

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

AusCann Group Holdings Ltd

ABN

72 008 095 207

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | <p>1. Fully paid ordinary shares.</p> <p>2. Unlisted options.</p>  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | <p>1. 30,375,000 fully paid ordinary shares.</p> <p>2. 15,187,503 unlisted options.</p>  |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>1. Fully paid ordinary shares.</p> <p>2. Unlisted options exercisable at \$1.465 expiring on 13 January 2021, however, if the closing price of the Company's shares is A\$2.25 or greater for 10 consecutive trading days, the Company has the right to force early exercise of the Options within 30 days.</p> |

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>1. Yes - fully paid ordinary shares.</p> <p>2. No - unquoted options are a new class of unquoted security. If the options are exercised, the fully paid ordinary shares issued will rank equally with existing quoted fully paid ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>1. \$1.10 per share.</p> <p>2. Nil consideration - issued on the basis of 1 option for every 2 shares subscribed for under the placement as announced to ASX on 5 July 2018 (rounded up to the nearest whole option).</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of 30,375,000 fully paid ordinary shares and 15,187,503 unlisted options under a placement to sophisticated and professional investors from North America and Australia to raise \$33.4 million (before costs) (Placement). AusCann will use the proceeds of the Placement to fund cannabinoid pharmaceutical R&amp;D and clinical studies, expansion of its operations in Chile and Australia, medical outreach programs in new international markets and for working capital.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>

6b	The date the security holder resolution under rule 7.1A was passed	24 November 2017.
6c	Number of +securities issued without security holder approval under rule 7.1	26,343,412 fully paid ordinary shares and 15,187,503 unlisted options.
6d	Number of +securities issued with security holder approval under rule 7.1A	4,031,588 fully paid ordinary shares.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil.
6f	Number of +securities issued under an exception in rule 7.2	Nil.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Issue price - \$1.10. 15 day VWAP on 13/7/18 - \$1.20 75% of the 15 day VWAP on 13/7/18 - \$0.90 <i>Source - CommSec</i>
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A - complete Annexure 1 and release to ASX Market Announcements	ASX Listing Rule 7.1 - nil. ASX Listing Rule 7.1A - 23,655,689.
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	13 July 2018.

+ See chapter 19 for defined terms.

	Number	+Class														
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	174,540,626 Fully paid ordinary shares														
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>132,707,146</td> <td>Fully paid ordinary shares (under ASX restriction).</td> </tr> <tr> <td>7,677,639</td> <td>Options exercisable at \$0.20 expiring on 19 January 2020.</td> </tr> <tr> <td>150,000</td> <td>Options exercisable at \$0.21 expiring on 19 January 2020.</td> </tr> <tr> <td>1,000,000</td> <td>Options exercisable at \$0.70 expiring on 31 December 2020.</td> </tr> <tr> <td>2,500,000</td> <td>Options exercisable at \$0.80 expiring on 31 December 2020.</td> </tr> <tr> <td>15,187,503</td> <td>Options exercisable at \$1.465 expiring on 13 January 2021.</td> </tr> </tbody> </table>	Number	+Class	132,707,146	Fully paid ordinary shares (under ASX restriction).	7,677,639	Options exercisable at \$0.20 expiring on 19 January 2020.	150,000	Options exercisable at \$0.21 expiring on 19 January 2020.	1,000,000	Options exercisable at \$0.70 expiring on 31 December 2020.	2,500,000	Options exercisable at \$0.80 expiring on 31 December 2020.	15,187,503	Options exercisable at \$1.465 expiring on 13 January 2021.
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2,500,000	Options exercisable at \$0.80 expiring on 31 December 2020.															
15,187,503	Options exercisable at \$1.465 expiring on 13 January 2021.															
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A														

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	

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+ See chapter 19 for defined terms.

- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders
- 25 If the issue is contingent on security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and offer documents will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Issue date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1 – only fully paid ordinary shares to be quoted.

