

HY21 FINANCIAL RESULTS

Cann Global (ASX: CGB) ("Cann Global" or the "Company"), a leader in the production and distribution of high-quality medicinal cannabis and hemp products, is pleased to announce its results for the half year ended 31 December 2020 (HY21). Accompanying this release is the Appendix 4D.

CANN GLOBAL HY21 RESULTS: HIGHLIGHTS

- Revenue for HY21 was \$0.9 million, a 29% increase on the prior comparable period (pcp) (HY20: \$0.7 million) and an increase of 15% over H2FY20, largely due to continued strong sales in plant-based food products.
- The food division remains the primary driver of revenue generation, delivering \$0.81 million for HY21, an increase of 22% on the pcp (HY20: \$0.67 million).
- Gross profit showed a solid 8.9% increase to \$0.17 million, despite a temporary increase in the cost of raw materials during the half year.
- Expenses were reduced significantly over the half year to \$2.2 million compared to \$3.9 million for HY20. This was due in part to a reduction in research costs and finance costs, and foreign currency gains on equity settled liabilities.
- The Group reported a total loss of \$2.1 million, a positive result when compared to \$5.5 million for pcp.
- As at 31 December 2020, the Company had healthy cash reserves of \$12.4m following \$7.9 million of equity capital having been raised during the six months.
- The Company now also has a debt free balance sheet following conversion of the Company's convertible notes to equity, welcoming Obsidian and L1 Capital as significant equity investors.
- With research and testing now complete, Cann Global is commencing the pilot run production of its premium, hemp seed oil based organic skincare products.
- Cann Global, and its partner Canntab Therapeutics, are working towards having Canntab products available for sale in Australia, with Canntab's export license expected to be issued shortly.
- The Thai Government released its regulatory framework for cultivation and distribution of CBD hemp products and Cann Global are well positioned to immediately capitalise on this significant market opportunity.

Significant regulatory progress for the cannabis industry both within Australia and globally is enhancing revenue prospects for Cann Global's existing business activities, and paving the way for additional commercial opportunities.

EXECUTIVE SUMMARY

Commenting on the HY21 results, Cann Global CEO, Sholom Feldman said: "We are pleased to once again report consistent growth in revenue over the half year. Whilst our food division is generating the majority of revenue, this is being sourced from both Australian and Asian sales channels across a wide range of plant-based food products and nutraceuticals. Going forward we expect to see greater revenue diversification with the introduction of Canntab products to Australia and the launch of our plant-based skincare range contributing to Cann Global's revenue."

During the half year Cann Global raised an additional \$7.9 million in equity capital through both a rights issue and share placement, and convertible note holders converted outstanding notes into an equity investment in the Company.

"We are pleased with the overwhelming support of the Company that has been shown by the investment community, and the further confidence that note holders Obsidian and LI Capital have demonstrated by converting their outstanding notes into an equity investment in Cann Global. Cann Global now enjoys a strong debt-free balance sheet," said Mr Feldman.

REVENUE GROWTH TREND CONTINUES, SUPPORTED BY A STRONG BALANCE SHEET

Cann Global are pleased to report that cash receipts from customers continue to grow with revenue of \$0.9 million for the six months to 31 December 2020, up 29% over the prior corresponding period.

As sales across the food division have continued to grow Cann Global has incurred increased product manufacturing costs to meet this demand and build inventory. A one-off timing issue in the receipt of raw materials has seen a temporary increase in the cost of goods sold. A review of the sales price for some products has identified scope for an increase which will further improve margins.

As expected, advertising and marketing expenses continue to increase as the Company undertakes marketing activities and conducts consumer research in preparation to launch new products. The Company has also developed product websites for direct online sales of its range of products and is setting up its distribution network in new markets, including to Europe and America.

Cann Global continues to hold tenements in bauxite mining however \$0.3 million has been written off as the exploration area has been reduced as per the Department of Natural Resources' requirement to relinquish some sub-blocks prior to renewing the exploration permit. The area containing the resource has been retained, pending the Department's formal decision about renewal approval.

As noted earlier Cann Global raised additional equity capital during the half year, clearing its liabilities and leaving the Company with a strong and debt free balance sheet.

A rights issue was undertaken in July, followed by the successful placement of the shortfall of the rights issue which was fully subscribed raising \$4.2 million in total before costs.

On 9 December 2020 the Company announced that it had raised \$3.75 million before costs in a placement to sophisticated and professional investors. The Company stated in that announcement that it intended to use a large portion of those funds to immediately clear all the Company's liabilities, including to large convertible note holders.

In a vote of confidence for the Company's long-term prospects, convertible note holders, L1 Capital and Obsidian, had then elected to convert their outstanding notes into equity.

The conversion of the convertible notes has resulted in a foreign currency gain of \$0.6 million being recorded in the accounts.

Related party transactions in the six months to 31 December 2020 totalled \$0.3 million in fees to Australian Gemstone Mining for Cann Global Director's fees and geologist fees which is a reduction on pcp due largely to an unwinding of the structure for payment of staff salaries (HY20: \$1.9 million).

