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CANN GLOBAL
LIMITED

Annual Report 2019



Cann Global Limited
ABN 18 124 873 507
and Controlled Entities



**Hemp Seed Crops at
Waltanna Farms, Victoria**
Photographer: Eli Levy

Cann Global Limited
ABN 18 124 873 507
and Controlled Entities

Annual Financial Report

For the year ended 30 June 2019

EXECUTIVE CHAIRPERSON'S REPORT



‘Cann Global’s view is very positive for the Medicinal Cannabis and Industrial Hemp Seed industries and we are well placed to meet the demands for commodities that are needed globally well into the future.’

Dear Shareholder,

I am pleased to provide this Annual Report of Cann Global's performance in FY2019.

This year, Cann Global has undertaken a transformation and re-compliance of business activities which has strengthened and expanded our business footprint, sharpened our focus on consumer goods productivity, enhanced our Capital Infrastructure framework and delivered solid revenue during a 12 months restricted trading period.

It should be noted that although T12 operated the hemp food production and distribution division during most of the past year, its revenues are not included within this report as the formal acquisition of T12 only concluded following the current reporting period (July 2018 – June 2019) prior to the relisting in August 2019, so it is only consolidated into the Company's accounts from July 2019, and is not included in the current presented audited accounts of the Company Group for the previous year.

During the past year, we have taken steps to invest in the future of medicinal Cannabis (MC) and Hemp Seed Foods through a multi-million dollar investment in capital infrastructure, partnership acquisition, medicinal cannabis research and consumer goods product development.

During the 12 months re-compliance period your Board strengthened our portfolio by completing the 100% merger of Medical Cannabis Limited, (Medical Cannabis Division) and T12 Holdings Pty Ltd (Food Division), secured partnerships with Pharmocann Israel and Bio Health Pharmaceuticals (Pharmaceutical and Manufacturing) and completed a full service management agreement with Medcan Australia to manage and oversee our MC Pharmaceutical and Nutraceutical production.

As part of our expansion activities and in discussion with the ASX, and approval of our shareholders, we increased our Board to 5 members which now include Jonathan Cohen, David Austin, and John Easterling. Alex Neuling was engaged as Company Secretary, which allows Sholom Feldman to focus his time on the development and management of the Company.

We consider that tenure and skills, proficiency and attributes which are required to effectively govern and manage risk within CGB are now at the right balance to ensure that we have the correct mix between experience and fresh perspectives.

I am fully aware that the successful operation of any company is dependent upon having capable, dedicated and professional team members. At Cann Global, our people are the backbone of our company, and we have been very grateful for the dedication and tireless devotion by the team to complete the massive technical undertaking that was required to successfully complete the re-compliance process and have us relisted on the ASX on August 23.

With our new Food product range, International partnerships, Asian Food Distributorship deals and our upcoming release of our Pharmocann Nutraceuticals, we are very positive about the short-term market outlook.

I will provide a further update on Cann Global's progress and achieving key milestones at our Annual general meeting in Sydney, later this year.

We are confident that CGB and its management team has all the right assets and capability, and is well placed, globally, to continue to deliver and increase shareholder value and wealth.

The Board thanks you for your continued support of CGB.



Pnina Feldman
Executive Chairperson

CANN GLOBAL'S BUSINESS STRUCTURE



HEMP SEED FOODS DIVISION

MEDICAL CANNABIS RESEARCH



VITACANN
MEDICAL CANNABIS RESEARCH

Hemp Seed Food products and other health food products combined with Hemp seed



SEED BANK
25 unique local cultivars & genetics

TECHNION HAIFA
Auto-immune disease research headed by Professor David (Dedi) Meiri

PARTNERSHIPS

PHARMACEUTICAL DIVISION
Other products



LICENCES
All licences that Cann Global business plan requires

FACILITIES
GMP & TGA approved

PHARMACEUTICALS
'XR' Pills and other digestible pharmaceutical products

NUTRACEUTICALS
A range of cosmetic beauty & therapeutic skin formulas unique to Cann Global. Products for men & women

MINING & EXPLORATION

BAUXITE



Highlights

- 
- 9th October 2018** Cann Global's management partner, Medcan Australia, secures ODC Manufacture License
- 18th October 2018** Cann Global signed an MOU with a top Israeli Medicinal Cannabis company, Pharmocann
- 27th November 2018** Annual General Meeting
- 25th January 2019** Change of name to Cann Global (ASX: CGB)
- 8th February 2019** Strategic Alliance with TGA approved Manufacturer – Bio Health Pharmaceuticals
- 15th May 2019** Cann Global receives ASX Listing approval
- 11th June 2019** Cann Global issues 2019 Prospectus
- End of Year**
- 2nd July 2019** Cann Global's management partner, Medcan Australia, secures ODC Research License
- 2nd July 2019** Meeting of Shareholders - EGM
- 1st August 2019** Cann Global introduces new Board of Directors & Company Secretary
- 23rd August 2019** Reinstatement to Official Quotation (ASX: CGB)
- 26th August 2019** Pharmocann Partnership Operational Update
- 29th August 2019** Cann Global's T12 Food Division announces Costco supply order
- 5th September 2019** Cann Global's T12 Food Division signs exclusive Vietnam Distributorship



NJP-1200E

禁止开门运行
KEEP DOOR CLOSED WHEN RUNNING





T12







Food Division



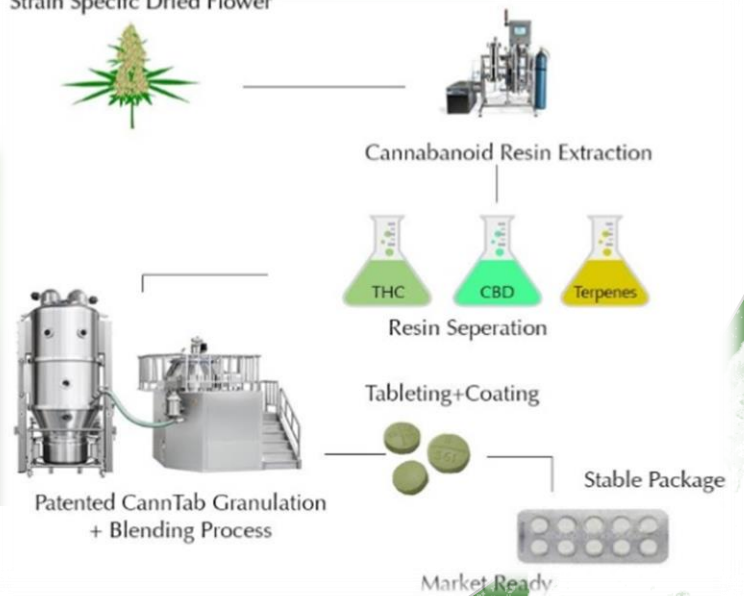






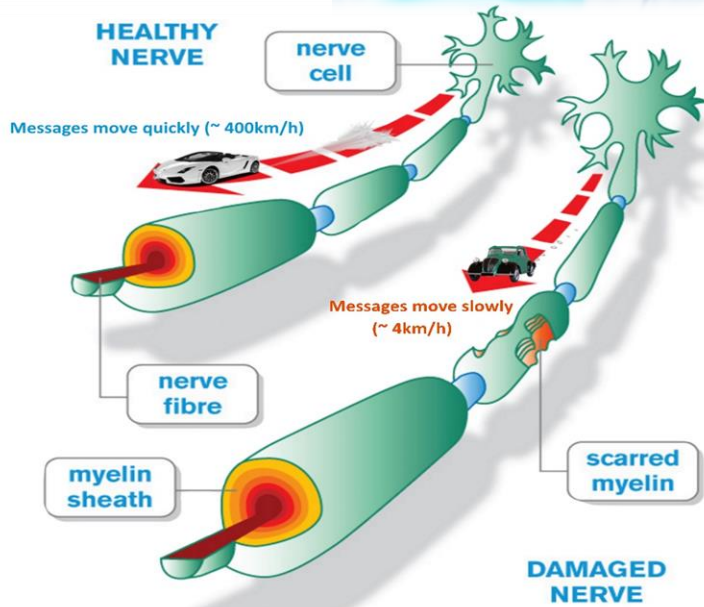


Strain Specific Dried Flower





**Medical Cannabis
Research Group** 



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Corporate Directory

Directors

Pnina Feldman
(Executive Chairperson)

Sholom Feldman
(Managing Director)

David Austin
(Non Executive Director)

John Easterling
(Non Executive Director)

Joanthan Cohen
(Non Executive Director)

Company Secretary

Alex Neuling

Registered Office

Level 21, 133 Castlereagh Street

SYDNEY NSW 2000

Telephone: (02) 8379 1832

Facsimile: (02) 9291 9099

Email: sfeldman@canngloballimited.com

Auditor

Nexia Sydney Partnership

Level 16

1 Market Street

Sydney NSW 2000

Telephone: (02) 9251 4600

Bankers

Bank of Western Australia
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: (08) 9323 2000

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd (ASX).

Website

www.canngloballimited.com

Australian Securities Exchange Code:

CGB

Schedule of Mineral Tenements as at 30 June 2019

Project Name		Status	Interest Held %	Expiry date
Eastern Australia Bauxite Projects				
South Johnstone	EPM18463	Granted	100%	25/05/2020
South Johnstone	MDL2004	Granted	100%	31/10/2019

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising Cann Global Limited ("the Company" or "CGB") and its subsidiaries, for the financial year ended 30 June 2019 and the independent auditor's report thereon.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and individual responsibilities

Pnina Feldman **Executive Chairperson**

Pnina Feldman was the first woman in Australia to publicly list a successful mining company (Diamond Rose NL – known at the time as "The float of the decade"). Executive Chairperson of publicly listed companies for over 20 years, she is a well-known entrepreneur and negotiator of deals in the mining industry. She has been involved in the exploration of gold, diamonds, gemstones, iron ore and bauxite amongst other minerals. Pnina Feldman was crucial to the change of Queensland Bauxite to Medicinal Cannabis and Hemp Seed food and to the development of that portion of the company. Mrs Feldman is known for her philanthropic work and was the first person to receive the "Wentworth Community Award", for dedication and service to the community, presented by the then Wentworth MP the Hon Malcolm Turnbull. She studied arts/law at Melbourne University followed by three years of study in Gateshead, England. She was founding principal at Kesser Torah girls' high school (formerly Yeshiva Girls High School) and founding principal of Yeshiva College Bondi.

Sholom Feldman **Managing Director**

Sholom Feldman has been Managing Director of Cann Global since he co-founded the Company in 2007. Sholom has extensive experience in general commercial management, has performed advisory and company secretarial work for both listed and unlisted companies and has managed both private and listed exploration companies. Sholom was general manager of the publicly listed Diamond Rose NL between 1999 and 2005 and is a director and manager of several private companies. He has been instrumental in negotiating, financing, developing and managing many exploration projects internationally including the purchase of the Guanaco Mine in Chile for Austral Gold Limited from the Canadian Kinross Gold Corporation, and subsequently the purchase of Kinross' Australian gold assets including the Norseman and Broads Dam Gold Project. Sholom studied at the International MBA program at Bar Ilan University in Israel and has also completed a Company Secretarial Practice and Meetings course with the Chartered Institute of Company Secretaries Australia.

Meyer Gutnick (Resigned 2nd July 2019) **Non-executive Director**

Mr. Gutnick has many years' experience in the investing and finance industry. He has built his reputation in building significant investor portfolios in the banking, insurance and real estate sectors in New York. He is also a seasoned investor in the public markets, including many years controlling investments in the mineral exploration industry including companies on the ASX and the public markets in North America. He is also a well-known philanthropist who has supported many charities internationally and has been instrumental in the establishment of a number of charities particularly focused on higher education and advanced learning.

David Austin
Non-executive Director

David Austin is a solicitor practising in Sydney.

He had spent many years in the corporate world in the computer, aerospace and heavy engineering industries, and worked for the Northern Territory Government in the 1980s when he was responsible for petroleum, energy, and pipeline policy. During a secondment, he reviewed the Northern Territory Mineral Royalty Act and devised a new mineral royalty regime which encouraged the development of a number of major mining projects.

