

Friday June 14, 2019

Cannasouth Offer closes oversubscribed

The Board of Cannasouth Limited is pleased to advise that its public offer of shares has closed oversubscribed today.

Cannasouth was seeking to raise a minimum of \$5 million (10 million new ordinary shares) and a maximum of \$10 million (20 million new ordinary shares) through a Priority Offer of \$5m which closed on June 7, and a General Offer of \$5m which closed oversubscribed at 5pm today.

Any applications received for the General Offer after today's close will not be accepted and will be returned to investors.

Cannasouth CEO Mark Lucas said there had been very strong interest in the Offer from a wide range of New Zealand investors and the Company was delighted to have expanded its shareholding base by circa 1400 new investors.

"The passing into law last December of the Misuse of Drugs (Medicinal Cannabis) Amendment Bill was a major milestone for patients and the industry here and sets the scene for the development of the medicinal cannabis industry in New Zealand," Lucas said.

"We look forward to seeing the options for the medicinal cannabis access scheme that the Ministry of Health is due to release for consultation next month - we are hopeful the proposals for the scheme will achieve the stated goals of enabling domestic production and removing barriers for patients to access quality cannabis based medicines.

"The scheme is expected to be in operation from early 2020 and we know there are many patients desperately waiting for this to happen.

Lucas said Cannasouth is currently focused on scaling its operations, growing its research capabilities and advancing its current research projects.

All applicants in the General Offer will receive the minimum subscription of 2,000 shares with the balance of their applications scaled on a pro-rata basis. Shareholder statements will be processed and sent to all successful applicants on Monday June 17, and all excess application monies (as a result of scaling) will be refunded to applicants on or about Thursday, 20 June 2019.

Cannasouth will list on the NZX Main Board on Wednesday, 19 June 2019 under the ticker code CBD.

Ends.

For further information contact:

Mark Lucas

CEO, Cannasouth

Email: mark.lucas@cannasouth.co.nz

Mobile: 021 484 649