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## **AUSCANN GROUP HOLDINGS LTD**

**ACN 008 095 207**

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 9.00am (WST)

**DATE:** Friday, 24 November 2017

**PLACE:** Meeting Room 6 at the Perth Convention Centre, 21 Mounts Bay Rd, Perth WA

**The business of the Meeting affects your shareholding and your vote is important.**

**This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.**

**The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) 22 November 2017.**

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## IMPORTANT INFORMATION

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### **Time and place of Meeting**

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Notice is given that the Meeting will be held at 9.00am (WST) on Friday, 24 November 2017 at Meeting Room 6 at the Perth Convention Centre, 21 Mounts Bay Rd, Perth WA.

### **Your vote is important**

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The business of the Meeting affects your shareholding and your vote is important. The Board reserves the right not to implement any Resolution although it may be passed by Shareholders.

### **Voting eligibility**

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 22 November 2017.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9561 8834.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRUCE MCHARRIE

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

*“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Bruce McHarrie, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**4. RESOLUTION 3 - RATIFICATION OF SHARE PLACEMENT**

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

*“That pursuant to ASX Listing Rule 7.4, the issue of 24,000,000 Shares at an issue price of \$0.50 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a participant in the placement and an Associate of a participant in the placement. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. RESOLUTION 4 - RATIFICATION OF OPTION ISSUE**

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

*“That pursuant to ASX Listing Rule 7.4, the issue of 1,500,000 Options on 11 April 2017 on the terms and conditions set out in the Explanatory Statement be ratified.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a participant in the issue and an Associate of a participant in the issue. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 5 - RATIFICATION OF OPTION ISSUE**

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

*“That pursuant to ASX Listing Rule 7.4, the issue of 7,500,000 Options on 10 August 2017 on the terms and conditions set out in the Explanatory Statement be ratified.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a participant in the issue and an Associate of a participant in the issue. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY**

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal 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 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. RESOLUTION 7 – APPOINTMENT OF AUDITOR**

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

*“That, pursuant to and in accordance with section 327B of the Corporations Act and for all other purposes, PKF Mack, having consented to act as the Company’s auditor, is appointed as the Company’s auditor on the terms and conditions in the Explanatory Memorandum.”*

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**Dated: 23 October 2017**

**By order of the Board**



**Susan Hunter  
Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.auscann.com.au](http://www.auscann.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

At the Company's previous annual general meeting, the votes cast against the remuneration report were less than 25%.

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### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRUCE MCHARRIE

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one

managing director, only one is entitled not to be subject to re-election. Furthermore, in accordance with clause 12.3 of the Company's Constitution, an election of Directors must occur at each annual general meeting of the Company. Under clause 12.4 of the Constitution, a retiring Director is eligible for re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Bruce McHarrie, who has served as a director since 19 January 2017 and was elected on 31 October 2016, retires by rotation and seeks re-election.

### **3.1 Qualifications and other material directorships**

**Name:** Bruce McHarrie  
**Title:** Independent Non-executive Director  
**Qualifications:** BCom FCA GAICD  
**Experience and expertise:** Mr McHarrie is an experienced senior executive with a background in the life sciences industry focussed on finance, operations, business and investment management, and strategic planning.

He is a non-executive director of Adherium Limited, an ASX-listed listed digital health technologies company, Chairman of the Animal Ethics Committee of the child health research organization, Telethon Kids Institute, and undertakes corporate consulting activities.

He previously served as the Chief Financial Officer, Director of Operations and Director of Strategic Projects with the Telethon Kids Institute in Western Australia. Prior to joining the Telethon Kids Institute, he was based in London as an Assistant Director at Rothschild Asset Management in the Bioscience Unit, a life sciences private equity group investing in early stage biotechnology, healthcare and agribusiness companies. He co-founded two Institute spin-outs including publicly listed drug discovery company, Phylogica Limited, and has held other non-executive director positions in biotechnology and not-for-profit healthcare organisations.

Bruce is a Fellow of the Institute of Chartered Accountants (Australia and New Zealand) and a graduate of the Australian Institute of Company Directors.

### **3.2 Independence**

If elected, the Board considers Mr McHarrie will be an independent Non-executive Director of the Company.

