

Cann Global Limited: Strategic Landmark Cannabis Opportunity in South Africa

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Sydney, Australia - The Board of [Cann Global Ltd.](#) (ASX:CGB) is pleased to announce that it has entered into a Heads of Agreement (H.O.A.) with the South African company Koegas Medicinal Herbs (Pty) Ltd ("Koegas") to establish a Joint Venture (CGB to hold 70%) in medicinal Cannabis production and distribution in Africa, which includes local South African medicinal cannabis applications, in respect to four (4) strategic locations in South Africa. This JV is to be entered into through a new subsidiary company of CGB named Cann Global South Africa (CGSA).

The Board consider Africa to be a potentially huge emerging market, and is considered of strategic importance to establish a base in Africa for distribution of CGB's existing and future products and with the goal of producing and distributing locally in Africa as well. This new JV adds significantly to the existing established global network of CGB in Australia, Asia, North America and Israel in accessing the emerging African markets as well.

- Access to significant land packages totalling over 1,500 acres with in-place access to power and irrigation for both greenhouse/indoor and broad-acre/outdoor growing opportunities.
- South African legislation provides for a well-regulated (Medicines Control Council of South Africa) medicinal cannabis and hemp growing environment which can potentially transform CGSA into a major producer of high yielding, low cost medicinal cannabis (including targeted cannabinoids CBD and CBG) and hemp.
- The South African opportunity should assist CGSA to fast track its production status for extracted cannabis (CBD and CBG) and hemp raw products to meet local and international order requests.
- CGSA's partner in the South African applications, Koegas, have well established stakeholders operating in the agricultural and regulatory environments to ensure all necessary requirements of the applications are completed and processed in a timely manner.

Heads of Agreement between [Cann Global Ltd.](#) and Koegas Medicinal Herbs (Pty) Ltd

Under the Heads of Agreement entered into between the parties:

- The Company will set up a wholly owned subsidiary, Cann Global South Africa (CGSA). CGSA will enter into a formal 70/30 JV partnership agreement with Koegas. CGSA will set out a key development business plan and funding parameters in respect of working exclusively with Koegas to develop the South African medicinal Cannabis and Hemp project which will include Koegas' applications for the 4 relevant licenses from the MCCA. (Medicines Control Council of South Africa)
- In consideration for its 70% share in the JV, CGB will issue 10 million fully paid ordinary Shares at the direction of Koegas.
- The products produced and developed on the relevant licenses are intended to be sold in the South African and Global markets. CGSA will fund the joint venture and will include key milestones to be met to ensure the timely development of the licenses. Subject to regulatory approvals CGB intends to raise money directly into CGSA with the view to independently list CGSA on the ASX. In the event that Cann Global elects to proceed with this strategy, it is intended that a priority allocation of shares will be reserved for existing shareholders of CGB.
- As part of the joint venture, Koegas will manage all necessary local personnel, logistics, government support and other necessary resources on a transparent cost basis whilst CGB will provide its technical, regulatory and operational expertise, including intellectual property for plant and product development, including its genetics subject to regulatory approvals. CGB will also utilise its Australian and overseas networks to distribute products grown and processed under the joint venture agreement.

Directors of Koegas

AT (Tokkas) van Heerden is the director of Impondo Capital and received Diplomas in Conservation Farming

and Auctioneering from the University of Stellenbosch and studied law at the University of Port Elizabeth. He served for two years at the SANDF (South African National Defense Force) and was an Officer in the Intelligence Core. He has been involved in farming since childhood in the family farming business and was part of a group that insisted on the transformation of the wool and meat industry from parastatal control to free market enterprise in the early 90's. He had several farming related leadership positions of which one of these positions was the Vice Chairman of Wool South Africa. He was also part of the shareholders to buy Bloemfontein abattoir from the Meat-Board in 1994 when controls were dropped and the meat industry was privatized. In 1990 he started his own life stock and meat trading business, Africa Trading, and sold various meat related products bought from the farmers into townships all over South Africa. He dedicates a lot of time as a development consultant to advise previously disadvantaged farmers on how to develop agricultural properties to better utilise land, water and other forms of local capital in order to maximize income and become a profitable operation in association with various private and government institutions.

He was Co-founder of a micro finance company, Omanyano Finance in 1995 together with The National Council of Trade Unions (NACTU), and sold his share off to one of the larger banks and started a similar business in Uganda and Kenya. It later became Platinum Finance, which is currently one of the largest micro financiers in Eastern Africa. In 1999 with the experience of trade unions and their structures he started his own tax consultancy, Taxmate.

He is also a seasoned mining startup specialist and has been a consultant for a number of companies both listed and unlisted in the mining and energy industry. He places serious value in building strong governmental relationships and strongly believes in the development of Africa and its people. He started his own diamond mining operations in the late 90's and followed that with Compania Meneira de Mozambique, a tantalum-mining venture in Mozambique and then sold his share to larger players. He has extensive experience in South Africa, DRC, Mozambique, Zambia, Namibia and Zimbabwe. He has built strong relationships with funders all over the world and has facilitated various buy-outs and investments. He has also been instrumental in the security that allowed a drilling group to drill successfully for oil in Somalia and concluded a number of similar projects in Africa. Makabongwe Nciza received a Bachelor of Economics from the University of the Western Cape and is a Board Member of Impondo Logistics and a director of Junior Smith Transport.

He was an Executive Director of Metabica Coal, Sales Director of 600SA and Senior Consultant of Kgatliso Bathong. He was managing director of Sensormatic Security Services and the financial director of the Tedcor/Tirisano JV.

South African Regulatory Framework

The Medicines Act of South Africa allows the Medicines Control Council ("MCC") to issue a licence to manufacture either a medicine or a Scheduled substance (Active Pharmaceutical Ingredient/API). Section 22C(1)(b) of the Medicines Act enables the cultivation and manufacture of Scheduled substances and ensures the required oversight of the MCC in regulating these activities. This allows the MCC to license growers of Cannabis when intended for medicinal use and enables regulatory oversight in a way that is compliant with South Africa's international obligations.

The legislative framework addresses three regulatory aspects:

- Authorise Cannabis production domestically, for medicinal and research purposes.
- Satisfy the requirements of South Africa's international obligations, under the Single Convention.
- Align the access of Cannabis for medicinal purposes with that of other controlled medicines.

The Board is confident that this newly established JV in one of the larger emerging markets for Cannabis globally, on the African continent, in a strong economic and regulatory framework in South Africa, will be able to establish a strong foundation to generate significant revenues for CGB.

About Cann Global Limited:

[Cann Global Ltd.](#)'s (ASX:CGB) primary focus is to legally grow and cultivate hemp to research and develop medicinal cannabis products to service an increasing demand in the Australian and global markets.

[Cann Global Ltd.](#) has a 100% shareholding in Medical Cannabis Ltd (MCL) and a management agreement with Medcan Australia Pty Ltd (Medcan) which operate a business cultivating, researching, developing and soon to be distributing medicinal cannabis products in Australia. Our Medical Cannabis division has been a

key value driver for the Group.

The Group also retains an interest in its existing Bauxite Projects.

Source:

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