

Targeting Premium DSO Bauxite



Queensland Bauxite Limited

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Half - Year Report

Queensland Bauxite Limited

ABN 18 124 873 507

and Controlled Entities

For the half-year ended 31 December 2017

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EXECUTIVE CHAIRPERSON'S REPORT

Dear Shareholder,

It has been my pleasure, as QBL's Executive Chairperson and responsible for Business Development, to oversee and guide, on behalf of the Board of Queensland Bauxite Limited (ASX:QBL), the expansion of Queensland Bauxite Ltd from purely an exploration company, through its investment in Medical Cannabis Limited (MCL), to also become a global player in the burgeoning multi-billion dollar Cannabis Industry. We are very pleased to be involved in investment, joint ventures and licensing agreements with major global partners in Medical Cannabis product development and research and Hemp Food Consumer staples.

The Board at Queensland Bauxite Ltd is very excited with the recent success and progress of its investment in Medical Cannabis Ltd. During the past 6 months **MCL** has entered into formal agreements and Joint ventures with companies such as: **EndoCRO Ltd**, Israel, for the formulation of a unique medical Cannabis drug delivery system: **CannTab Therapeutics**, Canada, for the rights to exclusively manufacture and distribute throughout Australia and Asia their exclusive pharmaceutical grade GMP (XR) CannTab pills for many illnesses such as chronic pain relief and treatment to alleviate symptoms of Epilepsy: **AlgaeTec**, Australia, is licensing our unique Cannabis cultivar seed bank to formulate Cannabis medicinal products for veterinary medications: The **TECHNION**, Israel. **MCRG**, our Medical Cannabis Research Group, has signed an agreement to fund the research studies of Dr David (Dedi) Meiri Ph.D., and his team as they investigate the intervention of medicinal Cannabis to disrupt the debilitating mechanisms of Autoimmune Disease, in particular, Multiple Sclerosis. MCRG has the rights to an exclusive license agreement to benefit from any discoveries that come as a direct result of the research being conducted by Dr Meiri and his team. We were also very pleased to have John Easterling, a world-renowned expert in Cannabis Therapeutics, agree to join the MCL Board. We look forward to John's contribution to all our MCL Projects in 2018.

The Board is also pleased that the South Johnstone Bauxite Project has achieved some significant milestones during the current reporting period, with the granting of a Mining Development License, and the approval of the Environmental Authority for the MDL Work Programme. As we head forward in 2018 we are currently in discussions with some major players in the International bauxite market, with test batch samples of our ore currently being assessed in their refineries. It is our belief that this will be a significant year in the development and life of our company, and look forward to profitable returns on our investments moving forward.

Executive Chairperson

Queensland Bauxite Limited (ASX: QBL)



MILESTONE ACHIEVEMENTS & HIGHLIGHTS

‘QBL is very pleased to report an exceptionally strong performance for our half year result.’

QBL

- ◆ The DNRM formally approved the Mineral Development License (MDL) for the South Johnstone Bauxite Project
- ◆ Trial production of Bauxite samples have been sent to potential international customer refineries
- ◆ The DEHP have approved the amendment to our previous Environmental Authority (EA) to allow QBL to undertake development work at the South Johnstone Bauxite Project
- ◆ **\$8,924,918.00** Cash balance as at December 31, 2017
- ◆ A marketing agency has been signed up to assist in the process of obtaining sales agreements with bauxite refineries

MCL

- ◆ **QBL** owns 55% stake in premier Australian Cannabis and Hemp Company, Medical Cannabis Limited (MCL)
- ◆ 20 tonnes of certified low THC hemp seed was sown to enable **MCL** to grow enough low THC Cannabis to supply an immediate demand for Australian hemp seed products
- ◆ **MCL** released its VitaHemp range of Hemp Seed Food products to the Australian market in November 2017
- ◆ **MCL** established VitaCann to handle its medical product range and to negotiate strategic alliances and partnerships in the medicinal Cannabis area of its business in Australia, Israel, Canada, Asia and Europe
- ◆ **MCL** signed a strategic partnership with **EndoCRO Ltd** in Israel to develop an advanced Cannabis formulation utilizing a pharmaceutical grade drug delivery system which is intended to revolutionize the medical Cannabis industry
- ◆ **MCL** is the only major fully vertically integrated all-Australian hemp food company, from the ‘seed to the plate’ not only for its VitaHemp brand but for many other Australian hemp food suppliers
- ◆ John Easterling, a Cannabis Therapeutics expert from the USA agrees to join the Board of **MCL**



MILESTONE ACHIEVEMENTS & HIGHLIGHTS continued

‘QBL is very pleased to report an exceptionally strong performance for our half year result.’

MCL

- ◆ **MCL: VitaCann** entered into an exclusive 50/50 Joint venture partnership with the Canadian **Canntab** company which has developed a unique world first Cannabis GMP Pharmaceutical Grade Extended Release (XR) pill that comes in a number of formulas intended to treat different illnesses such as chronic pain, anxiety and epilepsy.
- ◆ The joint venture between **MCL: VitaCann** and **Canntab** has been formed, to market and sell the Canntab proprietary products in Australia with a first right to distribute throughout Asia
- ◆ **MCL** is in the process of securing an Import License and permits to bring in the Canntab range of Medicinal Cannabis Pharmaceuticals
- ◆ **MCL** have entered into an agreement with ASX listed **AlgaeTec Limited** (AEB) to utilize MCL’s exclusive seed bank and lawful genetics, to develop medical Cannabis products for the animal industry. **AEB** will exclusively license Medical Cannabis Limited’s (MCL) Low THC Delta 9 Cannabis cultivars from the unique Australian Cannabis seed bank owned by Medical Cannabis Limited
- ◆ **MCL** through its wholly owned subsidiary Medical Cannabis Research Group Pty Ltd (**MCRG**), has signed a Research Funding Agreement with the Research & Development Foundation at the Technion Institute, Haifa, Israel. The agreement revolves around the research of Prof. David (Dedi) Meiri Ph.D., from the Faculty of Biology at the Technion Institute
- ◆ **MCRG** will sponsor the continued Research of how the Cannabis plant can be used for the treatment of Multiple Sclerosis (MS)
- ◆ **MCRG** has committed to fund USD\$3M (1 + 1 + 1) over a 3-year period, towards the research budget, in return for an exclusive license of any product to be developed from this research for MS, or **potentially** for any product that could alleviate or treat any other auto immune disease that could be developed from this research