### **3.3 Board recommendation**

The Board supports the re-election of Bruce McHarrie and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3: RATIFICATION OF SHARE ISSUE**

On 19 May 2017, the Company announced a placement to raise \$12 million (before costs) at \$0.50 per Share to institutional and high net worth investors. A total of 20,162,223 Shares were issued on 24 May 2017 and a further 3,837,777 Shares were issued on 25 May 2017 under the Company's available placement capacity pursuant to Listing Rule 7.1A.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of a total of 24,000,000 Shares pursuant to Listing Rule 7.1A.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after the Annual General Meeting in addition to

the Company's 15% placement capacity under Listing Rule 7.1. On 23 November 2016, the Company received shareholder approval by special resolution to have the ability to issue equity securities under the additional 10% placement capacity.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1A is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1A; and
- Shareholders subsequently approve it.

The placement of 24,000,000 Shares was within the Company's 10% placement capacity and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 3:

**Number of Shares Issued:** 24,000,000 Shares.

**Issue Price:** The Shares were issued at \$0.50 per Share. The issue price was greater than 75% of the VWAP of Shares calculated over the 15 Trading Days in which trades in that class were recorded immediately before the dates on which the Shares were issued as required under Listing Rule 7.1A.3. 75% of the 15 Trading Day VWAP prior to 24 May 2017 was \$0.45 and prior to 25 May 2017 was \$0.44.

**Terms:** The Shares rank equally in all respects with the existing Shares on issue.

**Allottees:** The Shares were issued to professional and sophisticated investors. The allottees were not Related Parties of the Company.

**Use of Funds:** \$12 million (before costs) was raised from the issue. The funds raised from the issue will be used to progress the development of the Company's cultivation facility in Western Australia following the approval of its Australian medicinal cannabis licence by the Office of Drug Control under the Narcotic Drugs Act 1967, to progress the development of its activities in Chile with its joint venture partner DayaCann and to expand its medical outreach activities among the medical community in Australia.

**Date of Issue:** 20,162,223 Shares were issued on 24 May 2017 and 3,837,777 Shares were issued on 25 May 2017.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

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## 5. RESOLUTION 4: RATIFICATION OF OPTION ISSUE

On 11 April 2017, the Company issued 1,500,000 unquoted Options exercisable at \$0.936 each expiring on 11 April 2018 to two consultants to the Company in consideration for investor relations services provided to the Company. These 1,500,000 Options were issued under the Company's available placement capacity pursuant to Listing Rule 7.1.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 1,500,000 Options pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and



- Shareholders subsequently approve it.

This issue of Options was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 4:

**Number of Options Issued:** 1,500,000 Options.

**Issue Price:** The Options were issued for nil consideration.

**Terms:** The terms and conditions of the Options are attached as Annexure A to this Notice of Meeting.

**Allottees:** The Options were issued to two consultants to the Company in consideration for investor relations services provided to the Company. The allottees were not Related Parties of the Company.

**Use of Funds:** No funds were raised from the issue. The Options were issued in consideration of investor relations services provided to the Company.

**Date of Issue:** The 1,500,000 Options were issued on 11 April 2017.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

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## 6. RESOLUTION 5: RATIFICATION OF OPTION ISSUE

On 10 August 2017, the Company issued 7,500,000 unquoted Options to an investor relations firm in consideration for investor relations services provided to the Company. 2,500,000 Options are exercisable at \$0.60 each, 2,500,000 Options are exercisable at \$0.70 each and 2,500,000 Options are exercisable at \$0.80 each and all Options expire on 31 December 2020. The total 7,500,000 Options were issued under the Company's available placement capacity pursuant to Listing Rule 7.1.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 7,500,000 Options pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This issue of Options was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 5:

**Number of Options Issued:** 7,500,000 Options.

**Issue Price:** The Options were issued for nil consideration.

**Terms:** The terms and conditions of the Options are attached as Annexure B to this Notice of Meeting.

**Allottees:** The Options were issued to an investor relations firm in consideration for investor relations services provided to the Company. The allottee was not a Related Party of the Company.

**Use of Funds:** No funds were raised from the issue. The Options were issued in consideration of investor relations services provided to the Company.

**Date of Issue:** The 7,500,000 Options were issued on 10 August 2017.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

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## 7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

### 7.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX 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 capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$114 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 17 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security. Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX code: AC8).

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 ASX Listing Rule 7.1A.2.

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 the Resolution for it to be passed.

### 7.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) **Minimum Price**

The minimum 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 5 ASX trading days of the date in section 5.2(a)(i), 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 on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX 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).

