



22 November 2023

Dear Shareholder(s),

CANNASOUTH LIMITED OFFER – INELIGIBLE SHAREHOLDERS

On 13 November 2023, Cannasouth Limited (CBD) announced that it was conducting a pro-rata renounceable rights issue to raise approximately NZ\$5.6 million rights offer (Offer) to eligible shareholders to subscribe for 1 new CBD share (New Shares) for every 8 existing shares in CBD held at 5pm (NZ time) on 21 November 2023 (Record Date).

Only shareholders on the Record Date with registered addresses in New Zealand and Australia are eligible to participate in this Offer. As at the date of this letter, your registered address is outside of New Zealand or Australia, therefore you are not currently eligible to participate in the Offer.

If you are in fact residing in New Zealand, please contact our share registrar, Link Market Services Limited on +64 9 375 5998 or enquiries@linkmarketservices.co.nz immediately to ensure that your registered address is updated.

This email is to inform you about the Offer. It is neither an offer to issue shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside New Zealand or Australia. In particular, no other materials relating to the Offer are for release or distribution in the United States or to persons in, or acting for the account or benefit of persons in, the United States.

Why am I not currently eligible to participate in the Offer?

Under the terms of the Offer, shareholders that are not Eligible Shareholders (defined below) are ineligible to take up Rights and to subscribe for New Shares under the Offer.

The restrictions upon eligibility are practical ones in light of the legal limitations in some countries coupled with the relatively small number of shareholders. CBD has determined that it would be unduly onerous and unreasonable to make the Offer to shareholders resident in any country outside of New Zealand or Australia having regard to the relatively small number of shareholders, the small number and value of existing shares they hold and the potential cost of complying with regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in those places.

Who will be eligible to participate in the Offer?

The Offer involves an offer to shareholders as at 5.00pm (NZ time) on the Record Date who have a registered address in New Zealand or Australia.

While this Offer may not be available to you, I would like to thank you for your continuing support.

On behalf of the Board,

A handwritten signature in black ink, appearing to be 'Mark Lucas', written over a light blue horizontal line.

Mark Lucas

**EXECUTIVE DIRECTOR,
CANNASOUTH LIMITED**

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