Corporate Directory

Directors

Pnina Feldman

(Executive Chairperson)

Sholom Feldman

(Executive Director, CEO)

Meyer Gutnick

(Non-Executive Director)

David Austin

(Alternate Director)

Company Secretary

Sholom Feldman

Chief Geoscientist

Dr Robert Coenraads

Registered Office

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Bellevue Hill NSW 2023

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Email: sfeldman@queenslandbauxite.com.au

Auditors

Nexia Sydney Partnership

Level 16

1 Market Street

Sydney NSW 2000

Telephone: (02) 9251 4600

Bankers

National Australia Bank

Law Courts Branch

75 Elizabeth Street

Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Ltd

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.queenslandbauxite.com.au

Australian Securities Exchange Code:

QBL:ASX

Directors' report

Your Directors present their report on Queensland Bauxite Limited, consisting of Queensland Bauxite Limited ("the Company") and the entities it controlled at the end of or during the half-year ended 31 December 2017.

Directors

The names of the Directors of the Company at any time during or since the end of the financial year are:

Pnina Feldman - Executive Chairperson

Sholom Feldman - Executive Director, CEO and Company Secretary

Meyer Gutnick - Non-Executive Director

David Austin - Alternate Director

Principal Activities

The principal activities of the Group during the half-year ended 31 December 2017 were mineral exploration and identification of potential mining exploration assets for acquisition and development. The Company also has a 55% controlling interest in Medical Cannabis Limited.

Review of Operations and Outlook

The consolidated loss for the half-year ended 31 December 2017 was \$3,809,922 (2016 loss \$713,955).

BUSINESS HIGHLIGHTS

BAUXITE



◆ The Department of Natural Resources and Mines (DNRM) formally approved the Mineral Development License (MDL) for the South Johnstone Bauxite Project.

◆ Initial trial production of Bauxite samples have been sent to potential international customer refineries, for the purpose of proving the economic and operational feasibility of the entire project which upon successful testing and signing of agreements are anticipated to generate positive net cash flows under intended Mining Lease (ML) applications.

◆ The Department of Environment and Heritage Protection (DEHP) have approved the amendment to our previous Environmental Authority (EA) to allow QBL to undertake development work in addition to the already approved exploration activities in the South Johnstone region.

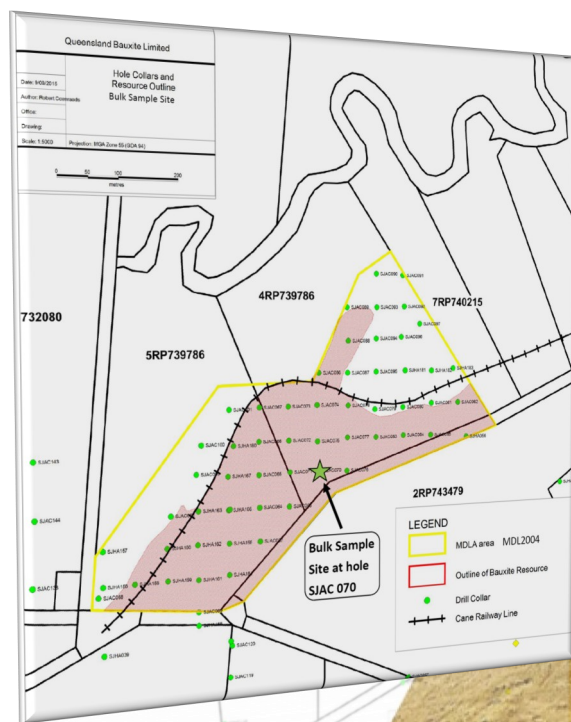
◆ A marketing agency has been signed up to assist in the process of obtaining sales agreements with bauxite refineries. The agency is currently working towards enabling a Sales and Purchase Agreement with a prospective Bauxite refinery.

◆ QBL's mining engineering and environmental consultants continue to work on components key to submitting ML applications for South Johnstone.

◆ As previously reported in QBL's scoping study, capital expenditure is expected to be only approximately \$5 million, and operating expenditure is expected to be only AUD\$20.87 per tonne FOB Mourilyan Harbour.

BUSINESS HIGHLIGHTS

BAUXITE CONTINUED



- ◆ During November 2017, bulk samples were collected from the Camp Creek Bauxite Deposit. These samples were taken, to enable the Company to export test samples to refineries primarily in China, who are displaying interest in our product.

