NuCannaCo Science Limited

(ACN 607 640 503)

Consolidated Financial Statements

For the full year ended 31 December 2017

Contents

Directors' Report

The Directors of NuCannaCo Science Limited ("NuCannaCo" or "Company") present their report together with the financial statements of the Company and the entities they control (consolidated entity) for the full year ended 31 December 2017 and the Independent Audit Report thereon.

Director Details

The following persons were Directors of NuCannaCo Science Limited during or since the full year:

David John Lindh LLB (University of Adelaide), OAM - Chairman

Mr. Lindh is a consultant in corporate and commercial matters with over 30 years of experience both as a lawyer and a company director. Mr. Lindh was founding Chairman of ASX listed Ellex Medical Lasers Ltd and Centrex Metals Ltd as well as a non-executive director of ASX listed Enterprise Energy Ltd and Bass Strait Oil & Gas Ltd. Mr. Lindh is a consultant with Adelaide Law Firm, Minter Ellison and has served as a director for many publicly listed companies over his extensive career. Mr. Lindh received the Order of Australia for services to business and equestrian sport. He is an Australian Citizen and is 72 years of age and was appointed on 13 August 2015.

Kenneth David Goughnour - Executive Director

Mr. Goughnour, who is generally referred to "David" Goughnour, brings over 40 years of diversified business and management expertise to the Company. Beginning as a strategic consultant advising companies, Mr. Goughnour moved from mid-level and senior level management of various companies, to participation as a principal. He has formed and managed oil and gas companies in the US and Australia and served as Executive Director of an Australian company. His various responsibilities included company organisation, asset purchase and sale, integration and management.

Mr. Goughnour's study of the nutritional benefits of botanicals, cannabis and hemp resulted in the development of the NuOxylation "cold process" technology to be used for the production of NuCannaCo's cannabidiol product NuOxylate, to be produced from hemp. Mr. Goughnour is a US citizen and is aged 64 years and was appointed on 13 August 2015.

James Robert Renfro MBA - Finance Specialization (University of Chicago), BS. Chemical Engineering (University of Kentucky) - Executive Director

Mr. Renfro has over 35 years of diversified business and management expertise in Investment Banking as well as the Chemical and Oil & Gas industries. During the past 20 years, Mr. Renfro has founded several private oil and gas companies including Renfro Energy, LLC and Petroleum Capitol, LC. In addition, he was Chief Executive Officer of several "small cap" public oil and gas companies including OMNI Oil & Gas Inc., and Fox Petroleum Inc. Prior to these executive positions, Mr. Renfro was Vice President at EnCap Investments, an energy institutional investment group located in Houston and Dallas; a member of a five person think tank within the Corporate Planning Department at Shell Oil in Houston and a Corporate Finance Investment banker with Dean Witter Reynolds, Inc. in New York City. Prior to Mr. Renfro obtaining his MBA (Finance) from the University of Chicago's Booth School of Business in 1989, Mr. Renfro was a petroleum engineer with Exxon Company USA in Houston and held the position of Plant Supervisor and Research and Development Engineer for Dow Corning Corporation in Kentucky. Mr. Renfro earned his Bachelor of Science Degree in Chemical Engineering in 1980 from the University of Kentucky. Mr. Renfro is a US citizen and is aged 58 years and was appointed on 13 August 2015.

Robert Kernal Hughes Bachelor of Arts (Texas Christian University) - Non-Executive Director

Mr. Hughes brings significant business, management, oversight and innovative expertise to the Company through his 50 year diversified career in oil & gas, banking, and manufacturing as well as being an inventor holding many US Patents. Mr. Hughes' primary career has been in the oil & gas industry through companies he founded or was otherwise involved in with activity focused in North Dakota, Colorado, Kansas, Oklahoma, Texas, Louisiana and Florida. In addition, he is the founder and owner of Flexistake, Inc. which manufactures airport and highway traffic control devices. He is a graduate of Texas Christian University in Fort Worth, Texas with a Bachelor of Arts degree. Mr. Hughes is a founding member of the First Independence Bank of Fort Myers, Florida and served on the Board. Mr. Hughes is a citizen of the US and is aged 79 years and was appointed on 26 August 2016.

David Wayne Frankens - Non-Executive Director

Mr. Frankens is a lifelong resident of East Texas where he started his business career as a custom home builder and expanded into mortgage lending & farm and ranch management. Mr. Frankens is also a developer of wind energy in the Southwestern US and brings a high level of experience in negotiations, deal structures, and worldwide business contacts that benefit and complement the Company. Mr. Frankens is a US Citizen and is aged 47 years and was appointed on 26 August 2016.

Simon Jeremy Newton Gray BEc (Accounting) (University of Adelaide), CA - Non-Executive Director

Mr. Gray is a business consultant with over 30 years' experience as a Chartered Accountant with a major Chartered Accounting Firm in Australia and overseas. His experience includes public company accounting and reporting and he has been involved in a significant number of initial public offerings. He has a particular interest in start-up companies and the compliance and governance challenges within that area. He has had a wide industry exposure including mining and agriculture with a particular focus on medical and high-tech products. Mr. Gray is an Australian citizen and is aged 59 years and was appointed on 22 July 2016.

Company Secretary

The following person was Company Secretary of NuCannaCo Science Limited during or since the end of the financial year:

Jonathan Lindh, LLB, B. Int. St., - Company Secretary

Jonathan Lindh is an Australian qualified lawyer with over 10 years' legal and company secretarial experience. He has worked in private practice for Australian and international law firms and for a boutique corporate advisory business. He holds a Bachelor of Laws, a Bachelor of International Studies and post-graduate qualifications in corporate finance and corporate governance. Jonathan is also company secretary of various listed and unlisted private and public companies. Mr. Lindh is an Australian citizen and aged 36 years and was appointed on 23 July 2016.