REGULATORY CHANGES SUPPORT GROWTH IN CANN GLOBAL'S BUSINESS ACTIVITIES

The past few months has marked a significant evolution in the way in which cannabis related products are viewed globally. The decision by the United Nations Commission on Narcotic Drugs (CND) to reclassify cannabis to the least restrictive drug classification is the latest of many similar policy changes and recommendations that pave the way for the relaxation of cannabis classifications in markets across the world.

Locally the TGA has made amendments to its Poisons Standard down scheduling CBD preparations so that registered products on the Australian Register of Therapeutic Goods (ARTG) may be available over-the-counter at pharmacies. These changes reinforce the recognition of the medicinal properties of cannabis by academics, researchers and policy makers globally. [Cann Global is continuing to work through the process of having products registered for over-the-counter sales.] Registering products on the ARTG is a process that can take 12 months or more. To date no other Medical Cannabis products are registered on the ARTG.

Recent proposed amendments to the Narcotic Drugs Act will streamline the licensing process for businesses and ensure access for patients. The Narcotic Drugs Amendment (Medical Cannabis) Bill 2021 was passed in the House of Representatives and proposes to consolidate the licensing structure into a single license and implement a perpetual licensing framework. The Bill reaffirms the Australian government's commitment to patient access of medical cannabis products.

In another regulatory change the announcement that the Government of Thailand will shortly begin processing applications for the cultivation and distribution of hemp products, opening up a significant revenue opportunity for Cann Global Thailand as a first mover having set up operations based on a service revenue model in preparation for this change.

Finally, developments in France are paving the way for the emergence of a thriving cannabis industry. Policy makers are reconsidering their position on Cannabis which will likely result in an overhaul of the regulatory and legislative framework.

Cann Global is developing its distribution footprint in France and Europe and welcomes these regulatory changes.

NEW PRODUCT DEVELOPMENT TO DRIVE REVENUE DIVERSIFICATION

Commenting on operating performance, Chief Operating Officer Ms Marion Lesaffre said: “The company continues to focus on its strategic priorities to efficiently manufacture high-quality products, expand the product range to leverage new markets, strengthen distribution channels and facilitate the distribution of the Company’s product range globally. The company also continues supporting research into the medicinal benefits of Cannabis products.”

“We are excited to soon launch our premium range of skincare products developed together with our joint venture partner, Israeli-based and listed Pharmocann Global. The first three products developed are entirely plant based and will be available as oil, serum and cream formulations. We are now in discussions with preferred distribution partners in key markets in preparation for launch once the pilot production run is complete,” said Ms Lesaffre.

In September last year Cann Global launched to market its chia soft gel oil capsules. These are already available in Australian retail partner Costco’s Australian stores, and following solid demand from customers they are now taking steps to make them available for purchase online in March. This month a new wholesale distribution customer has launched the product to their customers and Cann Global are continuing discussions with various other distributors and retail stores, both within Australia and across Asia.

As previously announced, Cann Global have placed an initial product order with partner Canntab Therapeutics for six hard pill cannabinoid formulations which will initially be available from pharmacies through the Special Access Scheme B and Authorised Prescriber Schemes. Canntab Therapeutics are awaiting issuance of their export licences from Health Canada to complete the order. The export license is expected to be received soon with Canntab products made available to consumers shortly thereafter.

This quarter Cann Global launched its equine food range which is being sold through as a white labelled product.

Cann Global continues its discussions with industry partners to pursue distribution channel opportunities in China and has sent samples for testing to continue developing export strategies. Exporting offers the Group the prospect of new markets, more sales, better profits and a greater spread of customers.

COMMENCEMENT OF HUMAN CLINICAL TRIALS IN AUSTRALIA

Human clinical trials are being planned in Australia for the cannabis strain that has been identified to have proven to assist in the recovery of, and to stop the progression of, the auto immune disease Multiple Sclerosis. Initial research was undertaken by the Technion in Haifa supported by Cann Global.

Cann Global has chosen to continue these trials and research in Australia with Australian clinical data and results being recognised worldwide due to the high standard of research. The Australian Government also offers significant support for Australian based medical research.

OUTLOOK

Regulatory changes supporting the global cannabis industry are occurring at a rapid pace. This has been particularly so in the last few months where we have seen positive changes both in Australia, and in offshore markets where Cann Global is positioned to benefit. A key focus for management is to continue to position the business to leverage these opportunities.

Cann Global is also excited to bring to the Australian market new products which have been in the development phase for some time, including hard pill cannabinal formulations as well as its new premium skin care range. The Company is confident that once these products are available to consumers they will make a significant contribution to Cann Global's revenue growth.

With an even stronger now debt-free balance sheet, significant cash reserves and the ongoing support of its shareholders Cann Global continues to move towards profitability and is confident of being able to achieve its vision of becoming a leader in the production and distribution of high-quality medicinal cannabis and hemp seed products.

ABOUT CANN GLOBAL

Cann Global Limited (ASX:CGB) is a driving force in the hemp and medical Cannabis industries. Our strength comes from our team's core competencies and expertise, and our solid and strategic partnerships with experts in Australia, USA, Israel, Asia and Canada. We are working under the relevant legislation 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, most effective and sustainable products. Cann Global also has a keen focus on innovation and the pursuit of medical advancement through vital research into the safe use of cannabis for patients, which has the potential to deliver significant upside for shareholders.

