed of as part of the Change of Control for their fair market value. <p>or take any combination of the above steps, though it is under no obligation to undertake any.</p>
Clawback	If, in the Board's opinion, a Participant has committed a "Default Event" (as defined in the Plan), the Board may demand that the Participant transfer any Plan Shares (whether or not they have any Transfer Conditions or not) to the Company, or as the Company directs, at such price which is the lower of the Exercise Price paid by the Participant and the then market price of the Shares, or such other price agreed by the Participant and the Board. If the Participant has already disposed of the Plan Shares, the Company may demand the Participant to repay to the Company an amount equal to the then market price of the Share for each Plan Share disposed of.
Reorganisations	The Options or Plan Shares shall be reorganised (to the extent necessary) in accordance with the Listing Rules in the event of the Company undertaking a reorganisation event.
Restrictions on dealings with Options and Plan Shares	<p>Except for permitted transfers, a Participant must not dispose of or grant any security interest over or otherwise deal with any Options or Plan Shares.</p> <p>A Participant has limited rights to dispose or transfer Options – they can only do so with the prior written consent of the Board or if there is a re-organisation of the Group or a change of control.</p> <p>A Participant also has limited rights to dispose of Plan Shares. A Participant may only dispose of Plan Shares after satisfaction or waiver of any Transfer Conditions, after a Cessation Event, on the Participant's request where they are suffering financial hardship and the Board determines, in its discretion, to approve the disposal, in the event of a clawback if a Participant has committed a Default Event, if there is a re-organisation of the Group or a change of control.</p> <p>A Participant may not enter into any arrangement to hedge, manage or otherwise affect their economic exposure or risk in relation to any Options or Plan Shares.</p>
Amendments to the EOP	<p>The Board may at any time amend all or any of the provisions of the EOP, unless the amendment would adversely affect the rights of the Participants (or shareholder approval is required by the Corporations Act or the Listing Rules), in which case consent of 75% of all adversely affected Participants is required unless the amendment is to:</p> <ul style="list-style-type: none"> • comply with current or future legislation governing the EOP, • correct any manifest error or mistake, • comply with any applicable law; or • address any possible adverse tax consequences for the Company.
Maximum limit on Plan Shares to be issued to a Participant	Plan Shares cannot be issued or transferred to a Participant under the EOP if the Participant would then hold a legal or beneficial interest in more than 5% of the Shares or be in a position to cast, or control the casting of, more than 5% of the maximum number of votes which might be cast at a general meeting of the Company.

DEFINITIONS	
Eligible Employee	means an Employee or prospective Employee whom the Board determines is to receive an Invitation under the Plan.
Employee	means an individual who is: <ul style="list-style-type: none"> in the full-time or part-time employment of a Group Company (including any employee on parental leave, long service leave or other special leave as approved by the Board); or providing services to a Group Company (including as director).
EOP	means the Cann Group Limited 2023 Employee Option Plan.
Group Company	means the Company or one of its subsidiaries (as that term is defined in the Corporations Act).
Invitation	means an invitation to an Eligible Employee to apply for a grant of Options in accordance with the EOP.
Participant	means in relation to the EOP, a person holding Options or Plan Shares under the EOP and includes, if a Participant dies or become subject to a legal disability, the Legal Personal Representative (meaning the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by a person) of the Participant.
Option	means an option granted to a Participant under the Plan to be issued or transferred a Plan Share under the Plan.
Plan Share	means a Share issued or transferred on exercise of an Option.

Schedule 2: Summary of the Obsidian Agreement

The key terms of the Convertible Securities Facility are set out below:

Commitment Limit	A\$15,000,000
Facility tranches	<p>First Purchase: A\$2,000,000 within five (5) business days after execution of the Facility (Execution Date).</p> <p>Subsequent Purchase: Such amount as Obsidian and Cann may agree in respect of each Subsequent Purchase, provided that the maximum amount of any Subsequent Purchase is A\$3,000,000, and the aggregate amounts under all Purchases cannot exceed the Commitment Limit.</p>
Maturity Date	27 May 2025.
Number of Convertible Securities to be issued	<p>First Purchase: That number equal to the actual amount paid in US\$ for the First Purchase (A\$2,000,000), being 1,322,200.</p> <p>Subsequent Purchases: That number equal to the actual amount paid in US\$ for the A\$ value of the Subsequent Purchase.</p>
Face Value	US\$1.15 per Convertible Security
Default Face Value	US\$1.265 per Convertible Security
Coupon	Nil