Principal business

The Company's primary operations are conducted through its wholly owned US subsidiary NuCannaCo Systems, Inc. ("NCI") located in the United States. NCI is involved in the marketing and sale of cannabinoid ("CBD") capsules. It also markets and sells Spa Essentials (wholesale) and Erika Gavina (retail) line of skin and body care products.

Future plans include the acquisition of various industry related companies in order to vertically integrate the company into the manufacturing, distribution and marketing segments.

Review of Operations and Financial Results

The Company was officially listed on the NSX and began trading on 24 February 2017.

For the year ended 31 December 2017, the group had a net loss of $2,668,610. The primary components were:

- revenue of $25,736;

- a write-off of goodwill for $353,398;

- an impairment of notes receivable $410,000;

- $800,531 related to employee benefits expense; and

- a write off of $188,143 for costs related to the acquisition of Pro-Thotics Technology Inc. which did not occur.

As noted above, the Company entered into a contract to acquire US based company Pro-Thotics Technology, Inc. (“PTI”). Significant delays transpired in completing that acquisition due to PTI being unable to provide audited financial statements required pursuant to the agreements and not providing the agreed loan of USD$200,000. . As a result, the Company’s Board of Directors felt it was in the best interests of the Company’s shareholders to terminate the transaction in order to focus on revenue generation and other acquisition opportunities. On 12 December 2017, the Company announced the termination of the Acquisition Agreement with PTI. On 15 December 2017, the Company announced the withdrawal of the resolution seeking shareholder approval for a 5:1 share consolidation.

The Company is continuing actions to recover the Promissory Note issued as part of the agreements with PTI for $820,000. It has been considered prudent to take an impairment provision on this receivable for $410,000 to reflect the potential time and costs estimated to be incurred in recovering the debt.

Significant changes in the state of affairs

During the year, the following changes occurred within the Group:

1. Issue of share capital:

- on 4 July 2017, the Group issued 4,100,000 shares as part of its required deposit stipulated in the Acquisition Agreement dated 3 July 2017 with Pro-Thotics Technology, Inc. These shares have the same terms and conditions as the existing ordinary shares. There is an outstanding amount of $820,000 due for these shares ($410,000 net of provision for impairment) at 31 December 2017.
- on 8 September 2017, the Group issued 874,322 shares as part of a private placement which resulted in proceeds of $174,864. These shares have the same terms and conditions as the existing ordinary shares.

Dividends

No dividends were paid in 2017 and there are currently no plans to make a dividend payment in 2018.

Events arising since the end of the reporting period

Several matters have arisen since the end of the year that may significantly affect either:

- the entity’s operations in future financial years;
- the results of those operations in future financial years; or
- the entity’s state of affairs in future financial years.

The Company has executed the following twoletters of intent:

- on 23 January 2018, NCS announced it has entered into a legally binding letter of intent to acquire 100% of XeIGHT Labs, Inc., X8 Brands, LLC and its subsidiaries (**X8 Acquisition)**. The Company has also received a USD$200,000 loan from X8 as part of the transaction.
- on 12 February 2018, NCS announced it has entered into a legally binding letter of intent to purchase California based ECS Biosciences, Inc. (**ECS Acquisition**). .

The key terms of the X8 Acquisition are as follows:

- : Subject to Board and Shareholder approval and the completion of a successful capital raising, the Company has agreed to:
  - pay the X8 shareholders US$5,200,000 in cash;
  - issue the X8 shareholders 120,000,000 shares in NCS;
  - issue the X8’s Lender 50,000,000 shares in NCS;
  - issue X8’s Lender 50,000,000 five-year options at an exercise price equal to the lesser of A$0.40 per share or the issuing price of a public offering of NCS shares sold within the 6-month period of the closing of the X8 Acquisition;

○ issue X8's Lender 50,000,000 5-year Options on the first anniversary of the X8 Acquisition; and

○ issue X8's Lender 50,000,000 5-year Options on the second anniversary of the X8 Acquisition.

- NCS will also issue each, Robert Di Marco, Argelia Lachance and Kenneth David Goughnour:

  ○ 10,000,000 5-Year Options at an exercise price equal to the lesser of A$0.40 per share or the issuing price of a public offering of NCS shares sold within the 6-month period of the closing of the X8 Acquisition; and

10,000,000 5-Year Options on the 1st, 2nd, 3rd and 4th anniversary of the X8 Acquisition, pursuant to a Key Personnel Option Plan with provisions which includes total options to be received each year being subject to an earn-out formula. The key terms of the ECS Acquisition are as follows:

- Subject to Board and Shareholder approval and the completion of a successful capital raising, the Company agrees to:

  ○ issue to the ECS shareholders 30,333,333 shares in NCS; and

  ○ issue the ECS shareholders 9,000,000 five-year options at an exercise price equal to the lesser of A$0.40 per share or the issuing price of a public offering of NCS shares sold within the 6 month period of the closing of the ECS Acquisition, and subject to an earn-out formula to be defined in a three-year option earning plan indexed to the sales of ECS.

Likely developments, business strategies and prospects

The Company will focus on completing the acquisition transactions detailed above which will include the raising of additional capital to continue to develop the Company's assets.

Directors' meetings

The number of Directors Meetings held during the year, and the number of meetings attended by each Director is as follows:

	Board Meetings	
Directors' name	A	B
David J. Lindh, OAM	12	12
K. David Goughnour	12	12
James R. Renfro	12	12
Simon J. Gray	12	12
Robert K. Hughes	12	8
David W. Frankens	12	7

- **column A** is the number of meetings the Director was entitled to attend.
- **column B** is the number of meetings the Director attended.

Unissued shares under option

Unissued ordinary shares of NCS under option at the date of this report are:

Date options granted	Expiry date	Exercise price of shares ($)	Number under option
1 July 2016	30 June 2021	$0.40	8,480,000
1 July 2016	30 June 2021	$0.60	8,480,000
24 February 2017	30 June 2021	$0.25	10,000,000
		Total	**26,960,000**

All options expire on 30 June 2021. Options do not entitle the holder to participate in any share issue of the Company.