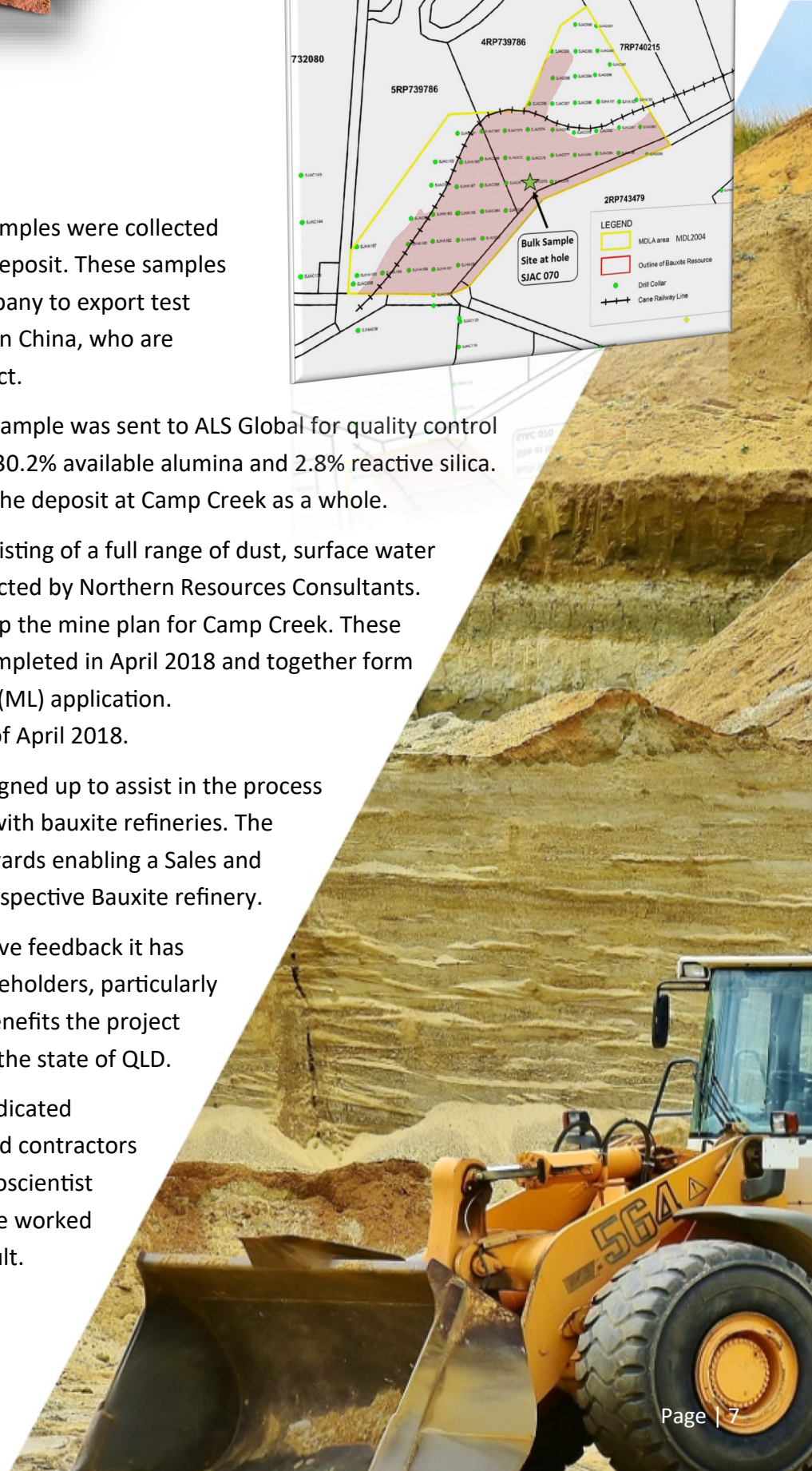
- ◆ A 500g representative bauxite sample was sent to ALS Global for quality control testing and returned results of 30.2% available alumina and 2.8% reactive silica. This grade is representative of the deposit at Camp Creek as a whole.

- ◆ Environmental monitoring consisting of a full range of dust, surface water and ground water is being collected by Northern Resources Consultants. MEC Mining continue to develop the mine plan for Camp Creek. These works are anticipated to be completed in April 2018 and together form the basis of QBL's mining lease (ML) application. Anticipated lodge date by end of April 2018.

- ◆ A marketing agency has been signed up to assist in the process of obtaining sales agreements with bauxite refineries. The agency is currently working towards enabling a Sales and Purchase Agreement with a prospective Bauxite refinery.

- ◆ QBL is encouraged by the positive feedback it has received from government stakeholders, particularly in regard to future economic benefits the project could deliver to the region and the state of QLD.

- ◆ The Board is grateful for the dedicated geological team, consultants and contractors of QBL, headed by our chief Geoscientist Dr. Robert Coenraads, who have worked so diligently to achieve this result.



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**QBL delivers an exceptional performance
for the 6 months ended 31st December 2017.
Our strong half year reflects the successful
execution of our strategy.**





- ◆ QBL owns a 55% stake in premier Australian Cannabis and Hemp Company, Australian unlisted public company; Medical Cannabis Limited (MCL).
- ◆ MCL is the first of the Australian Medical Cannabis companies to come to market with full local expertise, including a long history of legal Cannabis importation and production in Australia, its own cultivars, ongoing trial projects and technical direction.
- ◆ MCL is currently licensed to possess, cultivate, process and supply Cannabis under the NSW Hemp Act. MCL is farming Cannabis (low THC high CBD) at its Tabulam Cannabis Project in northern NSW and producing large amounts of cannabinoids which it intends to incorporate in its business plan. MCL's strategy is to develop, register, and commercialize pharmaceutical grade Cannabis, hemp-based products and treatments, to the highest GMP quality standards.
 - ◆ Medical Cannabis refers to the use of Cannabis and its constituent cannabinoids, such as tetrahydrocannabinol (THC) and cannabidiol (CBD), as medical therapy to treat disease or alleviate symptoms.
- ◆ MCL has also contracted with a number of Australia's premier farmers who are growing massive broadacre hemp crops for exclusive use in MCL's food production and distribution. 20 tonnes of certified low THC hemp seed was sown to enable MCL to grow enough low THC Cannabis to supply an immediate demand for Australian hemp seed products, with plans to grow further Cannabis (from which to derive hemp seed) to be able to also manufacture and export Australian produced health foods overseas.
- ◆ MCL, through its VitaHemp brand, was amongst the first to introduce hemp foods to a high official quality standard. VitaHemp is driving the initiative to develop Australian standards in relation to hemp seed food. Since November 2017 all imported hemp food seed will need to be irradiated, which gives a massive nutritional advantage to MCL's all Australian produce.
 - ◆ MCL released its initial products to market in November and December.

BUSINESS HIGHLIGHTS

MCL : VITAHEMP CONTINUED



- ◆ MCL is actively negotiating strategic alliances and partnerships in the medicinal Cannabis area of its business in Australia, Israel, Canada, Asia and Europe.
- ◆ MCL is the first of the major Australian Cannabis companies to have access to our own Australian seed bank. With our current licenses and International strategic alliances we have been able to fast track much needed preliminary research to help us make decisions in relation to breed selection to suit various opportunities in our current plant/product identification and development that will be brought to market as soon as possible.
 - ◆ MCL released its VitaHemp range of Hemp Seed Food products to the Australian market in November 2017.
 - ◆ Significant cashflow from these products is expected to flow when the 20 tonnes of sown seed is due for harvest in March and April 2018.
 - ◆ MCL aims to be the premier Australian hemp food producer, with strategic alliances having been formed in the farming, harvesting, manufacture, distribution, processing, and marketing of the VitaHemp “Gold Star” product range.
 - ◆ MCL is excited about its medical product range being planned and developed with strategic partners in Australia and overseas, in places and in conjunction with entities that are legal and licensed, to enable MCL to develop world first products in pain relief and dealing with various illnesses to relieve symptoms and research cures utilizing various forms of Cannabis.
 - ◆ The medical product range will be known as VitaCann, and will focus primarily on both low and high THC and CBD chemovars (Cannabis varieties grown for its chemical composition), for the treatment of various ailments of the human body and mind.
 - ◆ VitaHemp and VitaCann are currently aggressively planning for products that are expected to be much sought after.

