

23 August 2022

For Public Release
NZX Limited
WELLINGTON

Notice of Offer of Same Class Financial Products for Issue

Cannasouth Limited ("CBD") intends to undertake an offer of new ordinary shares in CBD ("New Shares") by way of a pro-rata 1 for 10 renounceable rights offer to eligible shareholders ("the Rights Offer") followed by an Oversubscription Bookbuild Facility process ("Oversubscription Bookbuild").

For the purposes of this document the Rights Offer and the Oversubscription Bookbuild are together referred to as "the Offer".

Pursuant to clause 20 of Schedule 8 of the Financial Markets Conduct Regulations 2014 ("Regulations") and clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 ("FMCA"), CBD advises that:

1. The Offer is being made in reliance upon the exclusion in clause 19 of Schedule 1 of the FMCA. CBD is giving this notice (Cleansing Notice) under clause 20(1)(a) of Schedule 8 of the Regulations.
2. As at the date of this Cleansing Notice, CBD is in compliance with:
 - (a) the continuous disclosure obligations that apply to it in relation to CBD's quoted financial products; and
 - (b) its "financial reporting obligations" (within the meaning set out in clause 20(5) of Schedule 8 of the Regulations).
3. As at the date of this Cleansing Notice, there is no information that is "excluded information" within the meaning set out in clause 20(5) of Schedule 8 of the Regulations, in respect of CBD.
4. The Offer is not expected to have any material effect or consequences on the control of CBD.

On behalf of the Board,

-ENDS-

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About Cannasouth Limited

Cannasouth is a vertically integrated biopharmaceutical Group. The Group has been established to focus on the commercial development of the medicinally beneficial attributes of cannabinoid compounds produced by the cannabis plant, and other health products and medicines. Our goal is to support patients' health outcomes and improve their quality of life. Our products will be produced under GxP, using environmentally friendly methods, ensuring patients are treated with therapeutic products of the highest quality. Cannasouth Limited is the parent company, listed on the NZX, and is 100% owner of Cannasouth Bioscience Ltd, Cannasouth Cultivation Ltd, and Midwest Pharmaceuticals NZ Ltd.

For video footage, photos and logos please visit: <https://www.cannasouth.co.nz/about/media/>