AUTHORITY & CONTACT DETAILS

This announcement has been authorised for release by Sholom Feldman, Managing Director.

For further information please contact Investor Relations on +61 (0)2 8379 1832, or via email at investorrelations@cannglobal.com.au

Appendix 4D – Half-Year Report

1. Company Details

Name of entity: CANN GLOBAL LIMITED
ABN: 18 124 873 507
Reporting period: Half-year ended 31 December 2020
Previous Corresponding Period: Half-year ended 31 December 2019

2. Results for announcement to the market

	2020	2019		Change	
	\$'000	\$'000	Up / Down	\$'000	%
Revenues from ordinary activities	900	673	Up	227	34%
Loss from ordinary activities after tax attributable to the members of Cann Global Limited	2,052	5,437	Down	(3,385)	(62%)
Net Loss for the year attributable to the members of Cann Global Limited	2,052	5,437	Down	(3,385)	(62%)

The increase in revenues compared to the prior year is due to sales growth from the sales of plant-based foods. The decrease in Net Loss for the year is due in part to a reduction in research costs and finance costs, and a gain on equity settled liabilities.

3. Net tangible assets per security

	2020	2019
	Cents	Cents
Net tangible assets per ordinary share	0.213	0.2027

4. Details of entities over which control has been gained or lost during the period

None.

5. Dividends

No dividends have been declared for the half-year ended 31 December 2020 or for the previous corresponding period.

6. Audit Review

This report is based on the accompanying condensed consolidated financial statements for the half-year ended 31 December 2020 which have been reviewed by Nexia Sydney Audit Pty Ltd. An unqualified review report accompanies those financial statements.

7. Details of associates and Joint Venture entities

On 01 July 2020, the Group acquired a 50% equity interest in the associate Pharmocann Global Pty Ltd.

On 27 December 2017, the Group entered a 50:50 joint venture arrangement with Canntab Therapeutics Ltd, named Canntab Therapeutics Australia (JV).

Additional information supporting the Appendix4D disclosure requirements can be found in the Directors' Report and the Consolidated Financial Statements for half-year ended 31 December 2020.



HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2020

Cann Global Limited | ABN 18 124 873 507 & Controlled Entities

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CORPORATE DIRECTORY

Directors

Pnina Feldman, Executive Chair
Sholom Feldman, Managing Director
David Austin, Non Executive Director
Johnathan Cohen, Non Executive Director
John Easterling, Non Executive Director

Company Secretary

Alexander Neuling

Registered Office

Level 21, 133 Castlereagh Street, SYDNEY NSW 2000

Telephone: (02) 8379 1832
Email: sfeldman@cannglobal.com.au

Auditor

Nexia Sydney Audit Pty Ltd
Level 16, 1 Market Street, SYDNEY NSW 2000
Telephone: (02) 9251 4600

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace, PERTH WA 6000
Telephone: (08) 9323 2000

Bankers

Bank of Western Australia
SYDNEY NSW 2000

National Australia Bank
SYDNEY NSW 2000

Stock Exchange Listing

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

Australian Security Exchange Code

CGB

Website

www.cannglobal.com.au

DIRECTORS' REPORT

The Directors present their report together with the financial statements, on the consolidated entity (referred to hereafter as 'the Group'), consisting of Cann Global Limited ('the Company') and the entities it controlled at the end of or during the half-year ended 31 December 2020.

Directors

The following persons were Directors of Cann Global Limited during the whole of the financial half-year and up to the date of this report, unless stated otherwise:

- Pnina Feldman, Executive Chair
- Sholom Feldman, Managing Director
- David Austin, Non Executive Director
- Johnathan Cohen, Non Executive Director
- John Easterling, Non Executive Director

Principal Activities

The principal activities of the Group during the half-year ended 2020 were legally developing, growing, cultivating and producing hemp and medicinal cannabis products; and mining exploration and evaluation in Australia.

Operations Overview

The Group reported the loss after tax for the half-year of \$2.1m (2019:\$5.5m).

The company continues to focus on its strategic priorities to efficiently manufacture high-quality products, expand the product range to leverage new markets, strengthen distribution channels and facilitate the distribution of the Company's product range globally. The company also continues supporting research into the medicinal benefits of Cannabis products.

In September last year Cann Global launched to market its chia soft gel oil capsules. These are already available in Australian retail partner Costco's Australian stores, and following solid demand from customers they are now taking steps to make them available for purchase online in March.

Cann Global continues its discussions with industry partners to pursue distribution channel opportunities in China for its food range and has sent samples for testing to continue developing export strategies.

Cann Global launched its equine food range during the half-year which is being sold as a white labelled product.

Cann Global have placed an initial product order with partner Canntab Therapeutics for six hard pill cannabinoid formulations which will initially be available from pharmacies through the Special Access Scheme B and Authorised Prescriber Schemes. Canntab Therapeutics are awaiting issuance of their export licences from Health Canada to complete the order. The export license is expected to be received soon with Canntab products made available to consumers shortly thereafter.

The company continues to progress towards the Australian launch of its premium range of skincare products developed together with its joint venture partner, Israeli-based and listed Pharmocann Global.

It is also pleasing to note that at 31 December 2020, the Company had healthy cash reserves of \$12.4m following \$7.9 million of equity capital having been raised during the six months.