Jonathan Cohen (appointed 2nd July 2019)
Non-executive Director

Jonathan Cohen is admitted to practise as a barrister in the State of New South Wales. He completed his Diploma of Law at Sydney University, Legal Practitioners Admission Board in 1998 and was admitted as a lawyer in the Supreme Court of New South Wales in 1999. He was admitted to the Bar in New South Wales in 2007 and has practised continuously as a barrister in the State of New South Wales. He has also worked in the ACT, Queensland, South Australia and Victoria. He has a broad practice and works amongst other things in the areas of criminal law and commercial law.

John Easterling (appointed 2nd July 2019)
Non-executive Director

John Easterling comes with a wealth of experience in developing therapeutical products from plants, which includes many years of experience in medical Cannabis cultivation and products. He is nicknamed "Amazon John" due to the many years he has worked with plants and gemstones from the Amazon. He married Olivia Newton-John in 2008 and shares her passion in supporting the continuing growth of the Olivia Newton-John Cancer Wellness and Research Centre in Melbourne.

John is a big advocate for legislation reform in Australia to allow wider access to medical Cannabis. He has met on numerous occasions with influential government officials on both sides of parliament, from the Prime Minister and members of the Coalition government to the Leader of the Opposition and shadow ministers, to promote the importance of access to medical Cannabis for patients in need of its benefits.

The Board of CGB believe that the addition of Mr Easterling and his experience, knowledge and contacts to the team, will add enormous value and assistance to CGB, to ensure that it continues to be the leading medical Cannabis and hemp company in Australia as the industry continues to open up to the massive local and global market opportunities.

Since 1976 John Easterling has been an explorer and treasure hunter in the Amazon Rainforest. It was there, after a personal health crisis, he was introduced to the traditional use of medicinal plants by the Indigenous People in Peru. Since then, his passion for plant medicine has only accelerated.

Easterling's original degree is in Environmental Studies. He founded the Amazon Herb Company in 1990 and serves on the board of the Amazon Center of Environmental Education and Research. Amazon John's 28 years of Plant Medicine experience have been profiled on TV and Radio including "Good Morning America" and "Fox and Friends". His product formulations have sold over \$100 million worldwide. John has been featured in two PBS documentaries, World News Report "Amazon John and Rainforest Medicines" and Jean Michel Cousteau's "Return to the Amazon."

His passion for Cannabis as a plant medicine began with his first cultivation in 1970. He currently maintains a personal research garden of multiple cannabis strains in California and is co-owner of a licensed medical cannabis farm, Crystal Pharm Organics, in Oregon. He has bred a dozen new genetics, and his focus now is formulating using a broad range of cannabinoid and terpene profiles for specific therapeutic benefits.

As a formulator and educator John has met with researchers and cultivators in many states in America as well as Canada, Israel and Australia and is convinced that cannabis and plant medicine can eliminate or alleviate most of the degenerative health issues people are facing. Easterling believes the dramatic growth and interest in cannabis is still

in its early stages, and Australia has a unique window of opportunity to become a global leader in this space.

Interests in the shares and options of the Company and related bodies corporate

The relevant interest of each Director in the shares or options over shares of the Company and any other related body corporate, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares
Pnina Feldman ^{(1), (2)}	193,597,812	-
Sholom Feldman ^{(1), (2)}	193,597,812	-
David Austin	-	-
Jonathan Cohen	-	-
John Easterling	-	-

- 1) Pnina Feldman and Sholom Feldman are each directors of L'Hayyim Pty Ltd which holds 4,222,812 shares in its capacity as trustee of the 770 Unit Trust.
- 2) Pnina Feldman and Sholom Feldman are each directors of Volcan Australia Corporation Pty Ltd which holds 189,375,000 shares.

Share options

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are 116,140,260. (2018: NIL)

Made up of:

Equity subscriptions	85,000,260
L1 Capital	31,140,000
Total	116,140,260

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

During or since the end of the financial year, the Group issued no ordinary shares of the Company, as a result of the exercise of options.

Earnings per share

	Cents
Basic earnings (loss) per share	(0.57)
Diluted earnings (loss) per share	(0.57)

Dividends

No dividends were paid or declared since the end of the previous financial year. The Directors do not recommend a payment of a dividend in respect of the current financial year.

Directors' meetings

The number of meetings of Directors held during the year (including meetings of committees of Directors) and the number of meetings attended by each Director were as follows:

	Board meetings	
	A	B
Prina Feldman	12	12
Sholom Feldman	12	12
Meyer Gutnick	12	12
David Austin	-	12

Notes

A = number of meetings attended

B = number of meetings held during the time the Director held office during the year or was a member of the board.

Principal activities

The principal activities of the Group during the year were legally developing, growing, cultivating and producing hemp and medicinal cannabis products, and mining exploration and evaluation in Australia.

There were significant changes in the nature of the Group's current metals and mining activities during the year. The Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and was granted admission to the Official List of ASX on 23 August 2019 in the Health Care sector.

Operating and financial review

Cann Global Ltd (ASX: CGB) ("CGB" or "the Company") presents the following report on activities for the year ending 30 June 2019.

FOOD DIVISION

Developments

As announced in August 2018, the Company entered into an agreement to purchase 100% of T12, which produces and distributes a number of leading brands in the hemp and health food industries. T12 took over the management of CGB's food production and distribution division from the time of entering into the agreement. As mentioned above, the acquisition was not formally concluded until prior to the relisting in August this year which is after the reporting period, and therefore T12 accounts have not been included in this report, as the consolidation of T12 only became formally included within the Group accounts following the end of this reporting period ending June 2019.

The following are the developments associated with the Company's food division as operated by T12 from the time of announcing the deal with CGB last year.

T12 - Wholesale & Distribution

In 2018/19, T12, in conjunction with HHC, undertook a major infrastructure upgrade at the Coolum Beach Dehulling facility in Queensland in order to ensure that its manufacturing and production reached the highest quality standards of Organic Food Certification required to export its organic foods range to Asia and for distribution in Australia. HHC was pleased to receive HACCP Certification and Certified Organic Certification.

T12 continues to introduce new lines and is strengthening its market reach, both in Australia and Asia. T12 will launch 7 new product lines in September and October 2019.

In August, Cann Global was pleased to announce that T12 received their first Australian Costco order. T12 will supply eight full pallets of VitaHemp soft-gel Hemp Seed capsules to Costco. This first order will be distributed across the Australian Costco Wholesale Network.

T12 recently announced that it had signed an exclusive distribution agreement with EPCO Foods VIETNAM to export an ongoing 20MT of Australian premium 'Australian Grown Naturals' and 'OMD Black Bag' Chia Seed directly to Southeast Asia. EPCO Foods have now received the necessary approvals from the Vietnamese government to allow it to import T12's premium Hemp Seed Food range. EPCO distribute food consumables to Vietnam, Laos, and Thailand.

Sebastian and Samuel Edwards, T12's Food Division managers have recently signed a large contract with Midland Seeds in Tasmania to source high grade hemp seeds for its seed and oil processing and extraction. This significant contract will ensure that the Company will be able to meet its Retail/Wholesale/Distributor supply contracts in Australia and across Southeast Asia through 2020/2021.

T12 - Retail

Online Shop

In 2017, Andrew Kavasilas founded Vitahemp Australia and introduced Australians to premium quality Australian Hemp Seed Foods. In 2019, T12, have continued in honouring Andrew's ethos to supply 'Nature's best' by expanding its natural foods range and this is now reflected in the recent upgrade of its T12 website and Social media presence to ensure that a full range of organic food products are now available to Australian consumers through T12's online network. The T12 Online food Network supplies all of T12's popular Australian and International brands Vitahemp, Australian Grown Naturals (AGN), OMD Black Bag, EM Foods, and Blanck & Co.

Retail Network

Sebastian and Samuel Edwards working with Cann Global's Corporate Food Division Head continue to build, service and supply speciality food stores and natural food shops across Australia. The Edwards are very proud of the relationship and reputation that T12 has carefully built with its Retail supply network since 2014, ensuring that T12's premium natural foods meet the high demands expected by the discerning Australian consumer.

Our Corporate team at Cann Global Food Division continue to focus on chain stores, pharmacy groups and distributors and independents.

T12 have high-quality products that resonate well with consumers. Cann Global's aim is to expand its range of quality foods by providing Australians with 'ease of access' to its products through a well-established network of distributors, speciality stores and retailers throughout Australia and directly through its online webstore network.

MEDICAL CANNABIS DIVISION

Formalised Agreement with Bio Health Pharmaceuticals

Cann Global signed a formal agreement with Bio Health Pharmaceuticals in March. The new alliance, and now formalised agreement with Bio Health Pharmaceuticals, a TGA and GMP approved pharmaceutical and complementary medicines manufacturing company, is intended to significantly move forward our production timetable. This required the company to request, from the ASX, a further extension of our re-compliance, to approach our shareholders with a further delay in returning to market, and to renegotiate a variation of agreement with Medcan Australia.

Cann Global responds to the legislative changes in Israel

With the recent changes in the legislative environment in Israel towards medical Cannabis and in order to take full advantage of the new export opportunities opening in that country, it was necessary to vary the agreement with the Board of Medcan and to sign the strategic agreement with Bio Health. A further benefit was identified in discussions with the Bio Health management team, when we discovered that Bio Health has the infrastructure in place to produce and manufacture our Pharmocann range of products and our CannTab 'XR' extended-relief Cannabis pill formulations out of the same facility.

Bio Health has experienced and dedicated professionals who are fully trained and certified to manufacture GMP standard pharmaceutical products and have approved data/security management protocols in place required to facilitate specialised pharmaceutical preparations and manufacturing procedures. The company also has an independent, full time, 3rd party monitor who is on site to ensure compliance in manufacturing and preparation of pharmaceutical products.

Canntab XR Extended Release Tablets

VitaCann and CannTab will work towards having Canntab's tablets formally approved for sale in Australia and to export to Asia. Pursuant to recent and evolving legislation in Australia, the Canntab product should qualify for approval, as it should meet all the standard medical requirements that would be expected by the medical industry.

The Canntab – VitaCann JV has intellectual property licensed by Canntab, with access now to MCL's Australian Cannabis strains, and six filed patents protecting the Extended-Release Tablets™ (XR).

Patents for different formulations targeted at specific ailments have already been filed with the Canadian Patent Office.

Canntab's proprietary extended-release tablets make it easier for doctors and patients to manage dosage. They're easier to take, eliminate social stigma, and do not have the adverse side effects of smoking Cannabis.

Canntab XR Tablets have been designed to pharmaceutical standards to offer both uniform dosages in

every tablet, and effective relief released over time. Unlike other delivery mechanisms, our extended-release formulation is designed to offer consistent and stable relief over many hours. For the first time doctors and patients don't have to worry about the inconsistencies of medicinal ingredient delivery that come with smoking or edibles.

Our range of extended-release tablets is intended to treat ailments such as sleep disorders, pain, PTSD, social anxiety, and arthritis, as well as being a potential treatment for the pain management and appetite loss associated with cancer treatments. Clinical trials are intended to take place in parallel with the importing and sale of the product in Australia under the special access scheme.

It is anticipated that the Canntab product will finally receive export and sale approval from the Canadian Government later this year, and we expect to be able to begin supplying the Canntab product in Australia in the first quarter of 2020.

MEDICAL CANNABIS RESEARCH DIVISION

Auto-Immune Disease Research

Medical Cannabis Research Group (MCRG) plans to take advantage of the underlying barrier of using a lawful source of cannabinoids (as described by UN Drug Treaties) for scientific research and medical uses.

By partnering with advanced researchers, MCRG will be in a better position to address technological barriers. The opportunities which now arise for MCRG due to the Australian government's new laws and opportune regulations will enable us the ability to explore and exploit various avenues of commercialisation.

Medical Cannabis Research Group entered into a sponsored research agreement with the Technion Research and Development Foundation Ltd (TRDF or Technion). The research is led by Professor David (Dedi) Meri from the faculty of Biology.