Shares issued during or since the end of the year as a result of exercise:

No options have been exercised during or since the end of the financial year.

Remuneration Report (audited)

Remuneration policy

The remuneration policy of NuCannaCo Science Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of NuCannaCo Science Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of Board members and other key management personnel of the Company is as follows.

Remuneration and nomination

The Board oversees remuneration matters and sets Remuneration policy, fees and remuneration packages for Non-Executive directors and senior executives.

The Company's Constitution specifies that the total amount of remuneration of Non-Executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-Executive Directors has been set at $500,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-Executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The fees paid to Non-Executive Directors are not incentive or performance based but are fixed amounts that are determined by reference to the nature of the role, responsibility and time commitment required for the performance of the role including membership of board committees.

Non-Executive Director remuneration is by way of fees and statutory superannuation contributions. Non-Executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

Executive remuneration policies

The remuneration of the Managing Director is determined by the Non-Executive Directors and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time.

The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board. The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company.

The remuneration structure and packages offered to executives are summarised below:

David Goughnour

David Goughnour entered into an Employment Agreement on 13 February 2016 with NuCannaCo Systems Inc ("NCI") (a company registered in the USA that became a subsidiary of NuCannaCo on 20 February 2017). The Employment Agreement has effect from the date NuCannaCo lists on the NSX and expires on 31 December 2018 ("Initial Term") and shall automatically renew for successive one year periods of the employment unless terminated by written notice ninety days prior to the end of the Initial Term or extended term ("Employment Period"). Under the CEO Employment Agreement, the Company must pay David Goughnour a base salary of USD$225,000 per annum ("Base Salary") together with such increases in the Base Salary as may be agreed by the Company during the Employment Period. The remuneration of David Goughnour, under the CEO Employment Agreement represents his total remuneration from the Company and its subsidiaries and will not be supplemented by any fees payable in his capacity as a Director of the Company. Upon Listing, and in recognition of efforts of the CEO in the organisation, planning, designing and listing of the Company, and for reimbursement of expenses incurred in the course of those undertakings, the CEO is entitled to receive a cash bonus of USD$150,000 payable in equal monthly instalments over a period of six months from the date of listing. This bonus will be recognised as an expense in the 2017 financial year. In the event of serious misconduct or other specific circumstances that warrant summary dismissal, NuCannaCo Systems Inc may terminate the CEO Employment Agreement and David Goughnour's employment immediately without prior notice. Upon termination of David Goughnour's employment, he will be subject to a restraint of trade and confidentiality obligation for a period equal to the maximum period permitted by law.

James Renfro

NuCannaCo Systems Inc and James Renfro entered into an Employment Agreement on 13 February 2016. The Employment Agreement has effect from the date NuCannaCo lists on the NSX and expires on 31 December 2018 ("Initial Term") and shall automatically renew for successive one year periods of the employment unless terminated by written notice ninety days prior to the end of the Initial Term or extended term ("Employment Period"). Under the Employment Agreement, NuCannaCo Systems Inc must pay James Renfro a base salary of USD$200,000 per annum ("Base Salary") together with such increases in the Base Salary as may be agreed by NCI during the Employment Period. The remuneration of James Renfro, under the Employment Agreement represents his total remuneration from the Company and its subsidiaries will not be supplemented by any fees payable in his capacity as a Director of the Company.

Upon Listing, and in recognition of efforts of the President in the organisation, planning, designing, and Listing of the Company, and for reimbursement of expenses incurred in the course of those undertakings, is entitled to receive a cash bonus of USD$150,000 payable in equal monthly instalments over a period of six months from the date of Listing. This bonus will be recognised as an expense in the 2017 financial year. In the event of serious misconduct or other specific circumstances that warrant summary dismissal, NuCannaCo Systems Inc may terminate the Employment Agreement and James Renfro's employment immediately without prior notice upon termination of James Renfro's employment, he will be subject to a restraint of trade and confidentiality obligation for a period equal to the maximum period permitted by law.

Other executive remuneration

Executive Vice-Presidents of NCI, Mr. Matthew C. Harrison and Mr. Michael D. Long, have Employment Agreements similar to those above with salaries of USD$130,000. Both of them were appointed on 13 February 2016.

NuCannaCo's other management personnel are employed under individual service agreements. These establish total compensation, inclusive of base salary and superannuation contribution; eligibility to participate in NuCannaCo's Employee Share Ownership Plan ("ESOP"); notice and termination provisions (typically 1 month), or without notice by NuCannaCo in the case of serious misconduct by the employee; restraint and confidentiality provisions; and leave entitlements.

Remuneration consultants

The Company did not use any remuneration consultants during the year.

Shares issued on exercise of remuneration options

No shares were issued to Directors or key management as a result of the exercise of remuneration options during the financial year.

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management personnel of the company. The remuneration structure and packages offered to executives are summarised below:

Fixed remuneration

- Short-term incentive - The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

- Long-term incentive – equity grants, which may be granted annually at the discretion of the Board. From time to time, the Company may grant retention options or rights as considered appropriate as a long-term incentive for key management personnel.

These instruments are subject to shareholder approval at the Annual General Meeting in the year of grant. The intention of this remuneration is to facilitate the retention of key management personnel in order that the goals of the business and shareholders can be met. Under the terms of the issue of the retention rights, the rights will vest over a period of time, with a proportion of the rights vesting each year.

The Company's Employee Share Option Plan which was approved by shareholders will enable the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan.

The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long- term performance of the Company.

At this time, there is no relationship between remuneration of Key Management Personnel and the Company's financial performance.