- (b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought

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+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

*S. Hunter*

Sign here: .....  
(~~Director~~/Company secretary)

Date: 13 July 2018

Print name: Susan Hunter

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid <sup>+</sup> ordinary securities on issue 12 months before the <sup>+</sup> issue date or date of agreement to issue	247,372,772
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid <sup>+</sup>ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid <sup>+</sup>ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid <sup>+</sup>ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<ul style="list-style-type: none"> <li>• 25/5/17 – 3,837,777 shares (approved 24 November 2017).</li> <li>• 24/5/17 – 20,162,223 shares (approved 24 November 2017).</li> <li>• 8/1/18 – 100,000 fully paid ordinary shares (approved 24 November 2017).</li> <li>• 9/2/18 - 100,000 fully paid ordinary shares (approved 24 November 2017).</li> <li>• 16/3/18 – 1,300,000 fully paid ordinary shares (approved 24 November 2017).</li> <li>• 2/5/18 – 1,250,000 fully paid ordinary shares (approved 24 November 2017).</li> <li>• 4/5/18 – 1,250,000 fully paid ordinary shares (approved 24 November 2017).</li> <li>• 15/5/18– 1,500,000 fully paid ordinary shares (approved 24 November 2017).</li> </ul>
<b>Subtract</b> the number of fully paid <sup>+</sup> ordinary securities cancelled during that 12 month period	-
<b>“A”</b>	276,872,772

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	41,530,915
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>13/7/18 - 26,343,412 fully paid ordinary shares.</p> <p>13/7/18 - 15,187,503 unlisted options.</p>
“C”	41,530,915
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	41,530,915
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	41,530,915
<p><b>Total</b> [“A” x 0.15] – “C”</p>	<p>0</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	276,872,772
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	27,687,277
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	13/7/18 - 4,031,588 fully paid ordinary shares.
<b>“E”</b>	4,031,588

<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
"A" x 0.10  <i>Note: number must be same as shown in Step 2</i>	27,687,277
<b>Subtract "E"</b>  <i>Note: number must be same as shown in Step 3</i>	4,031,588
<b>Total</b> ["A" x 0.10] – "E"	23,655,689  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.

### ADDITIONAL INFORMATION REQUIRED UNDER ASX LISTING RULE 3.10.5A

On 13 July 2018, AusCann Group Holdings Limited (ASX: AC8) (**AusCann** or **the Company**) issued a total of 30,375,000 fully paid ordinary shares and 15,187,503 unlisted options under a placement to sophisticated and professional investors from North America and Australia to raise \$33.4 million (before costs) (Placement). These fully paid ordinary shares and unlisted options were the subject of an Appendix 3B announcement to the Australian Securities Exchange (**ASX**) attached. 26,343,412 fully paid ordinary shares and 15,187,503 unlisted options were issued under the Company's Listing Rule 7.1 placement capacity and 4,031,588 fully paid ordinary shares were issued under the Company's Listing Rule 7.1A placement capacity.

AusCann provides the following information as required under ASX Listing Rule 3.10.5A in relation to the issue of 4,031,588 fully paid ordinary shares under the Company's available Listing Rule 7.1A placement capacity:

a) The dilutive effect of the issue of 4,031,588 shares issued under the Company's Listing Rule 7.1A placement capacity on existing shareholders is as follows –

Number of shares on issue prior to the placement	276,872,772
Number of shares on issue following the placement	280,904,360
Total dilution as a result of Placement	1.4%

Details of the approximate percentage of the issued capital following the completion of the Placement held by pre-Placement shareholders and new shareholders are as follows.

Pre-Placement shareholders who did not participate in the ASX Listing Rule 7.1A Placement	88%
Pre-Placement shareholders who did participate in the ASX Listing Rule 7.1A Placement	12%
Participants in the ASX Listing Rule 7.1A Placement who were not previously shareholders	0%

b) The Placement was considered to be a cost effective and efficient mechanism to raise \$33.4 million (before costs). AusCann will use the proceeds of the Placement to fund cannabinoid pharmaceutical R&D and clinical studies, expansion of its operations in Chile and Australia, medical outreach programs in new international markets and for working capital.

c) No underwriting arrangements were entered into in relation to the Placement.

d) The Company will pay estimated costs and fees of A\$1,695,000 in connection with the Placement.

13 July 2018

Company Announcements Platform  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

By Electronic Lodgement (ASX: AC8)

**Notice Pursuant to Section 708A(5)(e) of the Corporations Act**

AusCann Group Holdings Limited (ASX:AC8) (“the Company”) today issued 30,375,000 fully paid ordinary shares. These shares were included in an Appendix 3B announcement to the Australian Securities Exchange (“ASX”) released today.

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, sale of the securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company gives this notice pursuant to Section 708A(5)(e) of the Act. The shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) Section 674 of the Act.

As at the date of this notice, there is no further information:

- (a) that has been excluded from a continuous disclosure notice in accordance with the ASX listing rules; and
- (b) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
  - (ii) the rights and liabilities attaching to the Shares.

By order of the Board



Susan Hunter  
Company Secretary