(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 this 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 would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 3 October 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A')	Dilution			
	Issue Price (per Share)	\$0.22 50% decrease in Issue Price	\$0.445 Issue Price	\$0.68 50% increase in Issue Price
247,372,772 (Current Variable A)	Shares issued - 10% voting dilution	24,737,277 Shares	24,737,277 Shares	24,737,277 Shares
	Funds raised	\$5,442,201	\$11,008,088	\$16,821,348
371,059,158 (50% increase in Variable A)	Shares issued - 10% voting dilution	37,105,916 Shares	37,105,916 Shares	37,105,916 Shares
	Funds raised	\$8,163,302	\$16,512,133	\$25,232,023
494,745,544 (100% increase in Variable A)	Shares issued - 10% voting dilution	49,474,554 Shares	49,474,554 Shares	49,474,554 Shares
	Funds raised	\$10,884,402	\$22,016,176	\$33,642,696

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

**The table above uses the following assumptions:**

1. There are currently 271,372,772 existing Shares on issue as at the date of this Notice.
2. The issue price set out above is the closing price of the Shares on the ASX on 3 October 2017 of \$0.445.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company's current Variable A is 247,372,772. The Company issued 24,000,000 shares on 24 and 25 May 2017, 1,500,000 Options on 11 April 2017 and 7,500,000 Options on 10 August 2017 that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1. Resolutions 3, 4 and 5 of this Notice of Meeting seek Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of these securities pursuant to Listing Rule 7.1 and 7.1A. If these Resolutions are passed, Variable A will increase in accordance with the formula outlined in ASX Listing Rule 7.1A(2).
5. 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.
6. 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.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's 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.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for clinical trials licence applications and implementation of registration of products, to progress the development of the Company's cultivation and manufacturing activities in Australia, to progress the development of its activities in Chile with its joint venture partner DayaCann, to expand its medical outreach activities among the medical community in Australia and/or for general working capital. In addition, the Company may in future choose to evaluate new opportunities or investments and may use the funds raised for a resulting acquisition of new assets and/or strategic and opportunistic investments (including expenses associated with such acquisition); or
- (ii) as non-cash consideration for the acquisition of new assets and/or investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be Related Parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for 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 advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its last annual general meeting held on 23 November 2016. The total number of Equity Securities issued by the Company in the 12 months preceding the date of this Annual General Meeting is 289,107,202. The percentage those Equity Securities represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 960%. The table at Annexure C details all issues of Equity Securities by the Company during the 12 months preceding the date of this Notice as required by Listing Rule 7.3A.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

### **7.3 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholders to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

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## **8. RESOLUTION 7 – APPOINTMENT OF AUDITOR**

### **8.1 General**

BDO Audit (WA) Pty Ltd (BDO) received consent from the Australian Securities & Investment Commission (ASIC) to resign from the office of auditor of the Company effective from 20 July 2017 and the Board appointed PKF Mack as auditor, pursuant to section 327C(1) of the Corporations Act. In accordance with section 327C(2), an auditor appointed under section 327C(1) holds office until the company's next annual general meeting. The ongoing appointment of the auditor must then be approved by shareholders under section 327B of the Corporations Act.

As required, the Company has received a written notice of nomination from a shareholder of the Company for PKF Mack to be appointed as the Company's auditor. A copy of the notice is attached to this Notice of Annual General Meeting in Annexure D.

Resolution 7 relates to the appointment of PKF Mack as auditor of the Company.

### **8.2 Board recommendation**

The Directors recommend Shareholders vote in favour of Resolution 7.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 7.1.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means AusCann Group Holdings Ltd (ACN 008 095 207).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

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

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2017.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the calculation in Section 7.2.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## Annexure A

### Resolution 4 - Terms and Conditions of Options

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#### 1. ENTITLEMENT

Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company (**Share**).

All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then existing Shares.

---

#### 2. EXERCISE PRICE

The exercise price is \$0.936 equivalent to the 20% premium to the 5 day VWAP prior to the date of issue of the Options being 11 April 2017 (**Exercise Price**).

Each Option shall entitle the holder to acquire one Share upon payment of the Exercise Price to the Company.

---

#### 3. EXERCISE OF OPTIONS

The Options may be exercised at any time prior to 11 April 2018 being the date which is 12 months after their issue (**Expiry Date**) in whole or in part, by completing and delivering a duly completed form of notice of exercise to the registered office of the Company together with the payment of the exercise price in immediately available funds for the number of Shares in respect of which the Options are exercised.

An Option not exercised on or before the Expiry Date will lapse.

Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued, and a holding statement or share certificate provided to the holders of Options in respect of those Shares, on the above terms and conditions not more than ten Business Days after the receipt of a duly completed form of notice of exercise and the exercise amount in immediately available funds in Australian dollars in respect of the Options exercised.

---

#### 4. QUOTATION

Application will not be made to ASX for official quotation of the Options.

Provided the Company is listed on ASX at the time, application will be made for official Quotation of the Shares issued upon exercise of Options not later than five Business Days after the date of allotment.

---

#### 5. TRANSFER

The Options are not transferable.

---

#### 6. PARTICIPATION AND ENTITLEMENTS

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of Securities offered to shareholders during the currency of the Options.

However, the Company must give notice to the holders of Options of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules so as to give holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

---

#### 7. REORGANISATION OF SHARE CAPITAL

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of holders of Options shall be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

---

**8. BONUS ISSUE**

If, from time to time, before the expiry of the Options the Company makes a pro-rata issue of Shares to shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the date for calculating entitlements to the pro-rata issue.

---

**9. PRO-RATA ISSUE**

If the Company makes a pro-rata issue of Securities (except a bonus issue) to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of a dividend reinvestment) the exercise price of an Option shall be reduced according to the following formula:

$$O' = O - (E(P - (S + D))) / (N + 1)$$

where:

- O' = the new exercise price for an Option
- O = the old exercise price for an Option
- E = the number of underlying Securities into which an Option is exercisable.
- P = the average market price per security (weighed by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = The subscription price for a security under the pro-rata issue.
- D = The dividend due but not yet paid under the existing underlying securities (except those to be issued under the pro-rata issue).
- N = The number of securities with rights or entitlements that must be held to receive a right to one new security.



## Annexure B

### Resolution 5 - Terms and Conditions of Options

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#### 1. ENTITLEMENT

Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company (**Share**).

All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then existing Shares.

---

#### 2. EXERCISE PRICE

2,500,000 options will be exercisable at \$0.60 each, 2,500,000 options will be exercisable at \$0.70 each and 2,500,000 options will be exercisable at \$0.80 each (each termed the **Exercise Price**).

Each Option shall entitle the holder to acquire one Share upon payment of the Exercise Price to the Company.

---

#### 3. EXERCISE OF OPTIONS

The Options may be exercised at any time prior to 31 December 2020 (**Expiry Date**) in whole or in part, by completing and delivering a duly completed form of notice of exercise to the registered office of the Company together with the payment of the exercise price in immediately available funds for the number of Shares in respect of which the Options are exercised.

An Option not exercised on or before the Expiry Date will lapse.

Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued, and a holding statement or share certificate provided to the holders of Options in respect of those Shares, on the above terms and conditions not more than ten Business Days after the receipt of a duly completed form of notice of exercise and the exercise amount in immediately available funds in Australian dollars in respect of the Options exercised.

---

#### 4. QUOTATION

Application will not be made to ASX for official quotation of the Options.

Provided the Company is listed on ASX at the time, application will be made for official Quotation of the Shares issued upon exercise of Options not later than five Business Days after the date of allotment.

---

#### 5. TRANSFER

The Options are not transferable.

---

#### 6. PARTICIPATION AND ENTITLEMENTS

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of Securities offered to shareholders during the currency of the Options.

However, the Company must give notice to the holders of Options of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules so as to give holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

---

#### 7. REORGANISATION OF SHARE CAPITAL

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of holders of Options shall be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

---

#### 8. BONUS ISSUE

If, from time to time, before the expiry of the Options the Company makes a pro-rata issue of Shares to shareholders for no consideration, the number of Shares over which an Option is exercisable will be

increased by the number of Shares which the holder would have received if the Option had been exercised before the date for calculating entitlements to the pro-rata issue.

---

**9. PRO-RATA ISSUE**

If the Company makes a pro-rata issue of Securities (except a bonus issue) to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of a dividend reinvestment) the exercise price of an Option shall be reduced according to the following formula:

$$O' = O - (E(P - (S + D))) / (N + 1)$$

where:

- O' = the new exercise price for an Option
- O = the old exercise price for an Option
- E = the number of underlying Securities into which an Option is exercisable.
- P = the average market price per security (weighed by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = The subscription price for a security under the pro-rata issue.
- D = The dividend due but not yet paid under the existing underlying securities (except those to be issued under the pro-rata issue).
- N = The number of securities with rights or entitlements that must be held to receive a right to one new security.