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

Directors, key management personnel and their remuneration

The names, positions and remuneration of Directors and key management personnel of the Company during the whole of the financial year are:

Director and other Key Management Personnel		Short-term employee benefits			Share-based payments		
Employee	Year	Cash salary and fees	Other benefits	Cash bonus	Options	Total	Performance based % of remuneration
Executive Directors							
K. David Goughnour	2017	243,804	18,998	192,308	-	455,110	-
	2016	16,000	-	-	403,989	419,989	-
David J. Lindh	2017	66,667	-	-	-	66,667	-
	2016	-	-	-	109,850	109,850	-
James R. Renfro	2017	216,714	17,039	192,308	-	426,061	-
	2016	-	-	-	346,529	346,529	-
Non-executive Directors							
Robert K. Hughes	2017	25,000	-	-	-	25,000	-
	2016	-	-	-	86,190	86,190	-
David W. Frankens	2017	25,000	-	-	-	25,000	-
	2016	-	-	-	86,190	86,190	-
Simon J. Gray	2017	25,000	-	-	-	25,000	-
	2016	-	-	-	59,150	59,150	-
Other Key Management Personnel							
Matthew C. Harrison	2017	140,865	11,123	-	-	151,988	-
Executive Vice President	2016	-	-	-	172,380	172,380	-
Michael D. Long	2017	140,865	11,123	-	-	151,988	-
Executive Vice President	2016	-	-	-	172,380	172,380	-
Jonathan Lindh	2017	50,000	-	-	-	50,000	-
Company Secretary	2016	12,501	-	-	-	12,501	-
2017 Total	**2017**	**933,915**	**58,283**	**384,616**	**-**	**1,376,814**	**-**
2016 Total	**2016**	**28,501**	**-**	**-**	**1,436,658**	**1,465,159**	**-**

a. Service agreements

Remuneration and other terms of employment for the Executive Directors and other key management personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Employee	Base salary	Terms of agreement	Notice period
K. David Goughnour	USD$225,000	31 Dec. 2018, automatic one-year renewal	No specific requirement
James R. Renfro	USD$200,000	31 Dec. 2018, automatic one-year renewal	No specific requirement
Michael D. Long	USD$130,000	31 Dec. 2018, automatic one-year renewal	No specific requirement
Matthew C. Harrison	USD$130,000	31 Dec. 2018, automatic one-year renewal	No specific requirement

b. Share-based remuneration

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements.

The number of options to acquire shares in the Company held during the 2017 reporting period by each of the directors and key management personnel of the Group; including their related parties are set out below. There was no share based remuneration issued during 2017.

Options issued to Directors and key executives in 2016 were as follows:

Key Management Person	Option #		Fair Value $		Total $
	A Class	B Class	A Class	B Class	
David J. Lindh	650,000	650,000	60,450	49,450	109,900
K. David Goughnour	2,380,000	2,380,000	221,340	182,469	403,809
James R. Renfro	2,040,000	2,040,000	189,720	156,609	346,328
Robert K. Hughes	510,000	510,000	47,430	38,810	86,240
David W. Frankens	510,000	510,000	47,430	38,810	86,240
Simon J. Gray	350,000	350,000	32,550	26,630	59,180
Matthew C. Harrison	1,020,000	1,020,000	94,860	77,620	172,480
Michael D. Long	1,020,000	1,020,000	94,860	77,620	172,480
Totals	**8,480,000**	**8,480,000**	**788,640**	**648,018**	**1,436,658**

	A Class options		B Class options	
	Number of options	Weighted avg. exercise price ($)	Number of options	Weighted avg. exercise price ($)
Outstanding at 31 Dec 2016	8,480,000	$0.40	8,480,000	$0.60
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at 31 Dec 2017	8,480,000	$0.40	8,480,000	$0.60
Exercisable at 31 Dec 2017	8,480,000	$0.40	8,480,000	$0.60

Shares held by key management personnel

The number of shares in the company held during the Financial Period by each director of NuCannaCo Science Limited and other key management personnel of the Company, including their personal related parties, are set out below:

Name	Opening	Received as remuneration	Options Exercised	Net Change Other [1]	Balance
David J. Lindh	1	-	-	100,000	100,001
David Goughnour	4,759,999	-	-	-	4,759,999
James R. Renfro	4,080,000	-	-	-	4,080,000
Robert K. Hughes	2,955,000	-	-	-	2,955,000
David W. Frankens [1]	5,070,000	-	-	2,193,750	7,263,750
Simon J. Gray	-	-	-	25,000	25,000
Mathew C. Harrison	2,563,500	-	-	94,541	2,658,041
Michael D. Long	5,250,000	-	-	1,142,999	6,392,999
Johnathon W. Lindh	-	-	-	10,000	10,000

1. Includes shares held by IGWT Trust of which David Frankens has a 50% beneficial interest.

Other transactions with key management personnel

During the IPO preparation in 2016 and the current period, the Company used the legal services of Minter Ellison of which David J. Lindh is a consultant. The amounts billed related to this legal service amounted to $39,960, based on normal market rates. $155,570 was owed at the reporting date. During the current period, the Company also used the services of Simon J. Gray and was paid $5,000 in March 2017.

Related party transactions:	2017 $	2016 $
Simon J. Gray	5,000	-
Minter Ellison	39,960	259,450

END OF AUDITED REMUNERATION REPORT.

Environmental legislation

NuCannaCo operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia or in the United States.

Indemnities given to, and insurance premiums paid for, auditors

Insurance of officers

During the period, NuCannaCo Science Limited did not pay a premium to insure officers of the Company. The directors continue to investigate insurance options at the date of this report.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred as such by an officer.

Indemnity of auditors

The Group has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings of behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

During the year, Grant Thornton Audit Pty Ltd, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Board of Directors, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor

- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 21 to the financial statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 12 of this Financial Report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

David Goughnour
Director

30 April 2018

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration
To the Members of NuCannaCo Science Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of NuCannaCo Science Limited for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 April 2018

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, NUCANNACO SCIENCE LIMITED and its Controlled Entities (the Group) have adopted the third edition of the *Corporate Governance Principles and Recommendations* which was released by the ASX Corporate Governance Council on 27 March 2015 and became effective for financial years beginning on or after 1 July 2015.