The Company now also has a debt free balance sheet following conversion of the Company's convertible notes to equity, welcoming Obsidian and LI Capital as significant equity investors.

DIRECTORS' REPORT

Tenements

As at 31st December 2020, the Company held the following tenements:

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

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Event subsequent to date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has not otherwise arisen in the interval between the end of the financial half-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 Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS' REPORT

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 05 and forms part of the directors' report for the half-year ended 31 December 2020.

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



Pnina Feldman

Chairperson

Sydney

26th February 2021

For further information, please contact:

Cann Global Limited

Tel: +61 (0)2 8379 1832

For further information or any queries please email the Company at:

investorrelations@cannglobal.com.au

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 director for the review of the financial statements of Cann Global Limited for the half-year ended 31 December 2020, 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 review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



Nexia Sydney Audit Pty Limited



Stephen Fisher
Director

Sydney
26 February 2021

FINANCIAL STATEMENTS

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

Consolidated	Note	31 December 2020 \$	31 December 2019 \$
Revenue from sales		900,459	673,365
R&D Refund		-	23,281
Total income		900,459	696,646
Cost of goods sold		(734,803)	(544,574)
Gross Profit		165,656	152,072
Other income			
Foreign currency exchange gain/(loss) realised		615,397	(328,551)
Expenses			
Administrative and corporate expenses		(1,407,449)	(920,688)
Advertising and marketing		(205,878)	(73,072)
Depreciation and amortisation		(74,359)	(108,383)
Legal expenses		1,547	(45,827)
Directors fees CGB		(351,132)	(337,000)
Directors fees MCL		-	(60,000)
Occupancy expenses		(28,922)	(72,142)
Exploration written off		(308,604)	-
Impairment of other receivables		(80,568)	-
Research costs		(18,660)	(1,065,246)
Share of loss in equity-accounted investees – net of tax		(51,123)	-
Travelling expenses		(49,837)	(124,215)
Other expenses		(116,313)	(145,833)
Share based payments expense		(146,500)	(607,446)
Total expenses		(2,222,402)	(3,888,403)
Finance income		73,420	62,228
Finance costs		(99,507)	(1,811,145)
Net finance costs		(26,087)	(1,748,917)
Loss before income tax		(2,082,833)	(5,485,248)
Income tax expense		-	-
Loss after tax from continuing operations		(2,082,833)	(5,485,248)
Other comprehensive income, net of tax		-	-
Total comprehensive loss		(2,082,833)	(5,485,248)
Loss attributable to members of Cann Global Limited		(2,051,838)	(5,436,807)
Total comprehensive loss attributable to members of Cann Global Limited		(2,051,838)	(5,436,807)
Loss attributable to non-controlling interest		(30,995)	(48,441)
Total comprehensive loss attributable to non-controlling interest		(30,995)	(48,441)
Basic earnings per share (cents per share)		(0.055)	(0.18)
Diluted earnings per share (cents per share)		(0.055)	(0.18)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Condensed Consolidated Statement of Financial Position

For the half-year ended 31 December 2020

Consolidated	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		12,406,663	7,417,095
Prepayments		147,040	154,591
Trade and other receivables	7	475,337	709,632
Inventories	8	433,386	489,475
Total current assets		13,462,427	8,770,793
Non-current assets			
Exploration and evaluation	9	2,215,275	2,451,028
Property, plant and equipment		465,660	486,458
Right-of-use assets	10	99,344	138,416
Intangible assets	11	4,508,975	4,501,160
Investments		200,000	200,000
Equity-accounted investee	19	110,300	2
Total Non-current assets		7,599,555	7,777,064
Total assets		21,061,982	16,547,857
Liabilities			
Current liabilities			
Trade and other payables		(1,586,488)	(2,067,980)
Current tax liability		(292,666)	(292,666)
Lease liability		(39,811)	(77,184)
Other financial liabilities	12	(90,298)	(4,290,747)
Total current liabilities		(2,009,262)	(6,728,577)
Non-current liabilities			
Lease liability		(60,710)	(61,232)
Total Non-current liabilities		(60,710)	(61,232)
Total liabilities		(2,069,972)	(6,789,809)
Net assets		18,992,010	9,758,048
Equity			
Share capital	13	95,112,970	84,159,575
Option reserve	13	186,450	-
Share based payments reserve	14	6,203,818	6,027,318
Acquisition of NCI reserve		(42,498,259)	(42,498,259)
Accumulated losses		(39,922,382)	(37,870,544)
Total		19,082,596	9,818,090
Non-controlling interest	15	(90,587)	(60,042)
Total equity		18,992,010	9,758,048