We are approaching this project in the spirit in which the Australian government has introduced new laws in relation to medical Cannabis research and drug development. Medical Cannabis research and the potential range of products that can be produced from cannabinoids leads us to believe there will be numerous opportunities for commercialisation.

Given the ample number of opportunities that are emerging and now available to a company like MCRG, returns are expected to be significant in the mid-to long-term. Most medical Cannabis products produced in Australia will be first to market and a substantial market share is anticipated.

In this work, we aim to elucidate the immunoregulatory properties of phytocannabinoids and terpenes in MS, as well as further investigate Cannabis's mechanisms of action in these areas.

This research not only has the ability to advance the identification of new drug candidates but also advance our abilities to optimise Cannabis treatment options and efforts toward the creation of personalised medicine for MS patients.

The objective of this study is to match effective Cannabis extracts and specific cannabinoid compositions that regulate/modulate immune function, specifically, autoimmunity in multiple sclerosis (MS) in order to optimise treatments for MS patients.

The basic premise of this research is that MS and other autoimmune conditions respond favourably to low doses of certain specific cannabinoids. Our goal is to identify the effects of different cannabinoids and terpenes both individually and in combination on the function of immune cells, specifically on MS-derived autoimmune and regulatory cells. This will enable us the ability to detect the most effective Cannabis extract(s) and cannabinoid profiles for regulating immunopathology in MS.

To date, our research has returned phenomenal results in the lab in vitro, and in mice trials, with specific combinations of certain cannabinoids successfully stopping the progression of the disease in these trials. Tests on human patients are being currently planned, and the Company is hopeful that a product will be achieved even in the short term that will help millions worldwide.

MINING DIVISION

As at 30th June 2019, the Company held the following tenements:

Project Name		Interest Held %	
Eastern Australia Bauxite Projects			
South Johnstone QLD	EPM18463	Granted	100%
South Johnstone	MDL2004	Granted	100%

Competent Person Statement

The information in this announcement that relates to exploration results, Exploration Targets or Mineral Resources is based on, and fairly represents, information compiled by Dr Robert Coenraads. Dr Robert Coenraads is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Coenraads contracts services to Cann Global Limited. Dr Coenraads has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Coenraads has given his consent to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Material Risks

For a discussion of material risks which could impact on the Company's ability to deliver its strategy set out in the above Review of Operations, refer to pages 114-126 of the Prospectus dated 6 June 2019.

For further information please visit the company's website at www.canngloballimited.com or contact:

Sholom Feldman

Managing Director

E: sfeldman@canngloballimited.com

About Cann Global

Cann Global Limited is a driving force in the medical Cannabis and nutritional hemp industries. Our strength comes from our team's core competencies and expertise and our solid and strategic partnerships with experts in Australia, Israel and Canada. We believe in building a stronger industry together. We are working under the provision of legislations to ensure that the future in Medical Cannabis and Natural Foods will allow medical practitioners, patients and consumers to gain access to the right information, as well as the safest, highest quality, most effective and sustainable products. Part of our work is to keep researching and educating. We are part of a worldwide movement, the return to Nature. This movement is more than just a phenomenon, it is a necessity. At Cann Global Limited, we are committed to leading a movement, not just a business.

Operating results

The operating loss after tax for the year ended 30 June 2019 for the Group was \$9,234,372 (2018: loss \$5,001,453).

Environmental regulation

The Group is subject to and compliant with all aspects of environmental regulation in relation to its activities. The Directors are not aware of any environmental law that is not being complied with.

Significant changes in the state of affairs

During the period, there were no changes in the state of affairs of the Group other than those referred to elsewhere in this report, or the financial statements or notes thereto.

Events subsequent to balance date

Acquisition of Hemp Hulling Co (QLD) Pty Ltd – additional 30% interest

Effective 1 July 2019 Medical Cannabis Ltd, acquired an additional 30% of the ordinary shares of Hemp Hulling Co (QLD) Pty Ltd (HHC), to bring its interest to 55%, to continue to develop its operations in the medicinal cannabis and hemp food industry.

Acquisition of T12 Pty Ltd – 100% interest

Effective 1 July 2019 Cann Global Limited, acquired 100% of the ordinary shares of T12 Pty Ltd to continue to develop its operations in the medicinal cannabis and hemp food industry.

Share capital raising

On 19 July 2019, the capital raising outlined in the Replacement Prospectus dated 7 June 2019 was finalised, with the issue of 170,000,000 shares at \$0.035, being total capital raised of \$5,950,000.

Seed capital loans

On 19 July 2019, seed capital loans of \$2,134,102 were settled by the issue of 76,217,978 ordinary shares.

Convertible securities – L1 Capital

Since balance date, 1,250,000 convertible securities with a face value of \$1,500,000 have been converted to ordinary shares.

Other than the matters listed above, there has not arisen in the interval between the end of the financial year and the date of this report any further item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Likely developments

Further information about likely developments in the operations of the Group in future years, the expected results of those operations, the strategies of the Group and its prospects for future financial years has not been included in this report, because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Indemnification and insurance of officers

Indemnification

The Company has agreed to indemnify the following current Directors of the Company, Mrs Pnina Feldman, Mr Sholom Feldman, Mr Meyer Gutnick (resigned 2 July 2019), Mr David Austin, Mr Jonathan Cohen and Mr John Easterling against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. This agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Non-audit services

The Company's auditor, Nexia Sydney Partnership was appointed auditor of the Company in January 2008.

Details of the amounts paid to the auditor of the Company, Nexia Sydney Partnership, and its related practices for audit and non-audit services provided during the year are set out below:

Statutory audit

- audit of financial report	83,169
- half-year review of financial report	44,833
- audit of newly acquired subsidiaries	15,600

Services other than statutory audit

- corporate advisory services	33,278
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Remuneration Report – Audited

Remuneration policies

The Board has adopted a framework for corporate governance, including policies dealing with Board and Executive remuneration. Policies adopted by the Board reflect the relative stage of development of the Company, having regard for the size and structure of the organisation.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives. The remuneration packages of Executive Directors provide for a fixed level of remuneration. Other than as noted below Executive remuneration packages do not have guaranteed equity-based components or performance-based components.

Fixed remuneration

Fixed remuneration consists of base remuneration (salary or consulting fees) including any FBT charges as well as employer contributions to superannuation funds, where applicable.

Remuneration levels are reviewed annually by the Board of Directors.

Performance linked remuneration

During the previous financial period, the Board of Directors completed a review of compensation and benefit structures.

Long-term incentives are provided as options over ordinary shares of the Company. There has been no issue of shares or options to Executive Directors as a form of remuneration in the current year.

Consequences of performance on shareholders wealth

In view of the relatively early stage of development of the Company's business and remuneration policies, there is insufficient information to provide a meaningful quantitative analysis of the relationship between remuneration and Company performance.

Service agreements

The Company and Australian Gemstone Mining Pty Limited (**AGMPL**) are parties to a management services agreement (**Management Services Agreement**) dated 1 July 2007, and the Variation Deed signed 1 July 2017, for the provision by AGMPL of executive and corporate services, including geological and technical expertise, to the Company by the following executives:

- Pnina Feldman – Executive Director, Business Development;
- Dr Robert Coenraads – Principal Geologist, Exploration and Mining; and
- Sholom Feldman – Managing Director.

In respect of each of these executives (**Key Persons**), AGMPL was paid a retainer for the period ended 30 June 2019. The Company was also reimbursed for all reasonable expenses incurred by or on behalf of the Key Persons.

- AGMPL is a company owned and controlled by Pnina Feldman.

Each of Pnina Feldman, Dr Coenraads and Sholom Feldman has entered into an executive services agreement with AGMPL. Each of these executive services agreements contains standard provisions dealing with employment obligations and standard covenants dealing with general duties and the protection of AGMPL's interests and mirrors the Management Services Agreement in respect of termination provisions.

AGMPL also provides suitable fully serviced offices to the Company at its Bellevue Hill office at 24 Birriga Road, which includes use of office space, the board room, kitchen, daily cleaning, and essential office infrastructure, including telephones, fax, printer, broadband internet connections and suitable office furniture.

AGMPL also provides additional administrative services to the Company, such as secretarial, accounting and office management services. These services are provided to the Company by AGMPL on reasonable arm's length terms as approved by the independent director(s).

AGMPL Services	Consolidated Entity	
	2019	2018
	\$	\$
Rent	175,317	168,000
Management and secretarial	180,000	180,000
Geological fees	360,000	360,000
Executive and corporate services	624,000	624,000
Reimbursement of expenses	17,490	34,577
Administration fees	330,000	240,000
Marketing services	120,000	120,000
Total	1,806,807	1,726,577

Non-Executive Directors

Non-Executive directors are paid up to \$70,000 per annum directors fees.

Director and Executive disclosures

Details of Directors and Company Executives (including Key Management Personnel)

Other than the Executive Directors, no other person is concerned in, or takes part in, the management of the Company or has authority and responsibility for planning, directing and controlling the activities of the entity. As such, during the financial year, the Company did not have any person, other than Directors, that would meet the definition of "Key Management Personnel" for the purposes of AASB124 or "Company Executive or Relevant Group Executive" for the purposes of section 300A of the Corporations Act 2001 (**Act**). Remuneration details of the Company Secretary are disclosed as section 300A(1B)(a) of the Act defines a "Company Executive" to specifically include a secretary of the entity.

Directors and Key Management Personnel

Pnina Feldman	Executive Chairperson
Sholom Feldman	Managing Director
Meyer Gutnick	Non-Executive Director – Resigned on 2 July 2019
John Easterling	Non-Executive Director – Appointed on 2 July 2019
Jonathan Cohen	Non-Executive Director – Appointed on 2 July 2019
David Austin	Non-Executive Director

Directors' report |

Specified Directors	Salary & fees \$	Short term		Post employment	Termination Benefits \$	Share based payments	Share based payments	Other	Total \$	Proportion of remuneration Related %	Value of options as a proportion of remuneration %
		Cash bonus \$	Non-monetary benefits \$	Super-annuation \$		Options \$	Bonuses \$				
Pnina Feldman											
2019	312,000	-	-	-	-	-	-	-	312,000	-	-
2018	312,000	-	-	-	-	-	-	-	312,000	-	-
Sholom Feldman											
2019	312,000	-	-	-	-	-	-	-	312,000	-	-
2018	312,000	-	-	-	-	-	-	-	312,000	-	-
Meyer Gutnick											
2019	70,000	-	-	-	-	-	-	-	70,000	-	-
2018	70,000	-	-	-	-	-	-	-	70,000	-	-
David Austin											
2019	20,000	-	-	-	-	-	-	-	20,000	-	-
2018	20,000	-	-	-	-	-	-	-	20,000	-	-
Total Compensation: Directors including Key Management Personnel (Company and Group)											
2019	714,000	-	-	-	-	-	-	-	714,000	-	-
2018	714,000	-	-	-	-	-	-	-	714,000	-	-
Total Compensation: Executive Officers (Company and Group)											
2019	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-

Options and rights over equity instruments granted as compensation

Details of options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details of options that were vested during the reporting period are as follows. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at the exercise price shown below.

2019 Directors	Vested Number	Granted Number	Grant Date	Value per Option at Grant Date \$	Exercise Price per Share \$	First Exercise Date	Last Exercise Date
Pnina Feldman	-	-	-	-	-	-	-
Sholom Feldman	-	-	-	-	-	-	-
Meyer Gutnick	-	-	-	-	-	-	-
David Austin	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

2018 Directors	Vested Number	Granted Number	Grant Date	Value per Option at Grant Date \$	Exercise Price per Share \$	First Exercise Date	Last Exercise Date
Pnina Feldman	-	-	-	-	-	-	-
Sholom Feldman	-	-	-	-	-	-	-
Meyer Gutnick	-	-	-	-	-	-	-
David Austin	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

No options have been granted since the end of the financial year.