The Group's Corporate Governance Statement for the financial year ending 31 December 2017 was approved by the Board on 24 February 2017. The Corporate Governance Statement is available on NuCannaCo Science Limited's website at http://www.nucannaco.com/index.php/company/corporate-governance.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Notes	31 December 2017 $	31 December 2016 $
Sales revenue	5	25,736	-
Movements in inventory		(71,677)	-
Interest revenue		71	-
Accounting and audit fees		(87,306)	(28,000)
Acquisition costs - Pro-Thotics	6	(188,143)	-
Corporate secretarial fees		(50,000)	(12,501)
Director fees		(141,667)	(16,000)
Fair value of options issued to key management		-	(1,436,658)
Foreign exchange loss		(7,950)	-
Impairment - Pro-Thotics note receivable	6	(410,000)	-
Impairment - goodwill	6	(353,398)	
Public offer costs expensed	6	(313,771)	(276,526)
Employee benefits expense		(800,531)	-
Preliminary costs		-	(1,755,675)
Product research and development costs		(57,493)	-
Professional fees		(4,681)	(24,544)
Other expenses		(196,468)	(878)
Travel and accommodation costs		(11,332)	(74,516)
Loss before income tax		**(2,668,610)**	**(3,625,298)**
Income tax expense		-	-
Loss for the year		**(2,668,610)**	**(3,625,298)**
Other comprehensive income – foreign currency translation		1,805	-
Total comprehensive income		**(2,666,805)**	**(3,625,298)**

		31 Dec 2017	31 Dec 2016
Earnings per share:			
Basic earnings (cents per share)	12	(5.02)	(36.20)

Pursuant to AASB 133 as the company has recognized a loss for the period there is not considered to be any dilutive securities.

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2017

	Notes	31 Dec 2017 $	31 Dec 2016 $
Assets			
Current Assets			
Cash and cash equivalents	9	1,092	778
Trade and other receivables		30,976	-
Note receivable – Pro-Thotics	17	410,000	-
Inventory		22,253	-
Prepaid expenses and deposits		8,154	121,548
Total Current Assets		**472,475**	**122,326**
Non-Current Assets			
Deposits		6,029	-
Total Non-Current Assets		**6,029**	**-**
Total Assets		**478,504**	**122,326**
Liabilities			
Current Liabilities			
Trade and other payables	7	1,228,617	370,291
Total Current Liabilities		**1,228,617**	**370,291**
Net Liabilities		**(750,113)**	**(247,965)**
Equity			
Issued capital	10	4,105,332	1,940,675
Share option reserve	10	1,436,658	1,436,658
Foreign exchange reserve		1,805	-
Accumulated losses		(6,293,908)	(3,625,298)
Total Equity Deficit		**(750,113)**	**(247,965)**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

	Share Capital $	Option Reserve $	Accumulated Losses $	Foreign Currency Exchange Reserve $	Total Equity deficit $
Balance at 1 January 2017	1,940,675	1,436,658	(3,625,298)	-	(247,965)
Loss for the year	-	-	(2,668,610)	-	(2,668,610)
Other comprehensive income	-	-	-	1,805	1,805
Total comprehensive income	-	-	(2,668,610)	1,805	(2,666,805)
Other transactions with owners					
Issue of share capital:					
- For acquisition of NCI	807,435	-	-	-	807,435
- On IPO	523,988	-	-	-	523,988
- Private placement	174,864	-	-	-	174,864
- Pro-Thotics	820,000	-	-	-	820,000
Costs of capital raising	(161,630)	-	-	-	(161,630)
Balance at 31 December 2017	4,105,332	1,436,658	(6,293,908)	1,805	(750,113)

	Share Capital $	Option Reserve $	Accumulated Losses $	Foreign Currency Exchange Reserve $	Total Equity $
Balance at 13 August 2015	-	-	-	-	-
Loss for the period	-	-	(3,625,298)	-	(3,625,298)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	(3,625,298)	-	(3,625,298)
Fair value of share-based payment	-	1,436,658	-	-	1,436,658
Other transactions with owners					
Issue of share capital	1,940,675	-	-	-	1,940,675
Balance at 31 December 2016	1,940,675	1,436,658	(3,625,298)	-	(247,965)

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	Notes	31 December 2017 $	31 December 2016 $
Operating Activities:			
Receipts from customers		25,736	-
Payments to suppliers and employees		(1,088,563)	(308,813)
Interest received		71	-
Net cash (used in) operating activities	20	(1,062,756)	(308,813)
Investing Activities:			
Net cash received from acquisition of NCS		568,156	-
Payment made for Acquisition of Spa Essentials		(42,308)	-
Net cash from investing activities		525,848	-
Financing Activities:			
Proceeds from related party loans		-	124,591
Proceeds from issue of share capital		699,500	185,000
Payment of capital raising costs		(162,278)	-
Net cash from / (used in) financing activities		537,222	309,591
Net change in cash and cash equivalents		314	778
Cash and cash equivalents, beginning of year		778	-
Cash and cash equivalents, end of year		1,092	778

The accompanying notes form part of these financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

For the full year ended 31 December 2017

1 Nature of operations

NuCannaCo Science Limited became a publicly owned company through a listing on the National Stock Exchange of Australia (NSX) on 24 February 2017. NuCannaCo's primary and only operations are conducted in the United States of America through its acquisition of 100% of the stock outstanding of NuCannaCo Systems, Inc. (NCI), a private Delaware corporation, on 20 February 2017. Funding for operations was obtained through an equity raise via a Prospectus and subsequent listing on the NSX.

The principal activities currently conducted in the USA are to:

1) Market and sell NCI's NuOxy CBD Complex capsules produced by a third party; and

2) Market and sell Spa Essentials (wholesale) and Erika Gavina (retail) line of skin, body and bath products.

Future activity planned is to:

1) Market and sell NCI's CBD infused premium organic skin and body care products; and

2) Have manufacturing capability to produce our own complete line of CBD products.

2 General information and statement of compliance

The general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). NuCannaCo Science Limited is a for-profit entity for the purpose of preparing the financial statements.