BUSINESS HIGHLIGHTS

MCL : VITAHEMP CONTINUED



- ◆ MCL continues to make improvements in its business and product development; EndoCRO Ltd an iCAN:Israel - Cannabis company, has been selected as a research and product development arm on a contract basis for the development of pharmaceutical GMP grade medical Cannabis products on behalf of the company, with the goal of achieving full approval of these products for sale as recognized normative prescription medicinal products in Australia and globally.
- ◆ EndoCRO, utilizing its unique knowledge and expertise in the latest available research and technologies, is developing for the company an advanced Cannabis formulation utilizing a pharmaceutical grade drug delivery, expected to be a breakthrough product in the medical Cannabis industry.
 - ◆ MCL during the Winter quarter undertook seasonal trial crop testing of its Cannabis winter crops. Germination and growth rates were being monitored for rotating seasonal crop growth and harvesting.
 - ◆ MCL is actively negotiating production, marketing and distribution agreements to be announced to market once finalized.
 - ◆ MCL is making significant progress with its medical Cannabis research and development programme. It has entered into various world-class strategic relationships to ensure maximum value and productivity from its cutting-edge research and work plan.
 - ◆ MCL has taken a central and leading role in the all-Australian hemp food production industry since the approval of hemp food consumption became legal in November, 2017.
 - ◆ MCL is the only major fully vertically integrated all-Australian hemp food company, from the seed to the plate not only for its VitaHemp brand, but also services many other Australian quality brands from seeds all the way through to processing.

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BUSINESS HIGHLIGHTS

MCL : VITACANN



The directors of QBL are pleased that **John Easterling** has agreed to join the Board of MCL. John 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 QBL believe that the addition of Mr Easterling and his experience, knowledge and contacts to the team of MCL, will add enormous value and assistance to MCL, 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.

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BUSINESS HIGHLIGHTS

MCL : VITACANN CONTINUED



MCL is the first of the Australian medical Cannabis companies to come to market with local expertise, including a long history of legal Cannabis importation and production in Australia, its own cultivars, its own legal source of Cannabis, and ongoing trial projects and technical direction.

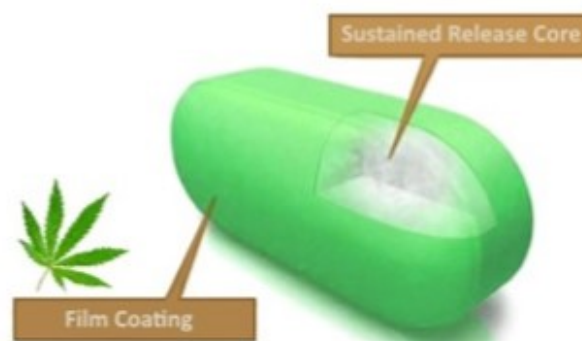
These assets are invaluable assets that has led the company to create major strategic alliances locally and internationally.

MCL:VitaCann entered into an exclusive 50/50 Joint venture partnership with the Canadian Canntab company which has developed a unique world first Cannabis GMP Pharmaceutical Grade Extended Release (XR) pill.

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 marijuana.

Canntab's unique release dosage is designed to release the active pharmaceutical ingredient at a predetermined rate in order to maintain a constant drug concentration over a specific period of time – resulting in a longer duration of action

from a single dose of between 12 to 18 hours and often with reduced side effects. These same results can not be achieved by other delivery systems, such as smoking, vaping, or edibles.



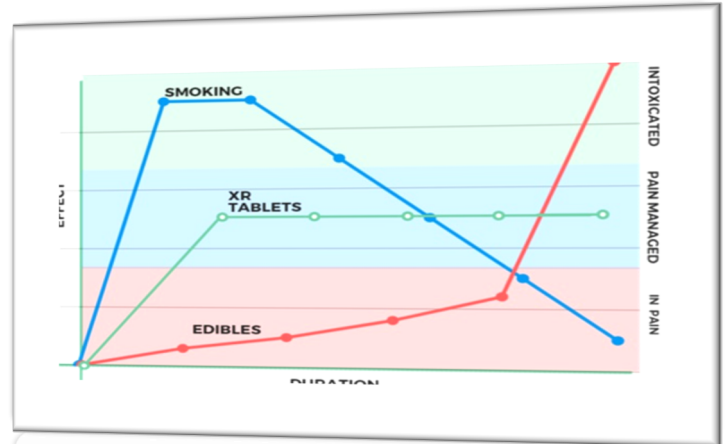
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BUSINESS HIGHLIGHTS

MCL : VITACANN

CONTINUED



The joint venture has been formed, to market and sell the Canntab proprietary products in Australia with a first right to distribute throughout Asia.

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 robust intellectual property licensed by Canntab, with access now to MCL's unique Australian Cannabis strains, and six filed patents protecting the Extended Release Tablets™ (XR).

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

Canntab's tablets are designed to specifically regulate the percentages of Cannabinoids and Terpenoids depending on the needs of the patient. This allows confident, reliable and consistent-dose use by patients requiring high CBD medication (i.e. epilepsy) as well as high THC medications (lack of appetite brought in by chemotherapy). A stark contrast to the inconsistency of oils and smoking!

The Sustained Release Product is designed to release the cannabinoid content over a period of at least **12 hours**.

Sustained release formulations of pharmaceutical products are particularly valuable in the treatment of chronic conditions, such as chronic pain, where patients tend to need "around the clock" relief.

This sustained release patent pending IP will form part of the first trials to be conducted here in Australia in order to achieve the Australian Government and TGA approvals.

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MCL has signed a agreement with ASX listed AlgaeTec Limited (AEB) to develop medical Cannabis products for the animal industry.

AEB will exclusively license Medical Cannabis Limited's Low THC Delta 9 Cannabis cultivars from the unique Australian Cannabis seed bank owned by Medical Cannabis Limited.