Movements in shares

The movement during the reporting period in the number of ordinary shares in CGB held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2019

	Held at 1 July 2018	Acquired	Disposed	Held at 30 June 2019
Directors	-	-	-	-
Pnina Feldman (1)(2)	193,597,812	-	-	193,597,812
Sholom Feldman (1)(2)	193,597,812	-	-	193,597,812
Meyer Gutnick	5,000,000			1,748,304
David Austin	-	-	-	-

2018

	Held at 1 July 2017	Acquired	Disposed	Held at 30 June 2018
Directors	-	-	-	-
Pnina Feldman (1)(2)	193,597,812	-	-	193,597,812
Sholom Feldman (1)(2)	193,597,812	-	-	193,597,812
Meyer Gutnick	5,000,000			5,000,000
David Austin	-	-	-	-

(1) Pnina Feldman and Sholom Feldman are each directors of L'Hayyim Pty Ltd which currently holds 4,222,812 Shares in its capacity as trustee of the 770 Unit Trust; and

(2) Pnina Feldman and Sholom Feldman are each directors of Volcan Australia Corporation Pty Ltd which currently holds 189,375,000 shares.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Exercise of options granted as compensation

During the period, there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

Analysis of share-based payments granted as compensation

2019

No shares were issued to non-executive Directors in lieu of Directors fees.

2018

No shares were issued to non-executive Directors in lieu of Directors fees.

End of audited Remuneration Report.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 20 and forms part of the directors' report for the year ended 30 June 2019.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read 'Pnina Feldman', written in a cursive style.

Pnina Feldman, Chairperson
Dated this 27th September 2019

The Board of Directors
Cann Global Limited
Level 21
133 Castlereagh Street
SYDNEY NSW 2000

To the Board of Directors of Cann Global Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Cann Global Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Sydney Partnership



Stephen Fisher
Partner

Sydney
27 September 2019

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Financial Statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue from sale of goods		480,647	144,773
Licence fee revenue		-	3,577,308
Operating revenue		480,647	3,722,081
Administrative and corporate expenses		(1,708,525)	(1,270,888)
Advertising and marketing		(226,421)	(212,324)
Cost of goods sold		(562,218)	(202,851)
Depreciation and amortisation	19	(22,529)	(10,226)
Amortisation	20	(39,550)	(23,000)
Foreign currency exchange (loss)/gain realised		(24,810)	104,091
Loss on equity settled liabilities		-	(1,835,920)
Legal expenses		(713,533)	(172,281)
Directors fees CGB		(714,000)	(714,000)
Directors fees MCL		(120,000)	(120,000)
Occupancy expenses		(267,871)	(187,844)
Exploration written off		(13,683)	(13,579)
Impairment of exploration assets	18	-	(1,678,687)
Impairment of other receivables	14	(485,036)	-
Financial assets at FVTPL – net change in value	21	(2,902,853)	(674,455)
Research costs		(407,878)	(500,282)
Share of loss in equity-accounted investees – net of tax	22	(75,313)	(11,715)
Travelling expenses		(252,781)	(325,814)
Other expenses		(132,105)	(63,070)
Share based payments expense		(257,583)	(223,500)
Total expenses		(8,926,689)	(8,136,345)
Finance income	8	123,285	152,685
Finance costs	8	(911,615)	(447,208)
Net finance costs		(788,330)	(294,523)
Loss before income tax		(9,234,372)	(4,708,787)
Income tax expense	9	-	(292,666)
Loss after tax from continuing operations		(9,234,372)	(5,001,453)
Other comprehensive income, net of tax		-	-
Total comprehensive loss	27	(9,234,372)	(5,001,453)
Loss attributable to members of Cann Global Limited		(6,434,935)	(5,440,129)

(Loss)/profit attributable to non-controlling interest		(2,799,437)	438,676
Total comprehensive loss attributable to members of Cann Global Limited		(6,434,935)	(5,440,129)
Total comprehensive (loss)/income attributable to non-controlling interest	28	(2,799,437)	438,676
Basic loss per share (cents per share)		(0.57)	(0.32)
Diluted loss per share (cents per share)		(0.57)	(0.32)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	13	5,183,769	6,409,317
Trade and other receivables	14	1,039,570	579,247
Inventories	15	168,864	563,995
TOTAL CURRENT ASSETS		6,392,203	7,552,559
NON-CURRENT ASSETS			
Exploration and evaluation	18	2,238,019	1,863,760
Property, plant and equipment	19	73,404	95,933
Intangible assets	20	1,919,311	1,933,261
Investments	21	-	2,902,853
Equity-accounted investees	22	210,974	286,287
TOTAL NON-CURRENT ASSETS		4,441,708	7,082,094
TOTAL ASSETS		10,833,911	14,634,653
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	23	1,249,247	586,741
Current tax liability		292,666	292,666
Other financial liabilities	24	6,405,001	2,205,857
TOTAL CURRENT LIABILITIES		7,946,914	3,085,264
TOTAL LIABILITIES		7,946,914	3,085,264
NET ASSETS		2,886,997	11,549,389
EQUITY			
Share capital	25	29,600,842	29,600,842
Share based payments reserve	26	5,253,372	4,701,599
Accumulated losses	27	(29,858,406)	(23,617,200)
TOTAL		4,995,808	10,685,241
Non-controlling interest	28	(2,108,811)	864,148
TOTAL EQUITY		2,886,997	11,549,389

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2019

	Note	Share Capital Ordinary \$	Accumulated Losses \$	Share Based Payments Reserve \$	Non-controlling Interest \$	Total \$
Balance at 30 June 2017		25,287,433	(18,622,071)	4,728,549	(197,396)	11,196,515
Loss attributable to members of consolidated entity	27	-	(5,440,129)	-	438,676	(5,001,453)
Share based payments	26	-	-	282,330	-	282,330
Share based payment related to options issued in respect of the issue of convertible securities	26	-	-	135,720	-	135,720
Transfer from share based payment reserve to accumulated losses	27	-	445,000	(445,000)	-	-
Shares issued during the year	25	4,313,409	-	-	622,868	4,936,277
Balance at 30 June 2018		29,600,842	(23,617,200)	4,701,599	864,148	11,549,389
Loss attributable to members of consolidated entity	27	-	(6,434,935)	-	(2,799,437)	(9,234,372)
Share based payments	26	-	-	257,583	-	257,583
Share based payment related to options issued in respect of the issue of convertible securities	26	-	-	314,397	-	314,397
Transfer from share based payment reserve to accumulated losses	26	-	20,207	(20,207)	-	-
Transfer from accumulated losses to non-controlling interest	27	-	173,522	-	(173,522)	-
Balance at 30 June 2019		29,600,842	(29,858,406)	5,253,372	(2,108,811)	2,886,997

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		291,777	84,638
Payments to suppliers and employees		(4,284,646)	(4,444,302)
Interest received		123,285	152,685
Interest paid		(1,505)	-
Net cash used in operating activities	31	(3,871,089)	(4,206,979)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in equity-accounted entity		-	(298,000)
Payment for plant and equipment		-	(63,871)
Payment for intangibles		(25,600)	-
Payment for exploration asset		(374,256)	(417,555)
Net cash used in investing activities		(399,856)	(779,426)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan provided (to)/by related entity – Australian Gemstone Mining Pty Ltd		(28,123)	12,106
Loan provided to other entity – Medcan Australia Trust Pty Ltd		(405,342)	(73,560)
Loan provided to associated entity – Hemp Hulling Co. (QLD) Pty Ltd		(34,452)	(77,168)
Loan provided to other entities		(92,233)	-
Loan provided to related entity – Plateau Bauxite Limited		(6,134)	-
Loan provided by related party - MCL Director		219,499	-
Loan provided by related party – Director		115,037	-
Loan provided by other entity		150,000	-
Proceeds from convertible securities		1,100,000	600,000
Proceeds from share capital		-	766,018
Proceeds from share capital – non controlling interest	28	-	622,868
Proceeds from seed capital loans		2,027,145	1,005,000
Net cash from financing activities		3,045,397	2,855,264
Net decrease in cash held		(1,225,548)	(2,131,141)
Cash at beginning of financial year		6,409,317	8,540,458
Cash at end of financial year	12	5,183,769	6,409,317

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2019

Note 1: Reporting entity

Cann Global Limited (the 'Company') is a company domiciled in Australia. The address of the company's registered office is level 21, 133 Castlereagh Street, Sydney, NSW 2000. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The Group is a for-profit entity and is primarily involved in the legal growing and cultivation of hemp and medicinal cannabis products and the exploration for mineral deposits in Australia.

Note 2: Basis of preparation

a Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards ('IFRSs') adopted by the International Accounting Standards Board ('IASB').

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the Group.

The consolidated financial statements were authorised for issue by the Board of Directors on 27 September 2019. The Board of Directors have the power to amend and reissue the financial statements.

b Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

i Investments

The methods used to measure fair values are discussed further in note 6.

ii Other non-derivative financial liabilities

The methods used to measure fair values are discussed further in note 6.

c Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the Group.

d Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

e Key estimates and judgements

Impairment

The Group assesses impairment at the end of each reporting year by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using the higher of fair value less costs to sell and value-in-use calculations, which incorporate various key assumptions.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. (Refer Note 5a).

Note 3: New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no material impact of adoption on opening retained profits as at 1 July 2018.

Revenue recognition

The consolidated entity recognises revenue as follows

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 4: New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 and its impact on adoption is expected to result in no change to total assets or total liabilities.

Note 5: Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

a Basis of consolidation**i Business combinations**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises as identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred (b) the recognised amount of any non-controlling interest in the acquiree; and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition date fair values of identifiable net assets.

ii Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has a right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

iii Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

iv Interests in equity-accounted investees

The Group's interest in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

v Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b Foreign currency

i Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency exchange are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign-currency differences are generally recognised in profit or loss.

ii Foreign operations

The asset and liabilities of foreign operations are translated in \$A at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into \$A at the exchange rates at the dates of the transactions.

c Financial instruments

i Non-derivative financial assets

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

ii Non-derivative financial liabilities

The Group initially recognizes debt securities issued on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies the non-derivative financial liabilities into trade and other payables and other financial liabilities categories. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost.

Other financial liabilities comprise trade and other payables, loans and convertible securities.

d Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

e Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

iii Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit and loss over the estimated useful lives of each component. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

. mining equipment	10 years
. plant and equipment	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

f Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy 5i). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are finalised, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

g Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Refer note 5a for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 5i for a description of impairment procedures.

h Other intangible assets

Acquired intangible assets

Seedbank and plant genetics acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values (refer Note 5a).

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 5i.

Amortisation of seedbank and plant genetics and the intellectual property (website) is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in the profit and loss.

The following useful lives are applied:

- Seedbank and plant genetics 10 years
- Intellectual property – website 2 years

i Impairment

i Non-derivative financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

ii Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

j Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in first out principle. In the case of manufactured inventories, cost includes an appropriate share production overhead based on normal operating capacity.

k Revenue

Revenue is recognized at the fair value of consideration received or receivable. Revenue is recognised at the point in time that sales or service performance has been completed.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

License fee revenue

License fee revenue is recognised when the right to receive payment is established.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

l Research and development

Expenditure on research activities is recognised in profit and loss as incurred.

m Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense and other costs of borrowings. All finance costs are recognised in profit or loss using the effective interest method.

n Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

o Income tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Cann Global Limited.

p Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

q Share-based payments

Equity-settled share-based payments are provided to certain vendors and suppliers in exchange for the acquisition of businesses or rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date of the businesses acquired or services received if reasonably measurable. Otherwise, fair value is measured at the quoted market price of the Company's ordinary shares on grant date, adjusted where applicable to take into account the terms and conditions upon which the shares were granted.

r Going concern basis of accounting

Notwithstanding the loss for the year of \$9,234,372, negative cash flows from operations of \$3,871,089 and historical financial performance, and net current liabilities of \$1,554,711, the financial report has been prepared on a going concern basis. This assessment is based on a cash at bank balance at balance date of \$5,183,769, additional cash of \$5,950,000 from a capital raising subsequent to year-end, conversion to shares of convertible securities and seed capital loans of \$3,634,102 also subsequent to year-end, and the directors' understanding of expected net cash outflows in the coming financial year.

Note 6: Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investments

Investments are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the market value of the ASX publicly listed share price.

Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of convertible notes, the market rate of interest is determined with reference to similar liabilities that do not have a conversion option.

Note 7: Financial risk management

Overview

The Company and Group have exposure to the following risks from their use of financial instruments:

liquidity risk; and

market risk.

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and Group's activities. The Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

Market risk

Market risk is the risk that changes in market prices will affect the Group, for example changes in interest rates, and changes in share price for investments at FVTPL.

Note 8: Finance costs

	2019 \$	2018 \$
Interest income on cash at bank	123,285	152,685
Finance income	123,285	152,685
Financial liabilities measured at amortised cost – interest expense	(911,615)	(388,378)
Equity settled (share based payment expense – note 26)	-	(58,830)
Finance costs	(911,615)	(447,208)
Net finance costs	(788,330)	(294,523)

Note 9: Income tax

	2019 \$	2018 \$
Major components of income tax expense		
a. Income tax benefit		
Loss before income tax	(9,234,372)	(4,708,787)
Prima facie tax benefit on the loss from ordinary activities before income tax at 27.5% (2018: 27.5%) differs from the income tax provided in the financial statements as follows:	(2,539,452)	(1,294,916)
Tax benefit at 27.5%		
Add/(Less) tax effect		
- Non-assessable income	-	(56,382)
- Non-deductible expenses	1,543,587	1,324,284
- Exploration expenditure capitalised	(102,921)	(107,402)
- Tax loss recouped	-	(154,552)
- Deferred tax asset not brought to account	1,098,786	581,634
Income tax expense attributable to operating loss	-	292,666
b. Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following item:		
Add/(Less) tax effect		
- Tax losses – income at 27.5%	5,664,856	4,566,070
- Tax losses – capital at 27.5%	135,076	135,076

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Note 10: Key management personnel disclosures

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key management person	Position
Pnina Feldman	Executive Chairperson
Sholom Feldman	Managing Director
Meyer Gutnick	Non-Executive Director
David Austin	Non-Executive Director

The key management personnel remuneration has been included in the remuneration report section of the directors' report.

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2019	2018
	\$	\$
Short-term employee benefits	714,000	714,000
Post-employment benefits	-	-
Long-term benefits	-	-
Share-based payments	-	-
	<u>714,000</u>	<u>714,000</u>

Short term employee benefits

These amounts include fees and benefits paid to non-executive directors as well as salary, paid leave benefits, fringe benefits and cash bonuses awarded to the executive Chairperson, executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's costs of providing for superannuation contributions under the Australian Government's superannuation guarantee scheme.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share based payment expense

These amounts represent the expense related to the participation of specified executives in equity-settled benefit schemes as measured by the fair value of the shares granted on grant date.

Note 11: Auditors' remuneration

	2019	2018
	\$	\$
Remuneration of the auditor (Nexia Sydney Partnership) of the parent entity for:		
An audit or review of the financial report of the Company		
- Current year	83,169	63,641
- Audit of the newly acquired subsidiaries	15,600	23,600
- Half-year	44,833	46,607
Other services		
- Corporate advisory services	33,278	50,000

Note 12: Earnings per share

	2019	2018
Basic Earnings per Share		
a. Basic loss per share (cents)	(0.57)	(0.32)
Loss attributable to ordinary shareholders (\$)	(9,234,372)	(5,001,453)
Earnings used to calculate basic EPS (\$)	(9,234,372)	(5,001,453)
b. Issued ordinary shares at 1 July		
	1,606,852,092	1,408,097,244
Effect of shares issued during the year	4,830,593	134,815,892
Weighted average number of ordinary shares at 30 June	1,611,682,685	1,542,913,136
Diluted Earnings per Share		
a. Diluted loss per share (cents)	(0.57)	(0.32)
Loss attributable to ordinary shareholders (\$)	(9,234,372)	(5,001,453)
Earnings used to calculate diluted EPS (\$)	(9,234,372)	(5,001,453)
b. Weighted average number of ordinary shares (basic)		
	1,611,682,685	1,542,913,136
Weighted average number of ordinary shares (diluted) at 30 June	1,611,682,685	1,542,913,136

As at 30 June 2019, NIL options (2018: 2,846,046) and 50,000,000 performance shares (2018: 50,000,000) were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year.

Note 13: Cash and cash equivalents

	2019 \$	2018 \$
CURRENT		
Cash on hand	100	100
Cash at bank	5,183,669	6,409,217
Cash and cash equivalents in the statement of cash flows	5,183,769	6,409,317

Note 14: Trade and other receivables

	2019 \$	2018 \$
CURRENT		
Trade receivables	7,254	100,782
Other receivables	354,833	309,870
Loans to related parties – refer to note 33	151,274	88,699
Loan to other parties (i)	422,696	73,560
Prepayments	103,513	6,336
	<u>1,039,570</u>	<u>579,247</u>

(i) – included in Loan to other parties is an amount due from T12 Pty Ltd of \$421,134. T12 Pty Ltd was acquired with an effective date of 1 July 2019, refer Note 39.

(ii) - A loan provided to Medcan Australia Trust Pty Ltd of \$478,902 was impaired, as well a loan to a related party (Plateau Bauxite Limited) of \$6,134. Total impairment of receivables for the year ended 30 June 2019 was \$485,036 (2018: \$Nil).

Note 15: Inventories

	2019 \$	2018 \$
CURRENT		
Seeds and crops in progress – at cost	75,659	106,532
Finished goods – at cost	93,205	457,463
	<u>168,864</u>	<u>563,995</u>

Note 16: Other receivables

	2019 \$	2018 \$
NON CURRENT		
Loan to Volcan Australia Corporation Pty Ltd - Unsecured [#]	1,200,000	1,200,000
Less impairment of loan	(1,200,000)	(1,200,000)
Loan to Volcan Australia Corporation Pty Ltd – Unsecured	79,258	79,258
Less impairment of loan	(79,258)	(79,258)

The loan to Volcan Australia Corporation Pty Ltd (VAC) was not a cash loan from CGB to VAC, but the amount that was to be paid by VAC in consideration for the transfer to Volcan Australia Corporation Pty Ltd of a sapphire mining project ML1492 from the company pursuant to the transactions completed on 14th December 2010 as approved at the time by shareholders at an EGM. VAC was to have invested in the development of that asset and monetised that asset within that time period, and pay CGB the above amount. This amount was unsecured, due for payment in cash on 14th December 2012 from the proceeds of the mine, and there was no interest payable on the amount due. Following the transactions in 2010, although VAC did invest in the asset as contemplated, the markets for sapphires worsened and VAC was not able to monetise the asset prior to 14th December 2012. The directors have agreed that it is in CGB's interest to allow VAC further time to endeavour to monetise the asset to make the agreed payment from that asset. As the timing of this payment is at present uncertain, it is considered prudent for this amount to be impaired in the accounts until the payment is able to be made.

Note 17: Controlled entities

	Country of incorporation	Percentage owned (%)	
		2019	2018
Controlled entities consolidated			
Parent entity:			
Cann Global Limited	Australia		
Subsidiaries of Cann Global Limited			
South Johnstone Bauxite Pty Ltd	Australia	100%	100%
Volcan Queensland Bauxite Pty Ltd	Australia	100%	100%
Rosie's Gold Pty Ltd	Australia	100%	100%
New England Bauxite Pty Ltd (Deregistered by ASIC on 01.07.2018)	Australia	-	100%
Medical Cannabis Limited	Australia	55%	55%
Medical Cannabis Information Service Pty Ltd (Deregistered by ASIC on 21.01.2018)	Australia	-	55%
Medical Cannabis Research Group Pty Ltd	Australia	55%	55%
Vitahemp Pty Ltd	Australia	52%	52%
Vitaseeds Pty Ltd	Australia	55%	55%
Vitacann Pty Ltd	Australia	100%	100%
Medical Cannabis (Cambodia) Co., Ltd	Cambodia	51%	51%

* Percentage of voting power is in proportion to ownership.

Note 18: Exploration and evaluation

	2019 \$	2018 \$
NON-CURRENT		
EPM 18463		
Balance as at 30 June	1,863,760	1,473,206
Mining permits, tenement acquisition and administration and geologist expenses	374,259	390,554
Impairment of exploration assets	-	-
Balance as at 30 June	<u>2,238,019</u>	<u>1,863,760</u>

The value of the Company's interest in exploration expenditure is dependent upon the:

- continuance of the economic entity's right to tenure of the areas of interest;
- results of future exploration, and
- recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The exploration and evaluation asset balance relating to the mining tenement EPM 18463 is \$2,238,019 as at 30 June 2019 (2018 \$1,863,760). The mining tenement EPM 18463 has been renewed for a further 2 years to 25 May 2020.

Note 19: Property, plant and equipment

	2019 \$	2018 \$
NON-CURRENT		
Mining Equipment		
At cost	195,426	195,426
Accumulated depreciation	(182,764)	(169,725)
TOTAL	<u>12,662</u>	<u>25,701</u>
Plant and Equipment		
At cost	(15,778)	(6,287)
Accumulated depreciation	60,741	70,232
Total written down amount	<u>73,403</u>	<u>95,933</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2019	Plant and Equipment	Mining Equipment	Total
	\$	\$	\$
Carrying amount year ended 30 June 2018	70,232	25,701	95,933
Additions	-	-	-
Depreciation expense	(9,491)	(13,039)	(22,530)
Carrying amount year ended 30 June 2019	60,741	12,662	73,403

2018	Plant and Equipment	Mining Equipment	Total
	\$	\$	\$
Carrying amount year ended 30 June 2018	18,000	24,288	42,288
Additions	56,519	7,352	63,871
Depreciation expense	(4,287)	(5,939)	(10,226)
Carrying amount year ended 30 June 2019	70,232	25,701	95,933

Note 20 – Intangible assets

	2019	2018
	\$	\$
Seedbank and plant genetics	230,000	230,000
Accumulated amortisation	(46,000)	(23,000)
Goodwill	1,726,261	1,726,261
Intellectual property – website at cost	25,600	-
Accumulated amortisation	(16,550)	-
Total intangible assets	1,919,311	1,933,261

2019	Intellectual property Website	Seedbank and plant genetics	Goodwill	Total
	\$	\$	\$	\$
Carrying amount year ended 30 June 2018	-	207,000	1,726,261	1,933,261
Additions	25,600	-	-	25,600
Accumulated amortisation	(16,550)	(23,000)	-	(39,550)
Carrying amount year ended 30 June 2019	9,050	184,000	1,726,261	1,919,311

2018	Seedbank and plant genetics	Goodwill	Total
	\$	\$	\$
Carrying amount year ended 30 June 2017	230,000	1,726,261	1,956,261
Accumulated amortisation	(23,000)	-	(23,000)
Carrying amount year ended 30 June 2018	207,000	1,726,261	1,933,261

Impairment testing

Goodwill acquired through a business combination has been allocated to the cannabis cash-generating unit. The Group determines whether goodwill is impaired at least on an annual basis. The recoverable amount of goodwill is based on the Directors' estimate of fair value of the cash generating unit to which it relates less costs to sell. In determining fair value, Medical Cannabis Ltd is considered a separate cash generating unit. The measure used in assessing fair value is based on the Directors' estimate of market value of the proposed sale of the remaining 45% interest in Medical Cannabis Ltd. The resulting fair value is compared to the carrying value for the cash generating unit and in the event that the carrying value exceeds the recoverable amount, an impairment loss is recognised. No reasonable change in assumptions would result in the recoverable amount of the cash generating unit being materially less than the carrying value.

Note 21: Investments

	2019	2018
	\$	\$
Listed ordinary shares – designated as at FVTPL	-	2,902,853

The equity securities were acquired as non-cash consideration received for the licensing of certain cannabis intellectual property of the company to an unrelated company.

Equity securities have been designated as at fair value through profit and loss (FVTPL) to avoid an accounting mismatch arising from the recognition of the licensing income in profit and loss if the fair value movements of the equity securities were being recognised in other comprehensive income.