**ANNEXURE C**

**ISSUES OF EQUITY SECURITIES BY THE COMPANY OVER THE LAST 12 MONTHS**

<b>Date of Issue</b>	<b>Number of Equity Securities Issued</b>	<b>Class of Equity Securities Issued and Summary of Terms of that Class</b>	<b>Names of Allottees or Basis on which Allottees Determined</b>	<b>Price at which Equity Securities Issued and Discount to Market Price<sup>1</sup></b>	<b>Total Cash Consideration<sup>2</sup></b>	<b>Amount of Cash Spent and Use of Cash</b>	<b>Intended Use of Remaining Cash</b>	<b>Non-cash consideration</b>	<b>Current Value of Non-cash consideration</b>
19 January 2017	25,000,000 Shares.	Fully paid ordinary shares.	Issue of shares to various parties pursuant to the prospectus dated 21 November 2016 (the public offer) for the purpose of re-compliance with Chapters 1 and 2 of the ASX Listing Rules raising \$5.0 million.	Issue price - \$0.20  Market price – N/A (shares were suspended on issue date).  Discount/premium to market price – N/A.	\$4,395,380	\$ 3,708,628 - funds used to progress horticultural R & D, to progress the development of activities in Chile with joint venture partner DayaCann, on analytical testing and clinical trials, on medical education, towards licence applications and fees, towards the cost of the public offer and for general working capital.	\$686,752 - funds will be used to progress horticultural R & D, to progress the development of activities in Chile with joint venture partner DayaCann, on analytical testing and clinical trials, on medical education, towards licence applications and fees, towards the cost of the public offer and for general working capital.	N/A	N/A
19 January 2017	146,709,182 Shares and 28,230,345 performance shares.	Fully paid ordinary shares and performance shares (refer prospectus dated 21 November 2016 for full terms and conditions of the performance shares).	Issued to shareholders of AusCann Operations Pty Ltd (formerly AusCann Group Holdings Limited) in consideration for acquisition of 100% of its issued capital by the Company as announced to ASX on 20 January 2017.	N/A - Issued to AusCann Operations Pty Ltd (formerly AusCann Group Holdings Limited) shareholders in consideration of the acquisition of 100% of its issued capital as announced to ASX on 20 January 2017.	N/A – nil cash consideration. No funds were raised from the issue.	N/A	N/A	2,934,182,996 shares in Auscann Operations Pty Ltd.	Based on the current market value of the equity securities issued, \$77,848,089.
19 January 2017	7,677,639 unlisted Options.	Unlisted Options exercisable at \$0.20 expiring on 19 January 2020.	Issued to the AusCann Operations Pty Ltd (formerly AusCann Group Holdings Limited) optionholder in consideration of the	N/A - Issued to the AusCann Operations Pty Ltd (formerly AusCann Group Holdings Limited) optionholder in consideration of	N/A – nil cash consideration. No funds were raised from the issue.	N/A	N/A	153,552,779 options to acquire shares in Auscann Operations Pty Ltd.	Although unlisted, the value of the equity securities has been independently assessed as \$886,076.32.

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price <sup>1</sup>	Total Cash Consideration <sup>2</sup>	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
			acquisition of 100% of its options as announced to ASX on 20 January 2017.	the acquisition of 100% of its options.					
19 January 2017	14,521,229 Shares and 2,794,231 performance rights.	Fully paid ordinary shares and performance rights (refer prospectus dated 21 November 2016 for full terms and conditions of the performance rights).	Issued to certain advisors of the Company as a fee for services provided by the advisors in relation to the AusCann takeover and public offer of securities.	N/A - issued as a fee for services provided by advisors to the AusCann takeover and public offer of securities.	N/A – nil cash consideration. No funds were raised from the issue.	N/A	N/A	Services provided by the allottees in relation to the AusCann takeover and public offer of securities.	Based on the current market value of the equity securities issued, \$7,705,380.
19 January 2017	150,000 unlisted Options.	Unlisted Options exercisable at \$0.21 expiring on 19 January 2020.	Issued to past Directors of the Company (or their nominees) as a fee for services provided to the Company.	N/A – nil cash consideration. Issued as a fee for services provided by past Directors of the Company.	N/A – nil cash consideration. No funds were raised from the issue.	N/A	N/A	Services provided to the Company by the allottees.	Although unlisted, the value of the equity securities has been independently assessed as \$16,995.
11 April 2017	1,500,000 unlisted Options.	Unlisted Options – terms and conditions are attached as Annexure A.	Issued to two consultants to the Company in consideration for investor relations services provided to the Company.	N/A – issued to consultants to the Company in consideration for investor relations services provided to the Company.  The closing Share price on the date of issue was \$0.77.	N/A – nil cash consideration. No funds were raised from the issue.	N/A	N/A	Investor relations services provided to the Company by the allottees.	Although unlisted, the value of the equity securities has been independently assessed as \$365,565.
10 May 2017	31,024,576 Shares.	Fully paid ordinary shares.	Issued to holders of performance rights and performance shares which were issued on 19 January 2017 on vesting and	N/A - issued on vesting of 28,230,345 performance shares and achievement of the performance	N/A – nil cash consideration. No funds were raised from the issue.	N/A	N/A	Nil – issued on vesting of performance rights and performance shares.	Based on the current market value of the equity securities issued, \$13,805,936.

