

1 May 2023

NZX Limited
Wellington

Notice of Offer of Same Class Financial Products for Issue

Cannasouth Limited ("CBD") intends to undertake offers of new ordinary shares in CBD ("New Shares") as follows:

1. a pro-rata, 1 new CBD share for every 9.53075 existing CBD shares held, renounceable rights offer to eligible CBD shareholders ("the Cannasouth Offer") followed by an Oversubscription Facility process ("Oversubscription Facility"); and
2. a pro-rata, 1 new CBD share for every 2.7126 existing shares in Eqalis Group New Zealand Limited ("Eqalis"), renounceable offer to eligible Eqalis shareholders ("the Eqalis Offer") followed by an Oversubscription Facility.

For the purposes of this document the Cannasouth Offer, the Eqalis Offer and the Oversubscription Facility are together referred to as "the Offers".

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 Offers are 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 Offers are not expected to have any material effect or consequences on the control of CBD.

On behalf of the Board,



Mark Lucas

EXECUTIVE DIRECTOR, CANNASOUTH LIMITED