NuCannaCo Science Limited is the Group's Ultimate Parent Company. NuCannaCo Science Limited is a Public Company registered and domiciled in Australia. The address of its registered office is Level 4 22 Grenfell Street Adelaide SA 5000. The Group's primary operations are in the Dallas Texas area in the United States.

The financial statements for the full year period ending 31 December 2017 were approved and authorised for issue by the Board of Directors on 30 April 2018.

3 Changes in accounting policies

3.1 New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2017. The adoption of this amendment has not had a material impact on the group

3.2 Accounting Standards issued but not yet effective and not been adopted early by the Group

AASB 9 Financial Instruments (December 2014) AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. When this standard is first adopted for the year ending 31 December 2018, there will be no material impact on the transactions and balances recognised in the financial statements

AASB 15 Revenue from Contracts with Customers AASB 15: replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: – establishes a new revenue recognition model – changes the basis for deciding whether revenue is to be recognised over time or at a point in time – provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) – expands and improves disclosures about revenue

When this Standard is first adopted for the year ending 31 December 2018, there will be no material impact on the transactions and balances recognised in the financial statements

AASB 16 Leases replaces AASB 117 Leases and some lease-related Interpretations

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117;
- requires new and different disclosures about leases.

When this Standard is first adopted for the year ending 31 December 2019, there will be no material impact on the transactions and balances recognised in the financial statements

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses AASB 2016-1 amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

When these amendments are first adopted for the year ending 31 December 2017, there will be no material impact on the financial statements.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 AASB 2016-2 amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

When these amendments are first adopted for the year ending 31 December 2017, there will be no material impact on the financial statements.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share based Payment Transactions This Standard amends AASB 2 Share-based Payment to address: a The accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; b The classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and c The accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

When these amendments are first adopted for the year ending 31 December 2018, there will be no material impact on the financial statements

4 Summary of accounting policies

4.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Basis of consolidation

The financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 December 2017. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the group. The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.3 Business combination

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

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

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred; (b) the recognised amount of any non-controlling interest in the acquiree; and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

4.4 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian Dollars ($AUD), which is also the functional currency of the Group.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entities, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the financial statements, all assets, liabilities and transactions of entities with a functional currency other than $AUD are translated into $AUD upon consolidation.

On consolidation, assets and liabilities have been translated into $AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into $AUD at the closing rate. Income and expenses have been translated into $AUD at the average rate over the reporting period. Exchange differences are charged / credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

4.5 Revenue

Revenue arises from the sale of goods and the rendering of services. It is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividend income, other than those from investments in associates, are recognised at the time the right to receive payment is established.

4.6 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.7 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

4.9 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.11 Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- Retained earnings includes all current and prior period retained profits.
- Share based payment reserve includes the fair value of equity issued.
- Foreign currency translation reserve captures movements in exchange rates on translation of foreign subsidiaries.

All transactions with owners of the parent are recorded separately within equity.

4.12 Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

4.13 Share-based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

4.14 Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

4.15 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

4.16 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

1. *Intangible Asset recognition*

The intellectual property associated with research into new extraction methods for compounds found in hemp is an important asset but have not been valued as it cannot be reliably measured. The ultimate aim is to use the results to manufacture commercial products. The costs associated with these acquisitions have been expensed.

2. *Recognition of deferred tax assets*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

3. *Share based payments*

Management uses valuation techniques to determine the fair value of share options and other share based payments. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

4.17 Going concern

In preparing the financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern. The Group incurred a loss of $2,668,610, has net liabilities of $750,113 and also generated a cash outflow of $1,062,756 from operating activities for the year ending 31 December 2017. The Group remains in the development phase of operations and is forecast to operate at an operating loss and cash deficit for the immediate forecast period.

In considering their position, the Directors have had regard to the current cash reserves, the level of forecast cash expenditure, the successful completion of the acquisition of XeIGHT Brands, Inc., and the Group's ability to raise cash from new investors, should the need arise.

The Directors have concluded there are reasonable grounds to believe the Group is a going concern and will be able to continue to pay its overhead expenses as and when they become due and payable while working on a permanent solution for its outstanding accounts.

Should the Group not achieve its forecast trading result, successfully complete the acquisition of XEIGHT Brands, Inc., or not raise funds of a level or timing as required, there is material uncertainty as to whether the group will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

5 Revenue

NuCannaCo had revenue of $25,736 for the full year ended 31 December 2017. This revenue was predominately generated from the sale of NuOxy CBD Complex capsules.

Revenue for the period was lower than expected primarily due to:

- Sales reported are for nine months commencing in April, less than a full year;
- Wholesale inventory was high due to small quantities ordered resulting in a higher price, lower margin and reduced sales; and
- Limited advertising budget curtailed sales.

6 Significant expense items

The company incurred the following individually significant expense items:

- Acquisition costs associated with the contemplated acquisition of Pro-Thotics Technology Inc. of $188,143. These costs include accounting services, commissions, and legal fees.

- Impairment of note receivable $410,000 – The company has impaired a note receivable from Prothotics Technology Inc. to reflect the directors assessment of recoverability.
- Impairment of goodwill $353,398 – cash flows and business development with the two US subsidiaries, NuCannaCo Systems, Inc. $268,783 and Spa Essentials $84,615, have been significantly less than predicted.
- Transaction costs associated with the Initial Public Offering which did not qualify to be offset against the equity raised of $313,771.

7 Trade and other payables

Trade and other payables recognised consist of the following:

Current:	31 December 2017 $	31 December 2016 $
Trade payables	346,401	245,700
Accrued director fees and payroll	455,292	124,591
IPO Success fee payable - refer note 7(a)	384,616	-
Note payable re: Spa Essentials – refer note 7(b)	42,308	-
Total trade and other payables	**1,228,617**	**370,291**

(a) In accordance with an agreement disclosed in the prospectus a success fee of US$150,000 was payable to each Mr. K. Goughnour and Mr. J. Renfro. Given the current cash position these fees have not been paid.