MCL's License to AEB is in order to establish a breeding program to identify cultivars for use in cannabinoid product development to research and develop stock and veterinary medications, supplements and sophisticated animal therapeutics.

MCL will provide AEB with additional assistance and expertise required to cultivate the Cannabis plants, while MCL retains the exclusive rights to develop these cultivars for human medical research and development.

Being able to capitalise on this early mover opportunity, AEB intend to call on its in house expertise and research and development collaborations to develop these medications and therapeutics for the animal and livestock industry.

The agreement seeks to combine resources, experience and technical knowledge to enhance and fast track research in several fields of animal treatment, care and health which have been identified as feasible and untouched entry points.

The international market for veterinary supplies is a multi-billion dollar industry. Though product development in the veterinary field isn't as expensive as human drug development, many human medications are routinely discovered or adapted from animal trials and research.

It is the goal of AEB to be actively developing medical Cannabis products for animal use in 2018 and to be the leaders and at the forefront in supplying the huge local and global animal industry with these unique products.

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Malcolm James, Executive Chairman of AEB added, *"There's no doubt we have secured one of the most coveted assets in the medical Cannabis industry, being our own exclusive lawful and licensed Cannabis seed bank for our further business development. We are most appreciative to MCL for this contribution. We are adamant that 2018 will essentially be an extremely busy and fruitful year with many plans being put into action while both our companies take advantage of new and innovative opportunities this agreement now opens for us."*

MCL's Technical Director Andrew Kavasilas has a long history of growing and breeding Cannabis cultivars under various permits in Australia since 1999. Growing under permit in NSW, Mr Kavasilas grew specially selected cultivars to determine cannabinoid variations, cannabinoids of interest, as well as terpene and volatile determinations.

Cannabinoids including:

THC (Delta(9)-tetrahydrocannabinol), CBD (Cannabidiol), CBG (Cannabigerol), CBN (Cannabinol), other important acid forms were measured, whilst many other unidentified cannabinoids remain present.

Terpenes and volatiles are another group of complex compounds produced by the Cannabis plant. These compounds make up the aromas associated with the Cannabis plant and are thought to exert their own medical beneficial properties while modulating and moderating the effects of cannabinoids.

By initiating such an agreement, AEB and MCL believe that other Australian companies will seek to join forces to help shape the future landscape being tentatively developed in Australia since changes by the Federal Government in relation to medical Cannabis law reforms opened the door to legitimate Cannabis investments.

BUSINESS HIGHLIGHTS

MCL : MCRG



Cannabis as a Potential Therapy for Multiple Sclerosis

The Board of Queensland Bauxite Limited (ASX:QBL) is pleased to announce that its subsidiary company Medical Cannabis Limited (MCL) through its wholly owned subsidiary Medical Cannabis Research Group Pty Ltd (MCRG), has signed a Research Funding Agreement with the Research & Development Foundation at the Technion Institute, Haifa, Israel. The agreement revolves around the research of Prof. David (Dedi) Meiri, from the Faculty of Biology at the Technion Institute.

MCRG will sponsor the continued Research of how the cannabis plant can be used for the treatment of Multiple Sclerosis (MS). Prof. Meiri has identified the synergistic relationship between the Cannabis plant and the human genome that will form the basis for this research.

David (Dedi) Meiri, Ph.D., is an Assistant Professor at the Faculty of Biology at the Technion Israel Institute of Technology and a member of the Technion Integrated Cancer Center (TICC). Dr. Meiri's scientific background is highly diverse. He holds a M.Sc. in biochemistry and a Ph.D. in plant biotechnology from Tel Aviv University. Dr Meiri conducted his post-doctoral fellowship at the Ontario Cancer Institute where he expanded his knowledge in human biology and cancer pathogenesis and focused on the role of the GEF-H1 protein in tumor invasion and metastasis. Upon completion of his post-doctoral fellowship, Dr. Meiri took a position at the Technion Israel Institute of Technology, where he heads the "Laboratory of Cancer Biology and Cannabinoid Research".

Dr Meiri operates the "Cannabis Database Project" and his lab is currently involved in eight clinical trials covering diverse aspects of Cannabis treatment, such as: colon disease, pain prevention, cancer treatment and epilepsy. He collaborates with Cannabis growers, clinicians and major manufacturers and distributors of medical Cannabis, including Andrew Kavasilas from QBL: MCL in the purpose of revolutionizing Cannabis treatment.

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BUSINESS HIGHLIGHTS

MCL : MCRG
CONTINUED



The Role of Cannabis in Autoimmune Diseases

So far, the approved and available treatment for autoimmune diseases with medicinal Cannabis, has been in the area of pain relief, the Cannabis formula replacing morphine and its derivatives, with morphine in high and frequent doses being serviceable mainly in palliative care. The medicinal Cannabis pain relief available for (MS) for example, is most effective in relieving pain, enabling sufferers to function better without the side effects of pain relieving drugs such as morphine. The danger of morphine has been recognized by the Australian authorities, who as of February 1, 2018 requires codeine to be a prescription only drug.