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2020

Consolidated	Note	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Option Reserve \$	Acquisition of Non-Controlling Interest Reserve \$	Non-Controlling Interest (NCI) \$	Total Equity \$
Balance at 1 July 2019		29,600,842	(29,858,406)	5,253,372	-	-	(2,103,811)	2,886,997
Loss for the half-year		-	(5,436,807)	-	-	-	(48,441)	(5,485,248)
Transfer from share-based payments reserve to accumulated losses		-	-	-	-	-	-	-
Share and option-based payments	6	-	-	711,905	-	-	-	711,905
Acquisition of additional 45% interest in MCL		40,410,820	-	-	-	(42,498,259)	2,087,439	-
Shares issued during the half year		12,897,364	-	-	-	-	-	12,897,364
Balance at 31 December 2019		82,909,026	(35,295,213)	5,965,277	-	(42,498,259)	(69,813)	11,011,018
Consolidated	Note	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Option Reserve \$	Acquisition of Non-Controlling Interest Reserve \$	Non-Controlling Interest (NCI) \$	Total Equity \$
Balance at 1 July 2020		84,159,575	(37,870,544)	6,027,318	-	(42,498,259)	(60,042)	9,758,048
Loss of the half-year		-	(2,051,838)	-	-	-	(30,995)	(2,082,833)
Share and option-based payments	6	-	-	146,500	-	-	-	146,500
Prepayment		-	-	30,000	-	-	-	30,000
Investment in Cann Global Thailand Pty Ltd		-	-	-	-	-	450	450
Option Reserve		-	-	-	186,450	-	-	186,450
Share issued cost		(418,197)	-	-	-	-	-	(418,197)
Shares issued during the half-year	13	11,371,591	-	-	-	-	-	11,371,591
Balance at 31 December 2020		95,112,970	(39,922,382)	6,203,818	186,450	(42,498,259)	(90,587)	18,992,010

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

FINANCIAL STATEMENTS

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2020

Cash flows from operating activities	Note	31 December 2020 \$	31 December 2019 \$
Receipts from customers		1,148,108	1,119,013
Payments to suppliers and employees		(2,574,936)	(4,793,143)
Interest received		73,420	62,228
Net cash used in operating activities		(1,353,407)	(3,611,902)
Cash flows from investing activities			
Investment in equity-accounted entity		(85,298)	(6,361)
Payment for intangibles		(22,305)	-
Payment for exploration asset		(72,851)	(5,083)
Net cash used in investing activities		(180,454)	(11,444)
Cash flows from financing activities			
Loan provided by/(to) related entity – Australian Gemstone Mining Pty Ltd		938	(40,541)
Loan provided to other entity – Pharmocann Global Pty Ltd		(21,000)	-
Loan provided (to)/by related party – MCL Director		(111,113)	(531,591)
Loan provided by other entity		-	(175,037)
Proceeds from convertible securities		-	2,221,200
Proceeds from share capital (net of capital raising costs)		6,654,605	5,950,000
Loans repaid to seed capital providers		-	(2,450,000)
Net cash from financing activities		6,523,430	4,974,031
Net increase/(decrease) in cash held		4,989,568	1,350,685
Cash at beginning of financial year		7,417,095	5,183,769
Cash acquired from HHC and T12 acquisition		-	39,467
Cash at end of financial year	12	12,406,663	6,573,921

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 1. Corporate Information

The interim financial report of Cann Global Limited for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 25 February 2020.

Cann Global Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is Level 21, 133 Castlereagh Street, Sydney NSW 2000.

The principal activities of the Group during the half-year ended 2020 were legally developing, growing, cultivating and producing hemp and medicinal cannabis products; and mining exploration and evaluation in Australia.

Note 2. Summary of Significant Accounting Policies

This general purpose financial report for the interim half year reporting period ended 31 December 2020 has been prepared in accordance with applicable Accounting Standards including Accounting Standard AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Cann Global Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The Group has adopted all of the new and revised Accounting Standards and Accounting Interpretations issued by the AASB that are relevant to their operations and effective for the current half-year.

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.

Feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. 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.

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FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 3: Use of estimate and judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The only area involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, is in relation to share and option based payments, convertible securities and exploration asset written off.

Note 4. Operating segments**a. Basis for segmentation**

The Group has three reportable segments; cannabis, 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.

31 December 2020	Cannabis	Mining Exploration and Evaluation	Corporate	Total
Segment revenues	900,459	-	-	900,459
Revenues	900,459	-	-	900,459
Interest Income	-	-	73,420	73,420
Depreciation	(19,088)	(1,709)	-	(20,798)
Amortisation and impairment	-	(362,165)	-	(362,165)
Finance costs	-	-	99,507	99,507
Other costs	(1,009,179)	-	(1,565,064)	(2,574,243)
Profit/(loss) before tax	(127,808)	(363,875)	(1,591,151)	(2,082,833)
Income tax expense	-	-	-	-
Loss after tax	-	-	-	-
Capital expenditures	22,305	-	-	22,305
Total assets	6,280,941	2,225,775	12,555,266	(21,061,982)
Total liabilities	(515,764)	-	(1,554,209)	(2,069,972)

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For the half-year ended 31 December 2020

Note 4. Operating segments (continued)

31 December 2019	Cannabis	Mining Exploration and Evaluation	Corporate	Total
Segment revenues	673,365	-	-	673,365
R&D Grant	23,281	-	-	23,281
Less: Intersegment revenues	-	-	-	-
Revenues	696,646	-	-	-
Interest income	-	-	62,228	62,228
Depreciation	(19,266)	(2,309)	-	(21,575)
Amortisation	(16,610)	-	-	(16,610)
Finance costs	-	-	(1,811,145)	(1,811,145)
Other costs	(1,807,107)	(70,198)	(2,517,487)	(4,394,792)
Loss before tax	(1,146,337)	(72,507)	(4,266,404)	(5,485,248)
Income tax expense	-	-	-	-
Loss after tax	(1,146,337)	(72,507)	(4,266,404)	(5,485,248)
Capital expenditures	6,362	5,083	-	11,445
Total assets	6,324,355	2,263,456	7,404,451	15,992,262
Total liabilities	(542,661)	-	(4,438,583)	(4,981,244)