Movement in fair value for FVTPL**Reconciliations**

Reconciliation of the written down value at the beginning and end of the current and previous financial year are set out below:

	Total
	\$
Balance at 30 June 2017	-
Recognition of license fee revenue	3,577,308
Write-down to fair value	(674,455)
Balance at 30 June 2018	2,902,853
Write-down to fair value	(2,902,853)
Balance at 30 June 2019	-

The investment relates to shares in an ASX listed company which have been voluntarily suspended from trading since 1 February 2019.

Note 22: Equity-accounted investees

Hemp Hulling Co (Qld) Pty Ltd (Note i)	210,972	286,285
Canntab Therapeutics Australia (Note ii)	2	2
	210,974	286,287

Note i

On 31 January 2018, the Group acquired a 25% equity interest in the associate Hemp Hulling Co. (QLD) Pty Ltd (HHC). HHC is involved in the processing of hemp seeds.

	2019 \$	2018 \$
Percentage ownership owned	25%	25%
Current assets	12,493	30,022
Non-current assets	1,298,048	1,256,941
Current liabilities	(466,653)	(141,823)
Non-current liabilities	-	-
Net assets (100%)	843,888	1,145,140
Group's share of net assets (25%)	210,972	286,285
Carrying amount of interest in investee	210,972	286,285
Revenue	63,449	33,190
Loss from continuing operations (100%)	(301,252)	(46,861)
Other comprehensive income (100%)	-	-
Total comprehensive income (100%)	(301,252)	(46,861)
Total comprehensive income (25%)	(75,313)	(11,715)
Group's share of total comprehensive income	(75,313)	(11,715)

Note ii

On 27 December 2017, the Group entered a 50:50 joint venture arrangement with Canntab Therapeutics Ltd, named Canntab Therapeutics Australia (JV). The initial investment and carrying value at 30 June 2019 is \$2 (2018: \$2). The JV did not trade prior to 30 June 2019. Refer to Note 29 for disclosure of future commitments to the JV at 30 June 2019.

Note 23: Trade and other payables

	2019 \$	2018 \$
CURRENT		
Unsecured liabilities		
Trade payables	1,184,662	546,741
Accrued expenses	64,585	40,000
	1,249,247	586,741

Note 24: Other financial liabilities

	2019 \$	2018 \$
CURRENT		
Loan - Seed capital loans – unsecured (i), (Note 31d)	3,638,575	1,206,000
Loan from MCL Director – unsecured (Notes 31d and 33)	694,021	474,522
Loan from related party – Director – unsecured (Notes 31d and 33)	115,037	-
Loan from other party – unsecured (Note 31d)	153,333	-
Convertible securities - L1 Capital pursuant to the financing agreement – secured (ii), (Note 31d)	1,804,035	525,335
	6,405,001	2,205,857

(i) – The seed capital loans can either be converted to CGB shares at a discount of 20% to the CGB 5-day VWAP at conversion date or settled in cash with a 20% premium to the loan principal.

(ii) - As per the amended agreement dated 4 April 2019, the L1 Capital convertible securities have a face value of \$1.20, inclusive of a \$0.20 premium, and a maturity date of 15 November 2019. The convertible securities can be converted to CGB shares at the amount of 85% of the average daily volume weighted average price (VWAP) of CGB shares during the five actual trading days prior to the conversion notice date or otherwise settled in cash at the face value upon maturity. Total options issued as a result of the agreement were 31,140,000. These options have an exercise price of \$0.05 and an expiry date of 2 September 2022.

Note 25: Issued capital

	2019 \$	2018 \$
Share capital on issue		
1,612,435,425 (2018: 1,606,852,092) fully paid ordinary shares (no par value)	28,850,842	28,850,842
50,000,000 (2018: 50,000,000) performance shares (no par value)	750,000	750,000
	29,600,842	29,600,842

The Company has no authorised capital.

	2019 No.	2019 \$	2018 No.	2018 \$.
Ordinary shares				
At the beginning of reporting period	1,606,852,092	28,850,842	1,408,097,244	24,537,433
Share based payments (note 32)	5,583,333	-	11,848,201	-
Conversion of convertible notes into ordinary shares	-	-	130,533,928	3,547,391
Options exercised @0.012	-	-	56,372,719	766,018
At reporting date (30 June 2019)	1,612,435,425	28,850,842	1,606,852,092	28,850,842
Performance shares				
At the beginning of reporting period	50,000,000	750,000	50,000,000	750,000
At reporting date (30 June)	50,000,000	750,000	50,000,000	750,000
TOTAL at reporting date (30 June)	1,662,435,425	29,600,842	1,656,852,092	29,600,842

Terms and Conditions of Issued Capital**Ordinary Shares**

Ordinary shares have the right to receive dividends as declared by the board and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle the holder to one vote either in person or by proxy at a meeting of the Company.

Performance Shares

Performance shares do not have the right to receive dividends as declared by the board and, in the event of winding up the Company, do not participate in the proceeds from the sale of any surplus assets. Performance shares do not entitle the holder to a vote either in person or by proxy at a meeting of the Company.

b. Options on issue

The following reconciles the outstanding share options at the beginning and year end of the financial year:

	2019 No.	2018 No.
Description		
At the beginning of reporting period	2,846,046	158,455,323
Granted during the financial year	31,140,000	-
Forfeited during the financial year	-	-
Exercised during the financial year	-	(56,372,719)
Expired during the financial year	(2,846,046)	(99,236,558)
Balance at the end of the financial year	31,140,000	2,846,046
Exercisable at the end of the financial year	31,140,000	2,846,046

Note 26: Share based payments reserve

The share-based payments reserve records items recognised as expenses on share-based payments.

	Consolidated Entity	
	2019 \$	2018 \$
Balance as at 1 July	4,701,599	4,728,549
Equity settled share based payment – consulting fees – shares (Note 32)	257,583	223,500
Equity settled share based payment – finance costs – shares issued in respect to finance costs relating to the issue of convertible securities (Note 32)	-	58,830
Equity settled share based payment – options issued in respect of the issue of convertible securities	314,397	135,720
Transfer to accumulated losses for expired options	(20,207)	(445,000)
Balance as at 30 June	5,253,372	4,701,599

Note 27: Accumulated losses

	2019 \$	2018 \$
Balance as at 1 July	(23,617,200)	(18,622,071)
Loss for the year	(9,234,372)	(5,001,453)
Transfer from share based payments reserve for expired and forfeited options	20,207	445,000
Transfer from accumulated losses to non-controlling interest in operating loss	173,522	-
Non-controlling interest in operating loss	2,799,437	(438,676)
Balance as at 30 June	<u>(29,858,406)</u>	<u>(23,617,200)</u>

Note 28: Non-controlling Interests

	2019 \$	2018 \$
Non-controlling interest in equity – Balance as at 1 July	864,148	(197,396)
Non-controlling interest in share capital raising – Medical Cannabis Ltd capital	-	622,868
Transfer from accumulated losses to non-controlling interest	(173,522)	-
(Loss)/Profit attributable to non-controlling interest	(2,799,437)	438,676
Balance as at 30 June	<u>(2,108,811)</u>	<u>864,148</u>

Note 29: Commitments for expenditure

	2019 \$	2018 \$
Exploration and evaluation (Note i)		
- not later than 1 year	282,000	272,000
- later than 1 year but no later than 5 years	-	282,000
Research and development		
Canntab therapeutics (Note ii)		
- Not later than a year	-	259,000
- Later than 1 year but no later than 5 years	1,429,000	1,037,000
TRDF Israel Research (Note iii)		
- Not later than a year	1,029,000	1,333,000
- Later than 1 year but no later than 5 years	2,214,000	2,009,000
	4,954,000	5,192,000

Notes:

- i. This relates to exploration and evaluation activity for mining tenement EPM18463.
- ii. On 27 December 2017 CGB entered into a joint venture agreement with Canntab Therapeutics Ltd. Under the agreement, each party will contribute \$1.4 million (USD\$1 million).
- iii. On 16 February 2018 Medical Cannabis Research Group and The Research Development Foundation entered into a research funding agreement. Under the agreement, MCL is required to pay \$4.1 million (USD\$2.87 million) over a four-year period.

Note 30: Operating leases

	2019 \$	2018 \$
The Group leases a factory facility under operating lease. The lease runs for a period of 2 years, with no option to renew:		
- not later than 1 year	14,000	28,000
- later than 1 year but no later than 5 years	-	14,000
	14,000	42,000

Note 31: Cash flow information

	2019 \$	2018 \$
a. Reconciliation of cash flows from operating activities		
Loss for the year	(9,234,372)	(5,001,453)
Non-cash flows in loss		
Licence fee income	-	(3,577,308)
Share of loss of equity-accounted investee - net of tax	75,313	11,715
Depreciation	22,529	10,226
Amortisation	39,550	23,000
Share based payments expense	257,583	282,330
Impairment of exploration asset	-	1,678,687
Impairment of receivables	485,036	
Loss on financial assets at FVTPL	2,902,853	674,455
Finance cost	901,861	388,378
Loss on equity settled liabilities	-	1,835,920
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(increase) in other receivables	15,000	(20,133)
Increase in trade debtors	(236,935)	(100,782)
Increase in prepayments	(97,177)	(6,336)
Increase in GST receivable	(59,963)	(212,076)
Decrease/(increase) in inventory	395,131	(542,069)
Increase in trade payables, accruals and other creditors	662,502	55,801
Increase in current tax liability	-	292,666
Net cash from operating activities	<u>(3,871,089)</u>	<u>(4,206,979)</u>

b. Acquisition of entities

There were no entities acquired during the financial year.

c. Non-cash investing and financing activities	Consolidated	
	2019	2018
	\$	\$
Conversion of convertible notes into ordinary shares	-	3,547,391
Consideration for finance costs and consulting services by shares issued – refer note 32	257,583	282,330
	<u>3</u>	

d. Changes in liabilities arising from financing activities

	Seed capital loans	MEF 1 LP	Andrew Kavasilas	L1 Capital	Meyer Gutnick	Other loan	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	-	1,712,662	274,961	-	-	-	1,987,623
<u>Net cash provided by financing activities:</u>							
Seed capital loans advanced	1,005,000	-	-	-	-	-	1,005,000
Convertible securities issued	-	-	-	600,000	-	-	600,000
Other loan advanced	-	-	199,561	-	-	-	199,561
<u>Other changes:</u>							
Increase in face value to \$1.05	-	-	-	30,000	-	-	30,000
Finance cost to be amortised to June 2019	-	-	-	(165,720)	-	-	(165,720)
Finance cost recognised	201,000	126,323	-	61,055	-	-	388,378
Loss on equity settled liability	-	1,835,920	-	-	-	-	1,835,920
Conversion to shares	-	(3,547,391)	-	-	-	-	(3,547,391)
Realised foreign exchange gain	-	(127,514)	-	-	-	-	(127,514)
Balance at 30 June 2018	1,206,000	-	474,522	525,335	-	-	2,205,857
<u>Net cash provided by financing activities:</u>							
Seed capital loans advanced	2,027,145	-	-	-	-	-	2,027,145
Convertible securities issued	-	-	-	1,100,000	-	-	1,100,000
Other loan advanced	-	-	219,499	-	115,037	150,000	484,536
<u>Other changes:</u>							
Increase in face value to \$1.20	-	-	-	346,000	-	-	346,000
Finance cost to be amortised to June 2020	-	-	-	(660,398)	-	-	(660,398)
Finance cost recognised	405,430	-	-	493,098	-	3,333	901,861
Balance at 30 June 2019	3,638,575	-	694,021	1,804,035	115,037	153,333	6,405,001

Note 32: Share based payment arrangements

Description of the share based payment arrangements.

The following share based payment arrangements exist as at 30 June 2019.

Ordinary shares granted

On 18 July 2018, the Company issued 1,333,333 ordinary shares as consideration for consulting services. The share price at the grant date was \$0.037 per share, resulting in consideration for consulting services of \$49,333.

On 28 August 2018, the Company issued 2,870,000 to Craig Cochran and 1,380,000 to Gareth Ball as consideration for Medcan management fees. The share price at the grant date was \$0.037 per share, resulting in consideration for consulting services of \$208,250.

The following share based payment arrangements exist as at 30 June 2018.

Ordinary shares granted

On 25 July 2017, the Company issued 2,671,856 ordinary shares as commitment shares for convertible notes. The share price at the grant date was \$0.011 per share, resulting in consideration for finance costs of \$29,390.

On 4 August 2017, the Company issued 2,676,345 ordinary shares as commitment shares for convertible notes. The share price at the grant date was \$0.011 per share, resulting in consideration for finance costs of \$24,440.

On 4 August 2017, the Company issued 1,000,000 ordinary shares as consideration for consulting services. The share price at the grant date was \$0.011 per share, resulting in consideration for consulting services of \$11,000.

On 4 August 2017, the Company issued 1,500,000 ordinary shares as consideration for consulting services. The share price at the grant date was \$0.011 per share, resulting in consideration for consulting services of \$16,500.

On 12 September 2017, the Company issued 50,000,000 performance shares as part consideration for the acquisition of 55% of the shares in Medical Cannabis Ltd. The share price at the grant date of 30 May 2017 was \$0.015 per share.

On 23 November 2017, the Company issued 500,000 ordinary shares as consideration for consulting services. The share price at the grant date was \$0.049 per share, resulting in consideration for consulting services of \$24,500.

On 23 November 2017, the Company issued 3,500,000 ordinary shares as consideration for consulting services. The share price at the grant date was \$0.049 per share, resulting in consideration for consulting services of \$171,500.

Expense recognised in profit or loss

	Consolidated Entity	
	2019 \$	2018 \$
Equity settled share based payment transactions		
Consulting fees – ordinary shares granted (note 26)	257,583	223,500
	<u>257,583</u>	<u>223,500</u>
Finance costs – ordinary shares granted (note 8 and 26)	-	58,830
		<u>58,830</u>
Total expense recognised for equity settled share based payments	<u>257,583</u>	<u>282,330</u>

Reconciliation of outstanding share options

	2019 Number of options	2019 Weighted Average Exercise price	2018 Number of options	2018 Weighted average exercise price
Outstanding at the beginning of the year	2,846,046	0.06	32,846,046	0.11
Granted	31,140,000	0.05	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(2,846,046)	0.06	(30,000,000)	0.12
Outstanding at year-end	<u>31,140,000</u>	<u>0.05</u>	<u>2,846,046</u>	<u>0.06</u>
Exercisable at year-end	<u>31,140,000</u>	<u>0.05</u>	<u>2,846,046</u>	<u>-</u>

There were no options exercised during the year ended 30 June 2019 (2018: Nil) in respect of share-based payment arrangements.

Note 33: Related parties disclosures**Identity of related parties**

The consolidated entity has related party relationships with its subsidiaries, its associate entity, its key management personnel, and companies related due to common directorships of Pnina Feldman and Sholom Feldman, being directors of both Cann Global Limited and the director related companies.

Related party transactions with Australian Gemstone Mining Pty Limited

The Company and Australian Gemstone Mining Pty Limited (AGMPL) are parties to a management services agreement (Management Services Agreement) dated 1 July 2007, and the Variation Deed dated 1 July 2017, for the provision by AGMPL of executive and corporate services, including geological and technical expertise, to the Company by the following executives:

- Pnina Feldman – Executive Director, Business Development;
- Dr Robert Coenraads – Principal Geologist, Exploration and Mining; and
- Sholom Feldman – Chief Executive Officer and Company Secretary.

In respect of each of these executives (Key Management Personnel), AGMPL was paid a retainer for the period ended 30 June 2019. The Company was also reimbursed for all reasonable expenses incurred by or on behalf of the Key Persons.

- AGMPL is a company owned and controlled by Pnina Feldman.

Each of Pnina Feldman, Robert Coenraads and Sholom Feldman has entered into an executive services agreement with AGMPL. Each of these executive services agreements contains standard provisions dealing with employment obligations and standard covenants dealing with general duties and the protection of AGMPL's interests and mirrors the Management Services Agreement in respect of termination provisions.

AGMPL also provided suitable fully serviced offices to the Company, which includes use of office space, the board room, kitchen, daily cleaning, and essential office infrastructure, including telephones, fax, printer, broadband internet connections and suitable office furniture.

AGMPL also provided additional administrative services to the Company, such as secretarial, accounting and office management services.

AGMPL services	2019	2018
	\$	\$
Rent	175,317	168,000
Management and secretarial	180,000	180,000
Geologist fees	360,000	360,000
Executive and corporate services	624,000	624,000
Reimbursement of expenses	17,490	34,577
Marketing services	330,000	120,000
Administration services	120,000	240,000
Total	1,806,807	1,726,577

	2019	2018
	\$	\$
<u>Other transactions with related parties</u>		
Loans advanced to director related companies		
CURRENT		
Australian Gemstone Mining Pty Ltd	39,654	11,531
The above loan is unsecured, interest free and there is no fixed date for repayment.		
NON-CURRENT		
Volcan Australia Corporation Pty Ltd	1,200,000	1,200,000
Expected credit loss recognised as at 30 June 2019	(1,200,000)	(1,200,000)
Due for repayment on 14 December 2012		
Volcan Australia Corporation Pty Ltd	79,258	79,258
Expected credit loss recognised as at 30 June 2019	(79,258)	(79,258)
No due date for repayment.		
The above loan is unsecured and interest free. See note 16 for explanation of Loan to Volcan Australia Corporation Pty Ltd.		
Loans provided by directors		
Meyer Gutnick	115,037	-
Andrew Kavasilas (MCL Director)	694,021	474,522
The above loans are unsecured, interest free and there is no fixed date for repayment.		
Loan advanced to associate entity		
CURRENT		
Hemp Hulling Co (QLD) Pty Ltd	111,620	77,168
The above loan is unsecured, interest free and there is no fixed date for repayment.		
Trade creditor balance with associate company -		
Hemp Hulling Co (QLD) Pty Ltd	-	13,015
Purchases from associate company –		
Hemp Hulling Co (QLD) Pty Ltd	1,730	11,832
(Purchases are made on normal terms and conditions.)		

Note 34: Financial instruments**a. Financial risk management**

The Group's financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables and other financial liabilities.

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency fluctuation risk and liquidity risk.

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result in changes in market interest rates, arises mainly from bank deposits accounts. The effective weighted average interest rates on the financial assets and financial liabilities and interest rate sensitivity analysis are set out at Note 34(b).

Foreign currency risk

The Group was marginally exposed to fluctuations in foreign currencies during the reporting period.

Credit risk

Neither the Group or the Company have any material credit or other risk exposure to any single receivable or group of receivables or payables under financial instruments entered into by the Group.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves or unutilised borrowings are maintained.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments:

	30 June 2019		Contractual cash flows			
	Carrying amount	Total	Less than 12 months	1-2 Years	2 to 5 years	More than 5 years
	\$	\$	\$	\$	\$	\$
<hr/>						
Non derivative financial liabilities						
L1 Capital Global	1,804,035	2,076,000	2,076,000	-	-	-
Seed capital loans	3,638,575	3,638,575	3,638,575	-	-	-
Loan - A Kavasilas	694,021	694,021	694,021	-	-	-
Loan – M Gutnick	115,037	115,037	115,037	-	-	-
Loan – other	153,333	153,333	153,333	-	-	-

30 June 2018

	Carrying amount \$	Total \$	Less than 12 months \$	1-2 Years \$	2 to 5 years \$	More than 5 years \$
<hr/>						
Non derivative financial liabilities						
L1 Capital Global	525,335	630,000	630,000	-	-	-
Seed capital loans	1,206,000	1,206,000	1,206,000	-	-	-
Loan - A Kavasilas	474,522	474,522	474,522	-	-	-

Price risk

The Group's anticipated value of the South Johnstone Bauxite project is affected by the price of bauxite and shipping. Any rise or fall of the price of bauxite or shipping costs may affect the project's value accordingly. Similarly for the various market prices of cannabis products produced by the Company.

b. Financial Instrument interest rate risk

The tables below disclose the contractual interest rates applicable for financial statements and a sensitivity analysis of movements in variable interest rates.

	Weighted average effective interest rate		Interest bearing fixed		Interest bearing - floating		Non-interest bearing		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Consolidated Entity	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets:										
Cash and cash equivalents	2.1%	2.0%	-	-	5,183,669	6,409,217	100	100	5,183,769	6,409,317
Trade and other receivables	-	-	-	-	-	-	1,039,570	579,247	1,039,570	579,247
Investments at FVTPL	-	-	-	-	-	-	-	2,902,853	-	2,902,853
Financial liabilities:										
Trade and other payables	-	-	-	-	-	-	1,249,247	586,741	1,249,247	586,741
Current tax liability	-	-	-	-	-	-	292,666	292,666	292,666	292,666
Other financial liabilities	81.1%	-	153,333	-	-	-	6,251,668	2,205,857	6,405,001	2,205,857

Interest rate sensitivity analysis

At 30 June 2019, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2019 \$	2018 \$
Increase in interest rate by 1%	51,834	64,092
Decrease in interest rate by 1%	(51,834)	(64,092)

c. Fair values vs carrying amounts

The fair values of financial assets and liabilities, together with carrying amounts shown on the statement of financial position, are as follows:

	2019 Total Carrying Amount \$	2019 Fair Value \$	2018 Total Carrying Amount \$	2018 Fair Value \$
Financial Assets				
Cash and cash equivalents	5,183,769	5,183,769	6,409,317	6,409,317
Trade and other receivables	1,039,570	1,039,570	579,247	579,247
Investment at FVTPL	-	-	2,902,853	2,902,853
Financial Liabilities				
Trade and other payables	1,249,247	1,249,247	586,741	586,741
Current tax liability	292,666	292,666	292,666	292,666
Other financial liabilities	6,405,001	6,405,001	2,205,857	2,205,857

Note 35: Parent entity disclosures

As at and throughout the financial year ending 30 June 2019 the parent entity of the Group was Cann Global Limited.

Financial Position of parent entity at year end	2019	2018
	\$	\$
Assets		
Current assets	5,874,773	6,710,901
Non-current assets	1,188,952	2,260,189
Total assets	7,063,725	8,971,090
Liabilities		
Current liabilities	1,179,758	290,662
Non-current liabilities	-	-
Total liabilities	1,179,758	290,662
Total equity of the parent entity comprising of		
Issued capital	29,600,842	29,600,842
Share based payment reserve	4,803,255	4,565,879
Accumulated losses	(28,520,130)	(25,486,293)
Total equity	5,883,967	8,680,428
Financial performance		
Loss for the year	(3,033,837)	(5,836,823)
Other comprehensive income	-	-
Total comprehensive loss for the year	(3,033,837)	(5,836,823)

Note 36: Company details

The registered office of the Company and principal place of business is:

Cann Global Limited
Level 21, 133 Castlereagh Street
SYDNEY NSW 2000

Note 37: Segment information**OPERATING SEGMENTS****a. Basis for segmentation**

The Group has three reportable segments; hemp and medical cannabis products, mining exploration and evaluation and corporate. The corporate segment includes all of our initiatives in corporate growth activities and provides administrative, technical and financial support.

b. Information about reportable segments

Information related to each reportable segment is set out below.