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price <sup>1</sup>	Total Cash Consideration <sup>2</sup>	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
			achievement of the performance milestones as announced to ASX on 11 May 2017.	milestones of 2,794,231 performance rights.					
24 May 2017	20,162,223 Shares	Fully paid ordinary shares.	Issued to existing and new shareholders in a placement as announced to ASX on 19 May 2017.	Issue price - \$0.50  Market price - \$0.455.  Premium to market price – 10%.	\$9,433,111	\$nil.	\$9,433,111 - the funds raised from the issue will be used to progress the development of the Company's cultivation facility in Western Australia, following the approval of its Australian medicinal cannabis licence by the Office of Drug Control, under the Narcotic Drugs Act 1967 and to progress the development of its activities in Chile with its joint venture partner DayaCann and expand its medical outreach activities among the medical community in Australia.	N/A	N/A
25 May 2017	3,837,777 Shares.	Fully paid ordinary shares.	Issued to existing and new shareholders in a placement as announced to ASX on 19 May 2017.	Issue price - \$0.50  Market price - \$0.475.  Premium to market price – 5%.	\$1,918,888	\$nil.	\$1,918,888 - the funds raised from the issue will be used to progress the development of the Company's cultivation facility in Western Australia, following the approval of its Australian	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price <sup>1</sup>	Total Cash Consideration <sup>2</sup>	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
							medicinal cannabis licence by the Office of Drug Control, under the Narcotic Drugs Act 1967 and to progress the development of its activities in Chile with its joint venture partner DayaCann and expand its medical outreach activities among the medical community in Australia.		
10 August 2017	7,500,000 unlisted options.	Unlisted Options – terms and conditions are attached as Annexure B.	Issued to an investor relations firm in consideration for investor relations services provided to the Company.	N/A – issued to an investor relations firm in consideration for investor relations services provided to the Company.  The closing Share price on the date of issue was \$0.55.	N/A – nil cash consideration. No funds were raised from the issue.	N/A	N/A	Investor relations services provided to the Company by the allottees.	Although unlisted, the value of the equity securities has been assessed as \$1,993,225.

**NOTES -**

<sup>1</sup> Market price is the closing price on the trading platform, excluding special crossings, overnight sales and ETO exercises.

<sup>2</sup> Number of Equity Securities issued multiplied by the issue price less costs of the issue.

## Annexure D

### Nomination of Auditor

The Company Secretary  
AusCann Group Holdings Ltd  
85 Carabooda Road  
Carabooda WA 6033  
Australia


We, Biologica Ventures Pty Ltd, being a Shareholder of AusCann Group Holdings Ltd ("Company"), hereby nominate PKF Mack, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, to be appointed as the auditor of the Company at the forthcoming Annual General Meeting of AusCann Group Holdings Ltd proposed to be held on 24 November 2017.



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For and on behalf of Biologica Ventures Pty Ltd  
17 October 2017

**Lodge your vote:**

 **Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

 **By Mail:**  
 Computershare Investor Services Pty Limited  
 GPO Box 242 Melbourne  
 Victoria 3001 Australia

Alternatively you can fax your form to  
 (within Australia) 1800 783 447  
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
 (custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
 (within Australia) 1300 850 505  
 (outside Australia) +61 3 9415 4000

AC8

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030



## Proxy Form

XX



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.




### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 9:00am (WST) Wednesday, 22 November 2017**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
 or turn over to complete the form** ➔



MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of AusCann Group Holdings Ltd hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of AusCann Group Holdings Ltd to be held in Meeting Room 6 at the Perth Convention Centre, 21 Mounts Bay Road, Perth, Western Australia on Friday, 24 November 2017 at 9:00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Bruce McHarrie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Option Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of Option Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /