

# QUEENSLAND BAUXITE LIMITED

QUARTERLY REPORT  
SEPTEMBER 2018



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QBL is undertaking  
a major  
transformation



Queensland  
Bauxite  
Limited



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CANN GLOBAL  
LIMITED  
ASX:CGB



# Quarter Highlights

- |                                  |   |
|----------------------------------|---|
| <b>19<sup>th</sup> July</b>      | <b>Medcan secures ODC Import/Export License</b>   |
| <b>1<sup>st</sup> August</b>     | <b>Groundbreaking Discovery in Medicinal Cannabis Research</b>                          |
| <b>16<sup>th</sup> August</b>    | <b>QBL to acquire International Health Food Brands</b>                                  |
| <b>14<sup>th</sup> September</b> | <b>Company E.G.M.</b>   |
| <b>30<sup>th</sup> September</b> | <b>End of Quarter</b>   |
| <b>9<sup>th</sup> October</b>    | <b>Medcan secures ODC Medical Cannabis Manufacture License</b>                          |
| <b>19<sup>th</sup> October</b>   | <b>Joint venture with leading Israeli medicinal cannabis company, Pharmocann</b>        |
| <b>24<sup>th</sup> October</b>   | <b>Medcan secures strategic collaboration supply agreement with Canadian LP, Bonify</b> |



## Medical Cannabis Import & Export Licenses secured

- ODC Import Licence secured
- ODC Export Licence secured



These licences now allow Medcan, subject to individual permit issue, the ability to capitalise on the significant international and local opportunities by both importing and exporting a wide range of Cannabis products including, but not limited to:

Cultivars \* Dried flower finished products \* Full extract oil and tinctures finished products \* Medicinal Cannabis products manufactured in Australia under a GMP Licence \* Medicinal Cannabis products listed as export - only or registered in the ARTG \* Extracts of Cannabis (or Cannabis resin) manufactured under a Narcotic Drugs Act 1967 Licence that are not in the final dosage form \* the CanTAB XR Pills produced in Canada.

At the September EGM, shareholders approved the resolution for QBL to acquire 100% of Medcan Australia.



## Ground Breaking Discovery in Medicinal Cannabis Research



On the 26<sup>th</sup> of February 2018 QBL announced a Sponsored Research Agreement between MCL's subsidiary MCRG and Professor David (Dedi) Meiri Ph.D. and his research team at the Technion Institute in Haifa, Israel.

On the 1<sup>st</sup> August, 2018, Professor Meiri was thrilled to report that his research had made a ground breaking discovery in the lab long before anticipated. During laboratory testing from the hundreds of strains that he has available to research, he has discovered cannabinoids from a unique cannabis strain that has the capacity to inhibit dendritic-dependent T-cells proliferation, which is vital to finding the right cannabis extracts to make a product formulation that can regulate immune function and treat the MS disease.

Following the success of this research in the lab, trials on mice have immediately commenced. Professor Meiri has the support of the Israeli Government and the leading hospitals in Israel for immediate access to human trials to fast track product development, intended to begin as soon as the results of the current trials on mice will support this, which may be as soon as early 2019.



## QBL to Acquire International Health Food Brands



- OMD Direct
- EM Superfoods
- Australian Grown Naturals
- Blanck & Co
- Black Bag

On the 16<sup>th</sup> of August 2018, QBL announced that it had entered a HOA with Sebastian and Sam Edwards to acquire their Health Food Brands.

The Edwards will be bringing into the QBL group of companies their exclusive boutique and retail brands of Natural Organic Health Foods.

Organics market Direct via brands AGN & OMD, are Australia's largest exporter of Chia Seeds (Australian Grown) into Vietnam, Singapore and Hong Kong. MCL now has direct access to these markets, through this new deal with the Edwards brothers.

A solid foundation has now been firmly established for QBL/MCL, creating an infrastructure which is now primed for expansion into the burgeoning multi-billion dollar Health Foods market in Australia.



QUEENSLAND BAUXITE  
LIMITED E.G.M.

September 14, 2018

BUSINESS OF THE  
MEETING

RESOLUTION  
1 TO 14  
PASSED

CANN GLOBAL  
LIMITED





PREMIUM HEMP SEED SUPPLIERS



# NIIM Conference



# Hemp Expo



## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Queensland Bauxite Limited

### ABN

18 124 873 507

### Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	163	163
1.2 Payments for		
(a) exploration & evaluation	-104	-104
(b) development (MCL)	-461	-461
(c) production (Vitahemp)	-294	-294
(d) staff costs		
(e) administration and corporate costs	-482	-482
1.3 Dividends received (see note 3)		
1.4 Interest received	31	31
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>-1147</b>	<b>-1147</b>

### 2. Cash flows from investing activities

2.1 Payments to acquire:

- (a) property, plant and equipment
- (b) tenements (see item 10)
- (c) investments

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(d) other non-current assets (MCL investment in inventory)	-146	-146
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities (Medcan)	-105	-105
2.4 Dividends received (see note 3)		
2.5 Other (GST rebates on MCL expenses)	25	25
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-226</b>	<b>-226</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings (MCL)	545	545
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>545</b>	<b>545</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	6,420	6,420
4.2 Net cash from / (used in) operating activities (item 1.9 above)	-1047	-1047
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-226	-226
4.4 Net cash from / (used in) financing activities (item 3.10 above)	545	545

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,592</b>	<b>5,592</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	5,592	6,420
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,592</b>	<b>6,420</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

178

Directors Fees

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

199

Payment for employees, company management and administration services provided under the AGM management services agreement for geological services, secretarial services, bookkeeping, management and administration staff and office rental.

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	200
9.2 Development	500
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	500
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>1200</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

Date: .....31<sup>st</sup> October 2018.....

Print name: .....Sholom D Feldman.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.