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

(b) The Group owes US$33,000 to Ms. Lujenna Shumaker for the purchase of her Spa Essentials and Erika Gavina businesses. The amount is due in full on or before 30 June 2018.

8 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of NuCannaCo Science Limited at 31 December 2016 and the reported tax expense in profit or loss are as follows:

	2017 $	2016 $
Profit (loss) before tax	(2,668,610)	(3,625,298)
Domestic tax rate	27.5%	30%
Expected tax expense/ (benefit)	**(733,868)**	**(1,087,589)**
Adjustment for non-deductible expenses:		
Transaction and acquisition costs	51,739	-
Impairment expenses	229,020	-
Preliminary costs	-	526,703
Option costs	-	430,997
Actual tax expense / (benefit)	**(453,109)**	**(129,889)**
Tax expense comprises:		
Tax losses not recognised	453,109	129,889
Tax expense	**-**	**-**

	2017 $	2016 $
Deferred tax assets have not been recognised in respect of the following:		
Tax losses	384,079	129,889
Deferred transaction costs	69,030	-
Deferred tax asset has not been recognised	453,109	129,889

Future utilisation of the tax losses will be subject to the satisfaction of continuity of ownership or continuity of business test. The assessment regarding the utilisation has not yet been completed and tax losses are not recognised as deferred tax assets.

9 Cash and cash equivalents

Cash & cash equivalents consists of the following:

	2017 $	2016 $
Cash at bank and in hand:		
Australian Dollar ($AUD)	1,092	778
Cash and cash equivalents	**1,092**	**778**

10 Equity

10.1 Share capital

The share capital of NuCannaCo Science Limited consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting

	31 Dec 2017 # of shares	31 Dec 2017 $ of shares
Shares issued and fully paid:		
- Opening balance	45,500,000	$1,940,675
- Shares issued for the acquisition of NCI	4,037,175	$807,435
- Shares issued pursuant to Note - Prothotics	4,100,000	820,000
- Shares issued pursuant to share placement	874,322	174,864
- Shares issued pursuant to the IPO	2,619,940	$523,988
- Transaction costs	-	($161,630)
Total shares on issue	**57,131,437**	**$4,105,332**

	31 Dec 2017 # of options	31 Dec 2017 $ of options	31 Dec 2016 # of options	31 Dec 2016 $ of options
Option Shares issued:				
- A Class options at $0.40 (expire 31 Dec 2021)	8,480,000	788,640	8,480,000	788,640
- B Class options at $0.60 (expire 31 Dec 2021)	8,480,000	648,018	8,480,000	648,018
- C Class options at $0.25 (expire 31 Dec 2021)	10,000,000	-	-	-
Total option shares on issue	**26,960,000**	**$1,436,658**	**16,960,000**	**1,436,658**

11 Dividends

No dividends have been paid during the financial period. Franking credits and debits are nil for the reporting period.

12 Earnings per share

The earnings per share of the company are calculated using the following inputs:

	2017 $	2016 $
Weighted average number of shares used in basic earnings per share	53,175,758	10,004,229

The EPS excludes 26,960,000 potential shares from conversion of options because these are anti-dilutive.

13 Business combinations/Asset acquisition

Acquisition of NuCannaCo Systems, Inc.

By Agreement in writing dated 19 August 2016, as amended, the US Investors (under the US Private Placement) agreed to assign their respective entitlements to shares in the Common Stock of NuCannaCo Systems, Inc (NCI) to NuCannaCo Science Limited in return for NuCannaCo Science Limited issuing 4,037,175 Shares to the US Investors in the proportion specified in the Exchange Agreement. On 24 February 2017, NuCannaCo Science Limited was listed on the NSX.

As this was the final condition outstanding as specified in the Exchange Agreement to be satisfied, effective 24 February 2017, the US Investors' entitlement to shares in the Common Stock of NCI was assigned to NuCannaCo Science Limited.

For the period from acquisition to 31 December 2017, NCI contributed revenue of $25,736 and a loss of $1,584,632 to the Group's results.

Fair value of consideration transferred for the acquisition of NCI

- 4,037,175 shares of NuCannaCo Science Limited $807,435

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Cash	$568,156
Trade and other receivables	$24,273
Trade and other payables	($53,777)
Net identifiable assets acquired	$538,652
Goodwill	$268,783

Goodwill recognised on acquisition has subsequently been impaired and expensed in the current period.

Acquisition of Spa Essentials

Spa Essentials and Erika Gavina are brand names of two lines of skin, bath and beauty cosmetic products sold in the US through direct sales to spas, retailers, and online. These lines are not companies per se but they are D/B/A or "doing business as" businesses and brands owned by Ms. Lujenna Shumaker. Through a Purchase and Sale Agreement, as amended, by and between NuCannaCo Systems, Inc. and Ms. Lujenna Shumaker, NCI purchased 100% ownership of the Spa Essentials and Erika Gavina businesses and brands for US$66,000. All of the purchase cost was allocated to goodwill which translated to AUD $84,615 and was fully impaired during the year due to the poor performance of the brand.

In April 2017, Ms. Shumaker was paid US$33,000 as the first of two payments to complete the transaction. The second and final payment of US$33,000, due 30 days later, has not been made. In March 2018, NSI management negotiated with Ms. Shumaker to modify the terms of the agreement by eliminating her part-time consultancy commitment, paid US$5,000 of the remaining debt and agreed to pay the US$28,000 balance on or before 30-June-2018. Management plans to discontinue the business and attempt to sell the remaining assets (inventory) to a third party.

14 Operating segments

The Company has one single operating segment conducted through its wholly owned subsidiary, NuCannaCo Systems, Inc. (NCI). At this time, NCI has one single product, NuOxy CBD Complex, that is being sold through the Company's eCommerce website as well as direct sales from Company's management team.