Overall Objective

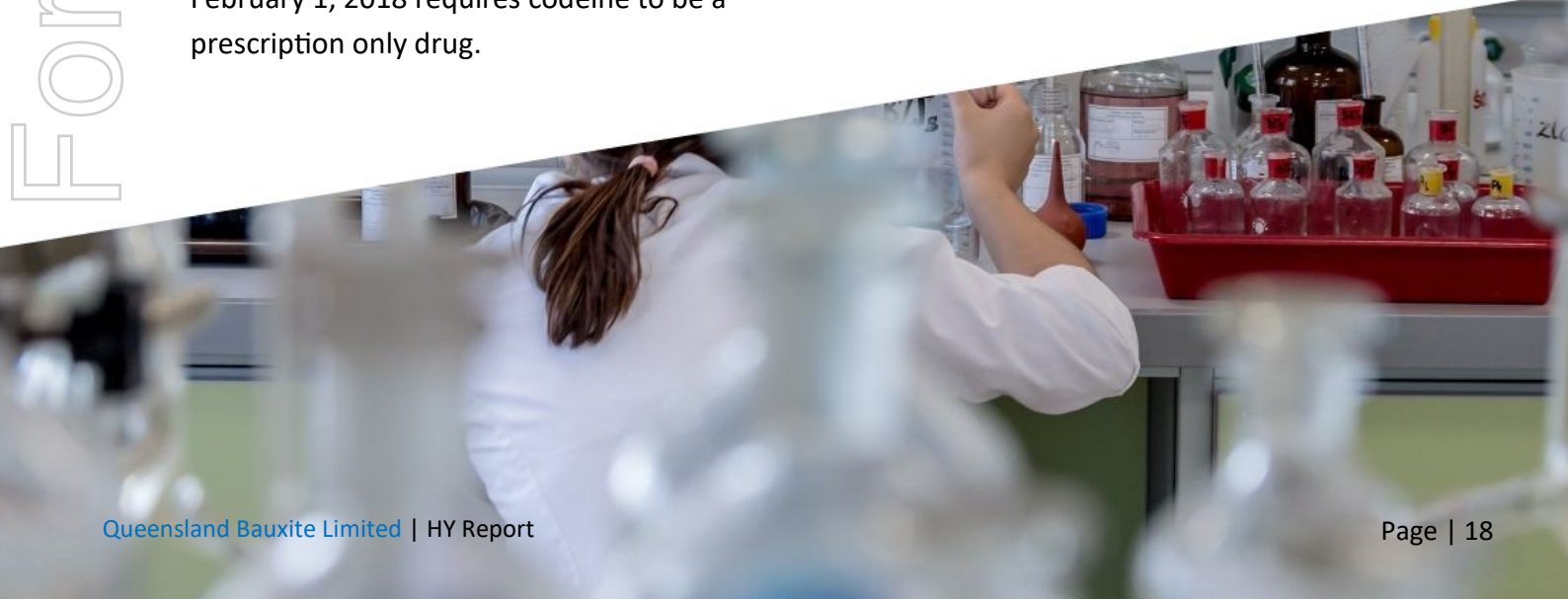
The overall objective of Dr Meiri's study is to match effective Cannabis extracts and specific cannabinoids composition that regulate/modulate immune function, specifically, autoimmunity in MS in order to optimize treatment for MS patients.

It is hoped that achieving a successful outcome of the overall objective could lead to a possible cure for MS through the strengthening of the immune system, which in turn will assist the research into other autoimmune diseases and diseases in general.

Dr Meiri Comments:

"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 optimize Cannabis treatment options and efforts towards the creation of personalized medicine for MS patients."

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Pnina Feldman

Pnina Feldman
Executive Chairperson
Queensland Bauxite Limited

For further information, please contact:

Queensland Bauxite Ltd
Tel: +61 (0)2 9291 9000

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

sfeldman@queenslandbauxite.com.au



www.twitter.com/QLDBauxite

About Queensland Bauxite

Queensland Bauxite Ltd is an Australian listed company focused on the exploration and development of its bauxite tenements in Queensland and New South Wales. The Company's lead project is the South Johnstone Bauxite Deposit in northern Queensland which has rail running through the project area and is approximately 15-24 kilometres from the nearest deep water port. The Company intends to become a bauxite producer with a focus on commencing production at South Johnstone as early as possible.

As at 31st December 2017, the Company held the following tenements:

Project Name			Interest Held %
Eastern Australia Bauxite Projects			
South Johnstone QLD	EPM18463	Granted	100%
South Johnstone QLD	MDL2004	Granted	100%
Nullamana NSW	EL7301	Renewal pending	81%

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 Queensland Bauxite 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.

Auditor's independence declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 22 and forms part of the directors' report for the half-year ended 31 December 2017.

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

A handwritten signature in black ink, appearing to read "Pnina Feldman".

Pnina Feldman

Chairperson

Sydney

16 March 2018

The Board of Directors
Queensland Bauxite Limited
24 Birriga Road
BELLEVUE HILL NSW 2023

To the Board of Directors of Queensland Bauxite Limited

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

As lead audit partner for the review of the financial statements of Queensland Bauxite Limited for the half-year ended 31 December 2017, 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 Partnership



Joseph Santangelo
Partner

Sydney
16 March 2018

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Liability limited by a scheme approved under Professional Standards Legislation.

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Financial statements

Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2017

Continuing Operations	Consolidated Entity	
	31 Dec 2017	31 Dec 2016
	\$	\$
Interest received	89,027	97,927
Sales	498	-
Corporate and administrative expenses	(673,421)	(308,783)
Depreciation	(2,808)	(2,308)
Impairment of exploration asset	(1,678,687)	-
Directors fees	(417,000)	(201,000)
Legal expenses	(55,536)	(62,200)
Finance costs	(390,001)	(44,150)
Rent	(84,000)	(54,000)
Research cost	(121,871)	-
Advertising and marketing	(80,386)	-
Other expenses	(50,632)	(2,122)
Travelling expenses	(177,819)	(93,010)
Exchange gain realised	115,044	691
Share based payments expense (Note 5)	(282,330)	(45,000)
Loss before income tax	(3,809,922)	(713,955)
Income tax expense	-	-
Loss after tax from continuing operations	(3,809,922)	(713,955)
Total comprehensive income	(3,809,922)	(713,955)
Loss attributable to members of Queensland Bauxite Limited	(3,414,049)	(713,955)
Total comprehensive income attributable to members of Queensland Bauxite Limited	(3,414,049)	(713,955)
Loss attributable to non-controlling interest	(395,873)	-
Total comprehensive income attributable to non-controlling interest	(395,873)	-
Basic earnings per share (cents per share)	(0.26)	(0.07)
Basic earnings per share from continuing operations (cents per share)	(0.26)	(0.07)
Diluted earnings per share (cents per share)	(0.26)	(0.07)
Diluted earnings per share from continuing operations (cents per share)	(0.26)	(0.07)

The accompanying notes form part of these financial statements.