Premium Conversion Price	75% premium to the average 5-day VWAP prior to the Execution Date.
Variable Conversion Price	The lesser of: (a) 92% of the average of the lowest three (3) daily VWAPs during the 15 trading days prior to the date of delivery of the conversion notice; and (b) the Premium Conversion Price
Default Conversion Price	The lesser of: (a) 80% of the average of the lowest daily VWAP during the 10 trading days prior to the date of delivery of the conversion notice; and (b) the Premium Conversion Price
Adjustment to Conversion Price	The Conversion Price will adjust in the usual manner should the Company undergo a capital reorganisation. If the Company issues shares at a price or convertible securities with a conversion price lower than the Premium Conversion Price, the Premium Conversion Price shall be reduced to that lower price.
Maximum Share Number	The aggregate maximum number of fully paid ordinary shares in the Company (Shares) that the Company, without the Company first obtaining shareholder approval, may or is required to issue as the Commitment Shares, Placement Shares, or one or more conversions, or other redemptions of the Convertible Securities issued at the First Purchase is 40,000,000 Shares. Shareholder approval is required to be sought if additional Shares are required to be issued. The issue of Convertible Securities pursuant to any Subsequent Purchases will be subject to shareholder approval.
Commitment Shares	Such number of Shares as determined as follows: First Tranche: That number of Shares determined by dividing 0.75% of the Commitment Limit by the average of the five (5) daily VWAPs prior to the Execution Date (and rounding upwards). The First Tranche is to be issued to Obsidian on the Execution Date. Second Tranche: That number of Shares determined by dividing 0.75% of the Commitment Limit by the average of the five (5) daily VWAPs prior to the date on which the second tranche of the Commitment Shares is issued. The Second Tranche is to be issued to Obsidian on the earliest of the Maturity Date, termination date of the Facility and redemption date of all Convertible Securities. The Commitment Shares are issued for nil consideration.
Placement Shares	The Company must issue 3,333,333 Shares to Obsidian on the date of the First Purchase. The Placement Shares are issued for consideration which is payable within 15 trading days of termination of the Facility at a price per Share determined by reference to the prevailing VWAP less a discount of 8%, or the price obtained by selling the Shares on market at that time less a discount of 5%. Obsidian can also return the Shares to the Company for nil consideration.
Options	Subject to shareholder approval, on or before the Company's next Annual General Meeting, the Company must issue Obsidian such number of options to be issued Shares (Options) equal to 33% of the aggregate Face Value of the

	<p>Convertible Securities issued at the First Purchase, divided by the average of the five (5) daily VWAPs for the five (5) trading days immediately prior to the First Purchase.</p> <p>The Option exercise price will be equal to 200% of the average of the five (5) daily VWAPs for the five (5) trading days immediately prior to the First Purchase.</p> <p>Options Expiration Date is two (2) calendar years after the date of issue of the Options.</p> <p>Refer to Schedule 3 as attached to this Notice for the Option terms.</p> <p>If the issue of the Options is not approved by shareholders, the Company must pay A\$150,000 to Obsidian in lieu of the issue of the options.</p> <p>In respect of a Subsequent Purchase a similar formula will apply by reference to the date of the Subsequent Purchase to determine how many Options are to be issued and the exercise price.</p>
Conversion - optional	Obsidian may elect at any time to convert Convertible Securities at the Premium Conversion Price or Variable Conversion Price (as elected by Obsidian) or the Default Price (if applicable)
Redemption Amount	105% of the amount outstanding in respect of the relevant Convertible Securities, unless the redemption is as a result of a fund raising in which case it will be 100% of the amount outstanding.
Redemption - on fund raising	If the Company undertakes a fund raising in excess of A\$2.5 million, Obsidian may elect to require the Company to apply up to 20% of those funds to redeem Convertible Securities
Early redemption - company election	<p>The Company may elect to redeem all or part (such part to be not less than A\$500,000) of the outstanding Convertible Securities at any time.</p> <p>Obsidian may deliver a conversion notice which will take priority over the Company's early redemption election.</p>
Redemption at Maturity Date	On the Maturity Date, the Company must redeem all of the outstanding Convertible Securities by paying Obsidian, the Redemption Amount in respect of those Convertible Securities.