Note 5. Loss for the Half-Year

The consolidated loss for the half-year ended 31 December 2020 was (\$2,082,833) 2019: loss (\$5,485,248).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 6. Share Based Payments Expense

The share-based payments expense for the half-year ended 31 December 2020 relates to the following share issues

	31 December 2020 \$	31 December 2019 \$
Shares issued to consultants	146,500	418,257
Shares issued to T12 Pty Ltd management (T12)	-	189,189
	146,500	607,446
Finance cost - Convertible securities - L1 Capital	-	(104,459)
Increment to share based payments reserve	146,500	711,905

Note 7. Trade and other Receivables

Current	31 December 2020	30 June 2020
Trade receivables	316,797	554,968
Other receivables	158,540	154,664
Balance as at 31 December 2020	475,337	709,632

Note 8. Inventories

Current	31 December 2020	30 June 2020
Seeds and crops in progress - at cost	12,675	12,675
Finished goods - at cost	420,711	476,800
Balance as at 31 December 2020	433,386	489,475

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 9. Exploration and evaluation

Non-current	31 December 2020	30 June 2020
EPM 18463		
Balance as at 30 June	2,451,028	2,238,019
Mining permits, tenement acquisition and administration and geologist expenses	72,851	213,009
Impairment of exploration assets	(308,804)	-
Balance as at 31 December 2020	2,215,275	2,451,028

The Exploration and Evaluation asset of \$2,215,275, relates to the South Johnstone Project, Queensland, mining tenement EPM 18463. This mining tenement was set to expire on 25 May 2020. CGB has lodged the renewal application for the mining tenement with the Queensland Government's, Department of Natural Resources, Mines and Energy (DNRME). The status of the tenement is therefore Granted (Renewal lodged).

CGB have lodged the renewal application on time prior to expiry date and are now waiting for the DNRME's decision. CGB is yet to be advised whether the renewal application will be approved. If the renewal is unsuccessful then in that event the capitalised Exploration and Evaluation asset carrying value of \$2,215,275 will be fully impaired. CGB has no reason to believe the renewal will be unsuccessful.

Note 10. Right-of-use assets

	31 December 2020	30 June 2020
Land and buildings - right-of-use	138,416	138,416
Less: Accumulated depreciation	(39,072)	-
Balance as at 31 December 2020	99,344	138,416

The Group leases land and buildings for its factory under agreements of two years. On renewal, the terms of the leases are renegotiated. There is no renewal option held by the Group on these leases.

Note 11. Intangible assets

	31 December 2020	30 June 2020
Seedbank and plant genetics	230,000	230,000
Accumulated amortisation	(80,500)	(69,000)
Goodwill	4,322,016	4,322,016
Intellectual property - website at cost	66,405	44,100
Accumulated amortisation	(30,196)	(27,206)
Trademark	1,250	1,250
Total intangible assets	4,508,975	4,501,160

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 11. Intangible assets (continued)

	Intellectual property Website \$	Seedbank and plant genetics \$	Goodwill \$	Trademark \$	Total \$
31 December 2020					
Carrying amount year ended 30 June 2020	16,894.00	161,000	4,322,016	1250	4,501,160
Additions	22,305	-	-	-	22,305
Accumulated amortisation	(2,990)	(11,500)	-	-	(14,490)
Carrying amount year ended 31 December 2020	36,209	149,500	4,322,016	1,250	4,508,975

Note 12. Other financial liabilities

Current	31 December 2020	30 June 2020
Loan from MCL Director – unsecured	-	211,113
Loan from other party – unsecured	90,298	90,545
Convertible securities – L1 Capital pursuant to the financing agreement – secured	-	85,200
Convertible securities – Obsidian pursuant to the financing agreement – secured	-	4,290,747
	90,298*	3,903,889

* Loan provided by Emanor Holdings Pty Ltd to Hemp Hulling Co. (HHC). Emanor provides management services to Hemp Hulling Co. and has a common director, Sebastian Edwards, who owns 45% of Hemp Hulling Co.

	Andrew Kavasilas \$	L1 Capital \$	Other loan \$	Obsidian \$	Total \$
Changes in liabilities arising from financing activities					
Balance as at 30 June 2020	211,113	85,200	90,545	3,903,889	4,290,747
Cash movements:					
Loans repaid	(51,113)	-	(247)	-	(51,360)
Foreign exchange gain on conversion of convertible notes	-	-	-	(594,292)	(594,292)
Conversion to shares	(160,000)	(85,200)	-	(3,309,597)	(3,554,797)
Balance as at 31 December 2020	-	-	90,298	-	90,298

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 13. Share capital

Share capital on issue	31 December 2020	30 June 2020
5,704,850,303 (30 June 2020: 3,389,989,043) fully paid ordinary shares (no par value)	94,362,970	83,409,575
50,000,000 (2018: 50,000,000) performance shares (no par value)	750,000	750,000
	95,112,970	84,159,575