	Mining Exploration and Evaluation	Hemp and Medicinal Cannabis Products	Corporate	Total
2019				
Sales to external customers	-	480,647	-	480,647
Less intersegment sales	-	-	-	-
Revenues	-	480,647	-	480,647
Interest income	-	-	123,285	123,285
Depreciation	(13,038)	(13,241)	-	(26,279)
Amortisation	-	(35,800)	-	(35,800)
Impairment of receivables	-	(478,902)	(6,134)	(485,036)
Finance costs	-	-	(911,615)	(911,615)
Other costs	(13,683)	(4,969,601)	(3,396,290)	(8,379,574)
Loss before tax	(26,721)	(5,016,897)	(4,190,754)	(9,234,372)
Income tax expense	-	-	-	-
Loss after tax	(26,721)	(5,016,897)	(4,190,754)	(9,234,372)
Capital expenditures	374,259	25,600	0	399,859
Total assets	2,260,682	3,389,458	5,183,771	10,833,911
Total liabilities	-	(1,101,724)	(6,845,190)	(7,946,914)

	Mining Exploration and Evaluation	Hemp and Medicinal Cannabis Products	Corporate	Total
2018				
Sales to external customers	-	144,773	-	144,773
License fee revenue	-	3,577,308	-	3,577,308
Less intersegment sales	-	-	-	-
Revenues	-	3,722,078	-	3,722,078
Interest income	-	-	152,685	152,685
Depreciation	(5,939)	(4,287)	-	(10,226)
Amortisation	-	(23,000)	-	(23,000)
Impairment of exploration assets	(1,678,687)	-	-	(1,678,687)
Finance costs	-	-	(447,208)	(447,208)
Other costs	(13,579)	(1,392,830)	(5,018,020)	(6,424,429)
(Loss)/Profit before tax	(1,698,205)	2,301,961	(5,312,543)	(4,708,787)
Income tax expense	-	(292,666)	-	(292,666)
(Loss)/Profit after tax	(1,698,205)	2,009,295	(5,312,543)	(5,001,453)
Capital expenditures	397,905	56,519	-	454,424
Total assets	1,889,463	5,756,626	6,988,564	14,634,653
Total liabilities	-	(758,575)	(2,326,689)	(3,085,264)

c. Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Hemp food products	License fee	Total
Consolidated - 2019	\$	\$	\$
<u>Major product lines</u>			
Seed	194,164	-	194,164
Oil	95,047	-	95,047
Bi-Products	79,664	-	79,664
Protein	57,080	-	57,080
Flour	10,757	-	10,757
Capsules	25,262	-	25,262
Smoothie Blends	8,423	-	8,423
Other	10,250	-	10,250
	<u>480,647</u>	<u>-</u>	<u>480,647</u>
<u>Geographical regions</u>			
Australia	480,647	-	480,647
Rest of the World	-	-	-
	<u>480,647</u>	<u>-</u>	<u>480,647</u>
<u>Timing of revenue recognition</u>			
Goods transferred at a point in time	480,647	-	480,647
	<u>480,647</u>	<u>-</u>	<u>480,647</u>
Consolidated - 2018			
<u>Major product lines</u>			
Seed	62,009	-	62,009
Oil	56,242	-	56,242
Bi-Products	23,022	-	23,022
Other	3,500	3,577,308	3,580,808
	<u>144,773</u>	<u>3,577,308</u>	<u>3,722,081</u>
<u>Geographical regions</u>			

Australia	144,773	3,577,308	3,722,081
Rest of the World	-	-	-
	<u>144,773</u>	<u>-</u>	<u>3,722,081</u>

Timing of revenue recognition

Goods transferred at a point in time	<u>144,773</u>	<u>3,577,308</u>	<u>3,722,081</u>
	<u>144,773</u>	<u>3,577,308</u>	<u>3,722,081</u>

Note 38: Capital management policies and procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern. The Group monitors capital on the basis of the carrying amount of equity. In order to maintain or adjust the capital, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Group for the reporting periods under review are summarised as follow:

	2019	2018
	\$	\$
Total equity	2,886,997	11,549,389
Capital	<u>2,886,997</u>	<u>11,549,389</u>

Note 39: Events subsequent to balance date**Acquisition of Hemp Hulling Co (QLD) Pty Ltd – additional 30% interest**

Effective 1 July 2019 Medical Cannabis Ltd, acquired an additional 30% of the ordinary shares of Hemp Hulling Co (QLD) Pty Ltd (HHC), to bring its interest to 55%, to continue to develop its operations in the medicinal cannabis and hemp food industry.

Details of the acquisition are as follows:

	Fair value
	\$
Cash and cash equivalents	3,837
Receivables	6,631
Inventory	2,025
Plant and equipment	441,785
Investments	10,805
Trade and other payables	(300,872)
Loans	(165,781)
Net liabilities acquired	(1,570)
Net liabilities acquired – 55%	(864)

Goodwill	1,630,755
Acquisition-date fair value of the total consideration transferred	1,629,891
Representing:	
Cann Global Limited consideration shares	1,418,919
Investment in HHC – current value	210,972
Total	1,629,891

Acquisition of T12 Pty Ltd – 100% interest

Effective 1 July 2019 Cann Global Limited, acquired 100% of the ordinary shares of T12 Pty Ltd to continue to develop its operations in the medicinal cannabis and hemp food industry.

Details of the acquisition are as follows:

	Fair value
	\$
Cash and cash equivalents	35,630
Receivables	86,382
Inventory	120,529
Loans	61,769
Intangibles	4,918
Trade and other payables	(426,800)
Loans	(90,671)
Net liabilities acquired	(208,243)
Goodwill	965,000
Acquisition-date fair value of the total consideration transferred	756,757
Representing:	
Cann Global Limited consideration shares	756,757

Share capital raising

On 19 July 2019, the capital raising outlined in the Replacement Prospectus dated 7 June 2019 was finalised, with the issue of 170,000,000 shares at \$0.035, being total capital raised of \$5,950,000.

Seed capital loans

On 19 July 2019, seed capital loans of \$2,134,102 were settled by the issue of 76,217,978 ordinary shares.

Convertible securities – L1 Capital

Since balance date, 1,250,000 convertible securities with a face value of \$1,500,000 have been converted to ordinary shares.

Other than the matters listed above, there has not arisen in the interval between the end of the financial year and the date of this report any further item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Directors' Declaration

In the directors' opinion:

1. the financial statements and accompanying notes set out on pages 21 to 66, and the Remuneration Report on pages 14 to 19 of the Directors' Report, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b) give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;
2. the financial statements and notes also comply with International Financial Reporting Standards, as disclosed in Note 2(a) to the financial statements;
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

The directors have been given the declarations by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors. On behalf of the directors:



Prina Feldman, Chairperson
Dated this 27th day of September 2019
Bellevue Hill NSW

Independent Auditor's Report to the Members of Cann Global Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cann Global Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and Evaluation Expenditure - EPM 18463</p> <p>Refer to note 18 - Exploration and Evaluation Expenditure. The Group's accounting policy in respect of exploration and evaluation assets is described in Note 5(f).</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ We confirmed the existence and tenure of EPM 18463 by obtaining the renewal authorisation from the relevant Government department; ▪ In assessing whether an indicator of impairment exists in relation to the exploration asset in accordance with AASB 6, we: <ul style="list-style-type: none"> - examined the minutes of the Group's board meetings and market announcements;

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Key audit matter	How our audit addressed the key audit matter
<p>At 30 June 2019, the Group had total capitalised Exploration and Evaluation Expenditure of \$2,238,019.</p> <p>The Exploration and Evaluation Expenditure is a key audit matter because the asset's carrying amount is material to the financial statements and significant judgements have been applied in determining whether an indicator of impairment exists in accordance with Australian Accounting Standard AASB 6.</p>	<ul style="list-style-type: none"> - interviewed the Group's geologist, management and the directors in relation to the Group's current activities and their ability and intention to undertake further exploration activities; and - obtained evidence of the Group's intentions for the areas of interest, including reviewing future budgeted expenditure and related work programmes; and <ul style="list-style-type: none"> ▪ We tested a sample of additions of capitalised exploration expenditure to supporting documentation.
<p>Other Financial Liabilities - Convertible Securities and Seed Capital Loans</p> <p>Refer to note 24 and note 31(d). During the year ended 30 June 2019, the Group issued a number of convertible securities, and subsequent to balance date converted some convertible securities to equity.</p> <p>At 30 June 2019, the Group had total convertible securities of \$5,442,610 represented by L1 Capital Convertible Securities and Seed Capital Loans.</p> <p>Convertible securities are considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> ▪ the materiality of the transactions and carrying values involving convertible securities; and ▪ complexities involved in the recognition and measurement of convertible financial instruments. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Examined the underlying agreements for the convertible securities; ▪ Verified funds received from the issue of convertible securities; ▪ Recalculated the amortisation of finance cost for the year; and ▪ Assessed the accounting treatment of the financial instruments in accordance with the recognition and measurement as well as the disclosure requirements of the relevant Australian Accounting Standards.

Other information

The Directors are responsible for the other information. The other information comprises the information in Cann Global Limited's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 18 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Cann Global Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia Sydney Partnership



Stephen Fisher

Partner

Dated: 27 September 2019
Sydney

Additional Information – as at 23 September 2019

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below:

Distribution schedule and number of holders of equity securities as at 23 September 2019

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over	Total
Fully Paid Ordinary Shares (CGB)	136	64	1,113	5,135	2,655	9,103

The number of holders holding less than a marketable parcel of fully paid ordinary shares as 23 September 2019 is 2,187.

20 largest holders of quoted equity securities as at 23 September 2019

The names of the twenty largest holders of fully paid ordinary shares (ASX code: CGB) as at 23 September 2019 are:

1.	LBT CORPORATION PTY LTD	519,403,514	16.43
2.	VOLCAN AUSTRALIA CORPORATION PTY LTD	189,975,000	5.99
3.	MARTIN PLACE SECURITIES NOMINEES PTY LTD	158,845,404	5.02
4.	ANDREW KAVASILAS	151,481,081	4.79
5.	TRANSGLOBAL CAPITAL PTY LTD	146,934,652	4.65
6.	FIRST STATE PTY LIMITED <THE NEW FAMILY A/C>	110,021,355	3.48
7.	020428 PTY LTD	98,948,375	3.13
8.	SEBASTION WILLIAM EDWARDS <THE B & B FAMILY	62,162,162	1.97
9.	CS THIRD NOMINEES PTY LIMITED	41,549,404	1.31
10.	WESTGLADE PTY LTD	32,071,839	1.01
11.	JONATHAN ISAACS	16,020,213	0.51
12.	JACOBSON HOLDINGS PROPRIETARY LIMITED	15,800,000	0.50
13.	GVC INTERNATIONAL INVESTMENT PTY LTD	14,571,429	0.46
14.	MR JOHN MCDONALD + MR SHAUN MCDONALD	14,144,211	0.45
15.	MR ISAAC JOHN ESPOSITO	12,500,000	0.40
16.	ECOMETRIX PTY LTD	12,145,942	0.38
17.	MR KARL BAARDA	11,071,440	0.35
18.	CHASE BUSINESS CONSULTING PTY LIMITED	11,000,000	0.35
19.	BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV	10,100,000	0.35
20.	L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND	10,000,000	0.32
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)	1,638,746,021	51.83
	Total Remaining Holders Balance	1,523,193,894	48.17

Substantial shareholders

Substantial shareholders in Cann Global Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices given to the Company are listed below:

	No. Shares Held	% of Issued Capital
LBT Corporation Pty Ltd	519,403,514	16.43
Volcan Australia Corporation Pty Ltd	189,975,000	5.99

Unquoted Securities

Unquoted securities on issue as at 23 September 2019:

Unquoted Securities	Number on Issue	Exercise Price	Expiry Date
Unquoted Options	85,000,260	\$0.10	30/04/2020
Unquoted Options	31,140,000	\$0.05	2/09/2022
Convertible Securities	480,000	-	15/11/2019
Performance shares	50,000,000	-	30/05/2022

Names of persons holding more than 20% of a given class of unquoted securities (other than employee options) as at 23 September 2019

Security	Name	Number of Securities
Unquoted Options	L1 Capital	31,140,000
Convertible notes	L1 Capital	480,000
Performance shares	Andrew Kavasilas	50,000,000

Restricted Securities as at 23 September 2019

Shares subject to ASX-imposed escrow restrictions:

524,190,808 Ordinary Shares subject to 24 months escrow ending 23/08/2021

705,542,780 Ordinary Shares subject to 12 months escrow ending 23/08/2020

Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction. Unlisted options have no voting rights.

Schedule of Mineral Tenements as at 23 September 2019

Project Name	Project number	Status	Interest Held %	Expiry date
Eastern Australia Bauxite Projects				
South Johnstone	EPM18463	Granted	100%	25/05/2020
South Johnstone	MDL2004	Granted	100%	31/10/2019