Condensed consolidated statement of financial position

as at 31 December 2017

	Consolidated Entity	
	31 Dec 2017 \$	30 June 2017 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8,924,918	8,540,458
Trade and other receivables (Note 6)	166,657	101,298
Inventory	358,508	21,926
TOTAL CURRENT ASSETS	9,450,083	8,663,682
NON-CURRENT ASSETS		
Exploration and evaluation (Note 7)	1,682,308	3,124,895
Property, plant and equipment	45,555	42,288
Intangible asset (Note 8)	1,956,261	1,956,261
Investment in Hemp Hulling Co	145,250	-
TOTAL NON-CURRENT ASSETS	3,829,374	5,123,444
TOTAL ASSETS	13,279,457	13,787,126
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	941,500	602,988
Other financial liabilities	2,207,757	1,987,623
TOTAL CURRENT LIABILITIES	3,149,257	2,590,611
TOTAL LIABILITIES	3,149,257	2,590,611
NET ASSETS	10,130,200	11,196,515
EQUITY		
Issued capital (Note 9)	27,125,842	25,287,433
Share based payments reserve	5,010,879	4,728,549
Accumulated losses	(22,036,120)	(18,622,071)
TOTAL	10,100,601	11,393,9911
Non-controlling interest (Note 10)	29,599	(197,396)
TOTAL EQUITY	10,130,200	11,196,515

The accompanying notes form part of these financial statements.

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2017

Consolidated Entity

	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Non- controlling interest	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2016	19,982,993	(17,186,147)	4,914,098	-	7,710,944
Loss for the half-year attributable to members of consolidated entity	-	(713,955)	-	-	(713,955)
Share and option based payments	-	-	45,000	-	45,000
Shares issued during the half year	2,538,484	-	-	-	2,538,484
Transfer from share-based payment reserve to accumulated losses	-	419,300	(419,300)	-	-
Balance at 31 December 2016	22,521,477	(17,480,802)	4,539,798	-	9,580,473
Balance at 1 July 2017	25,287,433	(18,622,074)	4,728,549	(197,396)	11,196,515
Loss for the half-year	-	(3,414,049)	-	(395,873)	(3,809,922)
Non-controlling interest - capital	-	-	-	622,868	622,868
Share and option based payments	-	-	282,330	-	282,330
Shares issued during the half year	1,838,409	-	-	-	1,838,409
Balance at 31 December 2017	27,125,842	(22,036,120)	5,010,879	29,599	10,130,200

The accompanying notes form part of these financial statements.

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2017

	Consolidated Entity	
	31 Dec 2017 \$	31 Dec 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(2,319,325)	(858,372)
Interest received	89,027	97,927
Proceeds from sales	498	-
Net cash outflow from operating activities	(2,229,800)	(760,445)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration assets	(236,100)	(192,010)
Payment of security deposit	(5,133)	-
Payment for plant and equipment	(6,075)	-
Payment for investments	(145,250)	-
Net cash outflow from investing activities	(392,558)	(192,010)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan provided by/(to) related company – Australian Gemstone Mining Pty Ltd	312,932	(207,096)
Loan provided to Medical Cannabis Limited	-	(10,000)
Proceeds from share issue	1,388,886	2,317,790
Proceeds from issue of convertible securities	600,000	-
Proceeds from loans	705,000	-
Net cash inflow from financing activities	3,006,818	2,100,694
Net increase in cash held	384,460	1,148,239
Cash and cash equivalents at the beginning of the half - year	8,540,458	5,513,749
Cash and cash equivalents at the end of the half – year	8,924,918	6,661,988

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements for the half-year ended 31 December 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half year reporting period ended 31 December 2017 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 2017 and any public announcements made by Queensland Bauxite 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.

NOTE 2: USE OF ESTIMATES 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 and convertible notes/bonds.

NOTE 3: OPERATING SEGMENTS

a. Basis for segmentation

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

a. Information about reportable segments

Information related to each reportable segment is set out below.

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	Mining Exploration and Evaluation	Medical Cannabis	Corporate	Total
31 December 2017				
Segment revenues	-	498	-	498
Less: Intersegment revenues	-	-	-	-
Revenues	-	498	-	498
Interest income	-	-	89,027	89,027
Depreciation	(2,308)	(500)	-	(2,808)
Impairment of exploration assets	(1,678,687)	-	-	(1,678,687)
Finance costs	-	-	(390,001)	(390,001)
Other costs	-	(380,076)	(1,447,875)	(1,827,951)
Loss before tax	(1,680,995)	(380,078)	(1,748,849)	(3,809,922)
Income tax expense	-	-	-	-
Loss after tax	(1,680,995)	(380,078)	(1,748,849)	(3,809,922)
Capital expenditures	236,100	4,345	-	240,445
Total assets	1,706,018	2,481,864	9,091,575	13,279,457
Total liabilities	-	(1,525,000)	(1,624,257)	(3,149,257)

	Mining Exploration and Evaluation	Medical Cannabis	Corporate	Total
31 December 2016				
Segment revenues	-	-	-	-
Less: Intersegment revenues	-	-	-	-
Revenues	-	-	-	-
Interest income	-	-	97,927	97,927
R & D tax rebate	-	-	-	-
Depreciation	(2,308)	-	-	(2,308)
Finance costs	-	-	(44,150)	(44,150)
Other costs	-	-	(765,424)	(765,424)
Loss before tax	(2,308)	-	(711,647)	(713,955)
Income tax expense	-	-	-	-
Loss after tax	(2,308)	-	(711,647)	(713,955)
30 June 2017				
Capital expenditures	393,314	-	-	393,314
Total assets	3,149,183	2,000,695	8,637,248	13,787,126
Total liabilities	-	(516,075)	(2,074,536)	(2,590,611)

NOTE 4: LOSS FOR THE HALF-YEAR

The consolidated loss for the half- year ended 31 December 2017 was (\$3,809,922) 2016: loss (\$713,955)

NOTE 5: SHARE BASED PAYMENTS EXPENSE

The share based payments expense for the half-year ended 31 December 2017 relates to the following share issues:

	Half-Year Ended 31.12.2017 \$	Half-year ended 31.12.2016 \$
Shares issued to employees of related entity Australian Gemstone Mining Pty Ltd	-	24,000
Shares issued to consultants	223,500	21,000
Shares issued to Magna Equities II, LLC in accordance with the convertible notes agreement	58,830	-
	282,330	45,000

NOTE 6: TRADE AND OTHER RECEIVABLES

	31 December 2017 \$	30 June 2017 \$
Loan to related party – Australian Gemstone Mining Pty Ltd	-	23,637
Security deposit	15,133	10,000
GST receivable	137,017	67,661
Other debtor	14,507	-
	166,657	101,298

NOTE 7: EXPLORATION AND EVALUATION

	31 December 2017 \$	30 June 2017 \$
NON-CURRENT		
Balance as at beginning of the period	3,124,895	2,731,581
Mining permits, tenement acquisition and administration and geologist expenses	236,100	393,314
Impairment of exploration asset	(1,678,687)	-
Balance as at reporting date	1,682,308	3,124,895
Exploration expenses written off during the period	-	-

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.