Schedule 3: Option Terms (Obsidian Agreement)

The key terms of the Options to be issued to Obsidian (subject to approval) are outlined below:

Nature of Options	<p>(a) Each Option will grant the holder of that Option the right but not the obligation to be issued by the Company one Share at the Options Exercise Price.</p> <p>Each Option will be exercisable by the Option holder complying with its obligations under the terms described herein at any time after the time of its grant and prior to the Options Expiration Date, after which time it will lapse.</p>
1.1 Exercise of Options	<p>(a) Without limiting the generality of, and subject to, the other provisions of the Agreement, an Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:</p> <ul style="list-style-type: none">(i) a copy, whether by email or otherwise, of a duly executed Option exercise form to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder);(ii) a copy, whether facsimile or otherwise, of any exercise form required by the share registrar; and(iii) payment of an amount equal to the Options Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder). <p>(b) As soon as reasonably practicable, but in any event no later than two (2) Business Days after receipt of a duly completed Exercise Form and the payment referred to above at (a)(iii) the Company must issue the Shares in respect of which the Options are so exercised by the Option holder in accordance with the terms of the Obsidian Agreement and cause its securities registrar to:</p> <ul style="list-style-type: none">(i) issue and deliver the Shares in respect of which the Options are so exercised by the Option holder; and(ii) provide to the Option holder holding statements evidencing that such Shares have been recorded on the Share register.
1.2 Bonus Issues	<p>If prior to an exercise of an Option, but after the issue of the Option, the Company makes an issue of Shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.</p>
1.3 Rights Issues	<p>If prior to an exercise of an Option, but after the issue of the Option, any offer or invitation is made by the Company to at least all the holders of Shares resident in Australia for the subscription for cash with respect to Shares, options or other securities of the Company on a pro rata basis relative to those holders' shareholding at the time of the offer, the Options Exercise Price will be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).</p>
1.4 Reconstruction of Capital	<p>In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:</p>

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	<p>(a) the number of the Shares to which each Option holder is entitled on exercise of the outstanding Options will be reduced or increased in the same proportion as, and the nature of the Shares will be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and</p> <p>(b) an appropriate adjustment will be made to the Options Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options will not alter.</p>
1.5 Cumulative Adjustments	Full effect will be given to the provisions of key terms 1.2 to 1.4 as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.
1.6 Notice of Adjustments	Whenever the number of Shares over which an Option is exercisable, or the Options Exercise Price, is adjusted pursuant to this Agreement, the Company must give notice of the adjustment to all the Option holders, within one (1) Business Day.
1.7 Rights Prior to Exercise	Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.
1.8 Redemption	The Options will not be redeemable by the Company.
1.9 US Restrictions	<p>The Options (and the underlying ordinary shares) have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States unless the Options (and the underlying ordinary shares) have been registered under the Securities Act or according to transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.</p> <p>Any holder of the Options (and the underlying ordinary shares) agrees for the benefit of the Company that the Options (and the underlying ordinary shares) may be offered, sold, pledged or otherwise transferred only (a) to the Company, (b) outside the United States in compliance with Regulation S under the Securities Act and local laws and regulations, (c) in a transaction that does not require registration under the Securities Act and in compliance with applicable US state securities laws, or (d) pursuant to an effective registration statement under the Securities Act.</p>

----- END OF DOCUMENT -----

NAME AND ADDRESS

LODGE YOUR VOTE

**ONLINE**<https://investorcentre.linkgroup.com>**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
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

*During business hours Monday to Friday

**ALL ENQUIRIES TO**

Telephone: 1300 554 474 Overseas: +61 1300 554 474

SRN/HIN

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (Melbourne time) on Saturday, 4 November 2024**, 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:

**ONLINE**<https://investorcentre.linkgroup.com>

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).

**BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code

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 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 Resolutions are 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:

- (a) 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

- (b) 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 the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME AND ADDRESS

SRN/HIN

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PROXY FORM

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

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 of the person or body corporate you are appointing as your proxy

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 Annual General Meeting of the Company to be held at **10:00am (Melbourne time) on Monday, 6 November 2024 at the offices of Lander & Rogers, Level 15, 477 Collins Street, Melbourne, VIC 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 3, 4, 5 & 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 3, 4, 5 & 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

STEP 1

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 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of issue of options to Obsidian Global GP, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr. Douglas Rathbone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of issue of options to Everblu Corporate Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of issue of options to Ms. Jennifer Pilcher, CEO & Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of additional 10% placement capacity for 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of options to Dr. Julian Chick, Non-executive Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of issue of options to Mr. Doug Rathbone, Non-executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of issue of options to Mr. Robert Barnes, Non-executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Ratification of shares issued to Obsidian Global GP, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Ratification of convertible notes issued to Obsidian Global GP, LLC	<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 show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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).

STEP 3

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