	31 December 2020 N°	31 December 2020 \$	30 June 2020 N°	30 June 2020 \$
Ordinary shares				
At the beginning of reporting period	3,389,989,043	83,409,574	1,612,435,425	28,850,842
Share based payments	35,478,099	-	36,704,533	-
Capital raising	1,565,498,480	7,827,492	170,000,000	5,950,000
Acquisition MCL 45%	-	-	1,154,250,000	40,398,750
Acquisition HHC 30%	-	-	40,540,541	1,418,919
Acquisition T12 100%	-	-	21,621,621	756,757
Investment in Cann Global South Africa	-	-	10,000,000	200,000
Collateral shares - L1 Capital	-	-	35,000,000	
Share placement	-	-	59,000,000	668,560
Conversion of convertible securities into ordinary shares - L1 Capital	-	-	142,218,947	2,390,145
Collateral shares - Obsidian	-	-	25,000,000	
Conversion of seed loans into ordinary shares	-	-	76,932,262	2,692,629
Conversion of loan into ordinary shares	32,000,000	160,000	6,285,714	176,000
Conversion of convertible securities into ordinary shares - Obsidian	681,824,681	3,394,798	-	-
Loss on equity conversion	-	175,031	-	-
Less: Cost of capital raising	-	(418,197)	-	(93,028)
Option reserve	-	(186,450)	-	-
Options exercised	60,000	720		
At reporting date	5,704,850,303	94,362,970	3,389,989,043	83,409,574
Performance shares				
At the beginning of reporting period	50,000,000	750,000	50,000,000	750,000
At reporting date	50,000,000	750,000	50,000,000	750,000
	5,754,850,303	95,112,970	3,439,989,043	84,159,574

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FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 13. Share capital (continued)

*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.

Note 14. Share based payment reserve

Consolidated Entity	31 December 2020	30 June 2020
Balance as at 1 July	6,027,318	5,253,372
Equity settled share based payment – consulting fees – shares	146,500	773,946
Prepayment	30,000	-
Balance	6,203,818	6,027,318

Note 15. Non Controlling interest

	31 December 2020	30 June 2020
Non-controlling interest in equity – Balance as at 1 July	(60,042)	(2,108,811)
Acquisition of additional 45% interest in MCL, resulting in derecognition of non-controlling interest	-	2,087,439
Non-controlling interest in share capital raising – Cann Global Thailand Pty Ltd	450	-
Loss attributable to non-controlling interest	(30,995)	(38,670)
Total non-controlling interests	(90,587)	(60,042)

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For the half-year ended 31 December 2020

Note 16. Related Party Transactions

Identity of related parties

The Group has related party relationships with its subsidiaries, its key management personnel and companies related due to common directorships, Pnina Feldman being a Director of both Cann Global Limited and the director of 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 2018, for the provision by AGMPL of executive and corporate services, including geological and technical expertise, to the Group by the following executives:

- Pnina Feldman – Executive Director
- Dr Robert Coenraads – Head Geologist, Exploration and Mining; and
- Sholom Feldman – Chief Executive Officer and Managing Director.

AGMPL is a company owned and controlled by Pnina Feldman. Each of Pnina Feldman, Dr 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.

The provision by AGMPL of geological and technical expertise services was terminated during the half-year ended 31 December 2020.

AGMPL services	31 December 2020	30 June 2020
Rent	-	25,635
Management and secretarial	-	180,000
Geologist fees	36,000	198,000
Executive and corporate services (Directors Fees)	312,000	624,000
Reimbursement of expenses	-	13,543
Marketing services	-	200,579
Administration services	-	54,000
Total	348,000	1,295,757

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NOTES TO THE CONSOLIDATED
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For the half-year ended 31 December 2020

Note 16. Related Party Transactions (continued)

Other transactions with related parties

The Company paid directors' fees of \$19,132 (2019: \$15,000) for the non-executive director, Jonathan Cohen, during the half-year ended 31 December 2020.

The Company paid directors' fees of \$20,000 (2019: \$15,000) to the non-executive director, David Austin, during the half-year ended 31 December 2020.

	31 December 2020	30 June 2020
Loans advanced to director related companies		
NON-CURRENT		
Volcan Australia Corporation Pty Ltd	1,200,000	1,200,000
Expected credit loss recognised as at 31 December 2020	(1,200,000)	(1,200,000)

Due for repayment on 14 December 2012*

* The loan to Volcan Australia Corporation Pty Ltd was not a cash advance from the company to Volcan, but was the amount that was to be paid in consideration for the purchase by Volcan Australia Corporation Pty Ltd (VAC) of ML1492 from the Company pursuant to the transactions completed on 14 December 2010 as approved at the time by shareholders at an EGM. Volcan was to have invested in ML1492, and from the profits of the development of that asset was to have paid CGB \$1.2M. Volcan subsequently invested in the asset's development, but due to the prevailing market conditions, Volcan was not able to make a profit from that asset at that time. As a result, Volcan was unable to meet the acquisition cost of \$1.2M at the due date. The amount due was unsecured, due for payment in cash on 14 December 2012, and there was no interest payable on the amount due. The Directors have agreed that it is in CGB's interest to allow VAC further time to seek to further develop that asset in more favourable market conditions to enable Volcan to make the necessary amounts from the asset to make the payment. As the timing of this payment is at present uncertain, it is considered prudent for this amount to be impaired in the financial statements until the payment is able to be made.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 17. Financial Instruments