Note 8: INTANGIBLE ASSETS

	31 December 2017 \$	30 June 2017 \$
Seedbank and plant genetics	230,000	230,000
Goodwill	1,726,261	1,726,261
Total intangible assets	1,956,261	1,956,261

NOTE 9: ISSUED CAPITAL

	31.12.2017 No.	31.12.2017 \$.	30.06.2017 No.	30.06.2017 \$.
Ordinary shares				
At the beginning of reporting period	1,408,097,244	24,537,433	854,592,485	19,982,993
Share based payments	11,848,201	-	19,583,379	-
Conversion of convertible notes into ordinary shares	80,533,928	1,072,391	86,218,305	859,769
Share issue			17,857,143	125,000
Options exercised 0.012	56,372,719	766,018	49,875,799	598,509
Placement shares NRRI	-	-	330,970,133	2,317,790
Investment in MCL	-	-	49,000,000	735,000
Less cost of capital raising	-	-	-	(81,628)
At reporting date	1,556,852,092	26,375,842	1,408,097,244	24,537,433

	31.12.2017 No.	31.12.2017 \$	30.06.2017 No.	30.06.2017 \$
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Performance shares

At the beginning of reporting period	50,000,000	750,000	-	-
Investment in Medical Cannabis Limited	-	-	50,000,000	750,000
At reporting date	50,000,000	750,000	50,000,000	750,000
TOTAL At reporting date	1,606,852,092	27,125,842	1,458,097,244	25,287,433

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 10: NON-CONTROLLING INTERESTS

	31 December 2017 \$	30 June 2017 \$
Non-controlling interest in equity at 30 June 2017	(197,396)	(197,396)
Non-controlling interest in equity – additional capital	622,868	-
Loss attributable to non-controlling interest	(395,873)	-
Total non-controlling interests	29,599	(197,396)

NOTE 11: 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 Queensland Bauxite 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, 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, Business Development;
- Dr Robert Coenraads – Head 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 half-year ended 31 December 2017. 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 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 Group at its Sydney offices at 24 Birriga Road, Bellevue Hill, which includes use of office space, 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 Group, such as secretarial, accounting and office management services. These services were provided to the Group by AGMPL on reasonable arm's length terms as approved by the independent director(s).

	Half-year ended 31.12.2017 \$	Half-year ended 31.12.2016 \$
Consulting services – Geologist Fees	180,000	180,000
Rent	84,000	54,000
Management and secretarial	120,000	72,000
Marketing services	60,000	-
Executive and corporate services	312,000	156,000
Administrative fee	138,000	18,000
Reimbursement of expenses	2,400	1,200
TOTAL	896,400	481,200

Other transactions with related parties

The Company paid directors' fees of \$35,000(2016: \$35,000) for the non-executive director, Meyer Gutnick, during the half-year ended 31 December 2017.

The Company paid directors' fees of \$10,000 (2016: \$10,000) to the non-executive director, David Austin, during the half-year ended 31 December 2017.

NOTE 12: RELATED PARTY TRANSACTIONS

Loans advanced to director related companies

	31.12.2017 \$	30.06.2017 \$
Volcan Australia Corporation Pty Ltd	1,200,000	1,200,000
Impairment recognised as at 31 December 2017	(1,200,000)	(1,200,000)
Due for repayment on 14 December 2012*		
Volcan Australia Corporation Pty Ltd	79,258	79,258
Impairment recognised as at 31 December 2017	(79,258)	(79,258)
No due date for repayment.		

The above loans are unsecured and interest free.

*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 QBL \$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 QBL'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.

Loans advanced to director related company

	31 December 2017	30 June 2017
Australian Gemstone Mining Pty Ltd	\$NIL	\$23,637

Loans advanced by director related company

	31 December 2017	30 June 2017
Australian Gemstone Mining Pty Ltd	\$289,295	\$Nil

NOTE 13: 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.

	31.12.2017 Total Carrying Amount \$	31.12.2017 Net Fair Value \$	30.06.2017 Total Carrying Amount \$	30.06.2017 Net Fair Value \$
Financial assets				
Trade and other receivables	166,657	166,657	101,298	101,298
Financial liabilities				
Trade and other payables	941,500	941,500	602,988	602,988
Other financial liabilities	2,207,757	2,207,757	1,987,623	1,987,623

NOTE 14: COMMITMENTS FOR EXPENDITURE

	31 December 2017 \$	30 June 2017 \$
Exploration and evaluation		
- Not later than 1 year	235,000	235,000
Research costs		
- Not later than 1 year	1,226,242	
- Not later than 1 year and not later than 5 years	2,452,484	-
	<u>4,913,725</u>	<u>235,000</u>

NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the half year, AlgaeTec Ltd (AEB) called an EGM for the 19th March, where amongst other matters, shareholder approval is being sought to approve the issue of the shares that has been agreed to be issued by AEB to MCL pursuant to the licensing agreement entered into between MCL and AEB in December 2017.

There have been no further material subsequent events since the balance date.

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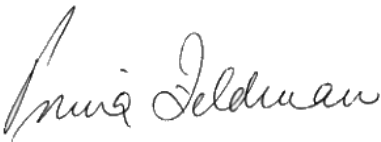
Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and accompanying notes set out on pages 23 to 35 are in accordance with the *Corporations Act 2001*, and:
 - i) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - ii) give a true and fair view of the Group's financial position as at 31 December 2017 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:



Prina Feldman
Chairperson

Sydney
16 March 2018

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF QUEENSLAND BAUXITE LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Queensland Bauxite Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2017, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors declaration of the Company and the consolidated entity (the Group), comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2017 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Queensland Bauxite Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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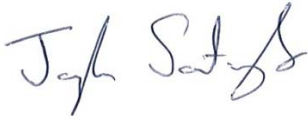
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Queensland Bauxite Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Nexia Sydney Partnership



Joseph Santangelo
Partner

Sydney
16 March 2018

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