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required). Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	31 December 2020 Total Carrying Amount	31 December 2020 Net Fair Value	30 June 2020 Total Carrying Amount	30 June 2020 Net Fair Value
Financial assets				
Cash and cash equivalents	12,406,663	12,406,663	7,417,095	7,417,095
Trade and other receivables	475,337	475,337	709,632	709,632
Financial liabilities				
Trade and other payables	1,586,488	1,586,488	2,067,980	2,067,980
Other financial liabilities	(90,298)	(90,298)	4,290,747	4,290,747
Current tax liabilities	292,666	292,666	292,666	292,666
Current lease liabilities	39,811	39,811	77,184	77,184

The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables, and current tax liability are assumed to approximate their fair-values due to their short-term nature. The fair values of other financial liabilities are estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

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For the half-year ended 31 December 2020

Note 18. Commitment for expenditure

	31 December 2020	30 June 2020
Exploration and evaluation (Note i)		
– not later than 1 year	102,200	135,780
– later than 1 year but no later than 5 years	112,200	145,780
Research and development		
Canntab therapeutics (Note ii)	-	
– not later than 1 year	-	-
– later than 1 year but no later than 5 years	1,198,427	1,429,000
TRDF Israel Research (Note iii)		
– not later than 1 year	-	900,000
– later than 1 year but no later than 5 years	-	285,714

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, MCRG is required to pay \$4.1 million (USD\$2.87 million) over a four-year period. During the half-year Cann Global has chosen to continue research and trials for medicinal cannabis use for Multiple Sclerosis in Australia and has terminated its research agreement with TRDF early reducing its commitment for expenditure.

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For the half-year ended 31 December 2020

Note 19. Equity accounted investee

	31 December 2020	30 June 2020
Investment in Canntab Therapeutics (Note i)	40,699	2
Investment in Pharmocann Global Pty Ltd (Note ii)	69,601	-
	110,300	2

i. On 27 December 2017, the Group entered a 50:50 joint venture arrangement with Canntab Therapeutics Ltd, named Canntab Therapeutics Australia (JV). The JV is involved in the distribution of pharmaceutical grade medical cannabis tablets.

	31 December 2020	30 June 2020
Group's share of net assets and total comprehensive income (50%)	50%	50%
Current assets	18,482	-
Non-current assets	25,000	-
Current liabilities	(3,566)	-
Non-current liabilities	(37,483)	-
Net assets (100%)	2,433	-
Group's share of net assets (50%)	1,217	-
Carrying amount of interest in investee	1,217	-
Revenue	-	-
Loss from continuing operations (100%)	(43,567)	-
Other comprehensive income (100%)	-	-
Total comprehensive income (100%)	(43,567)	-
Total comprehensive income (50%)	(21,784)	-
Group's share of total comprehensive income (50%)	(21,784)	-

Reconciliation of carrying value of investment

Share of net assets	1,217
Other amounts invested	68,384
Carrying value	69,601

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For the half-year ended 31 December 2020

Note 19. Equity accounted investee (continued)

ii. On 7 June 2020 the Group entered a 50:50 joint venture agreement with Pharmocann, named Pharmocann Global Pty Ltd (PGPL). The JV entity was incorporated on 1 July 2020.

	31 December 2020	30 June 2020
Group's share of net assets and total comprehensive income (50%)	50%	50%
Current assets	43,697	-
Non-current assets	-	-
Current liabilities	(3,438)	-
Non-current liabilities	(98,938)	-
Net liabilities(100%)	(58,679)	-
Group's share of net assets (50%)	(29,340)	-
Carrying amount of interest in investee	(29,340)	-
Revenue	-	-
Loss from continuing operations (100%)	(58,679)	-
Other comprehensive income (100%)	-	-
Total comprehensive income (100%)	(58,679)	-
Total comprehensive income (50%)	(29,339)	-
Group's share of total comprehensive income (50%)	(29,339)	-

Reconciliation of carrying value of investment

Share of net liabilities	(29,339)
Other amounts invested	70,038
Carrying value	40,699

FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Note 20: Events Subsequent to Balance Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has not otherwise arisen in the interval between the end of the financial half-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 Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and accompanying notes set out on pages 06 to 24 are in accordance with the Corporations Act 2001, and:

(i) comply with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

(ii) give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors:



Pnina Feldman

Chairperson

Sydney

26th February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cann Global Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cann Global Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 31 December 2020, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 review report.

Emphasis of matter

We draw attention to note 9 to the financial statements which describes the uncertainty related to renewal application of mining tenement EPM 18463. If the renewal is unsuccessful then in that event the capitalised Exploration and Evaluation asset carrying value of \$2,215,275 will be fully impaired. Our review report is not modified in respect of this matter.

Responsibility of the Directors for the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CANN GLOBAL LIMITED

(CONT'D)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Nexia Sydney Audit Pty Ltd





Stephen Fisher
Director


Sydney
26 February 2021

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