15 Interests in subsidiaries

NuCannaCo Science Limited subsidiaries are as follows:

Name of Entity	Country of incorporation	31 December 2017
Ultimate Holding Company: NuCannaCo Science Limited	Australia	-
Subsidiaries of NuCannaCo Science Limited: NuCannaCo Systems, Inc.	USA	100%
Subsidiary of NuCannaCo Systems Inc.: Ashford Energy, LLC	USA	100%
Subsidiary of Ashford Energy, LLC: Ashford Colorado, LLC	USA	100%

16 Parent entity

Information relating to NuCannaCo Science Limited (the Parent Entity):

	2017 $'000	2016 $'000
Statement of financial position		
Current assets	441,356	122,326
Total assets	**441,456**	**122,326**
Current liabilities	504,711	370,291
Total liabilities	**504,711**	**370,291**
Net assets	**(63,355)**	**(247,965)**
Issued capital	4,267,610	1,940,675
Retained losses	(5,767,623)	(3,625,298)
Share option reserve	1,436,658	1,436,658
Total equity	**(63,355)**	**(247,965)**

	2017 $'000	2016 $'000
Statement of profit or loss and other comprehensive income		
Loss for the year	(2,142,325)	(3,625,298)
Other comprehensive income	-	-
Total comprehensive income	**(2,142,325)**	**(3,625,298)**

17 Significant Events

Issue of C Class Options

David Frankens as trustee of the IGWT Trust, an investor under the US Private Placement (Trustee) who has applied for 1,000,000 Series A Convertible Preferred Stock in the capital of NCI, (and entered into the Promissory Note to secure the monies payable in connection with that application) agreed to assign that entitlement to NuCannaCo Science Limited in return for NuCannaCo Science Limited granting him in his capacity as Trustee of the IGWT Trust, 10,000,000 C Class Options.

The Trustee agreed to vary the former condition of his application for Series A Convertible Preferred Stock requiring that NCI be admitted to the Official List of NSX and that the former condition be replaced by a new condition that NuCannaCo Science Limited be admitted to the Official List of the NSX.

By a Supplementary Agreement dated 22 August 2016 between the Company and the Trustee, the parties agreed that in connection with the assignment of the 1,000,000 Series A Convertible Preferred Stock referred to in the Exchange Agreement, upon completion of the assignment by the Trustee to the Company of the 1,000,000 Series A Convertible Preferred Stock; completion of the assignment by the US Investors to the Company of Common Stock of NCI; completion of an assignment of the benefit of the Promissory Note from NCI to the Company; and the admission of the Company to the Official List of NSX the Company will cancel the Promissory Note.

NCI the USA subsidiary also has the following conditional contracts:

Pro-Thotics Promissory Note

A $820,000 Promissory Note by and between Pro-Thotics Technology, Inc. and NCS for the purchase of 4.1 million shares of NCS at $0.20 per share was executed on 3 July 2017. Payment of the principal in six equal payments plus accrued interest will be made beginning seven months from the date of execution. No payments have been received and the directors have recognised a 50% provision for impairment against the amount receivable.

18 Employee and director remuneration

Remuneration for key management personnel for the period was:

	2017 $	2016 $
Short-term employee benefits	992,198	28,501
Cash bonuses	384,616	-
Share based payments	-	1,436,658
Termination benefits	-	-
Post-employment benefits	-	-
Total compensation	**1,376,814**	**1,465,159**

19 Related party transactions

Detailed remuneration disclosures have been included in the remuneration report within the director's report. The Company's related parties include its associates and key management, as described above. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash. Transactions with key management personnel Key management of the Company, detailed remuneration disclosure and equity holdings are detailed in the Remuneration report contained in the Directors report.

During the IPO preparation in 2016 and the current period, the Company used the legal services of Minter Ellison of which David J. Lindh is a consultant. The amounts billed related to this legal service amounted to $39,960, based on normal market rates. $155,570 was owed at the reporting date. During the current period, the Company also used the services of Simon J. Gray and was paid $5,000 in March 2017.

Related party transactions:	**2017 $**	**2016 $**
Simon J. Gray	5,000	-
Minter Ellison	39,960	259,450

20 Reconciliation of cash flows from operating activities

Details of the reconciliation of cash flows from operating activities are listed in the following table:

	$	**$**
Cash flows from operating activities		
(Loss) for the period	(2,668,610)	(3,625,298)
Adjustments for:		
• Impairment of goodwill (non-cash)	353,398	-
• Impairment of note receivable (non-cash)	410,000	-
• Foreign exchange differences (non-cash)	1,805	-
• Share based payments (non-cash)	-	1,755,675
• Share options (no cash)	-	1,436,658
Changes in assets and liabilities (net of business combinations):		
• Change in other receivable – (increase in)	(6,703)	-
• Change in inventory – (increase in)	(22,253)	-
• Change in trade and other payables – increase in	756,213	245,700
• Change in prepayments – decrease (increase) in	113,394	(121,548)
Net cash from operating activities	**(1,062,756)**	**(308,813)**

21 Auditor remuneration

Auditor remuneration details are as follows:

	2017 $	**2016 $**
Remuneration for audit and review of financial statements	59,000	10,000
OTHER SERVICES:		
- Independent Accountants Report	-	18,000
- Tax compliance and advisory services	11,650	-
Total other service remuneration	11,650	18,000
Total auditor's remuneration	**70,650**	**28,000**

22 Leases

The Group has two office locations in Texas. The offices are located in Tyler, Texas and Plano, Texas. The Tyler, Texas office is leased for a period of 36 months beginning May 1, 2017 and ending April 30, 2020 at a monthly cost of $1,508. The Plano, Texas office is leased for a period of 16 months beginning March 1, 2017 and ending June 30, 2018 at a monthly cost of $1,600 with similar renewal terms thereafter.

23 Contingent liabilities

The are no contingent liabilities as at the date of this report.

24 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

Capital is monitored on the basis of the carrying amount of equity. Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issue. As the group is still at its development phase pf operations, its ability to access to debt facilities are limited. Currently all financing are generated through capital raising activities.

25 Post-reporting date events

The Company began negotiations in December 2017 for the acquisition of XeIGHT Labs, Inc., X8 Brands, LLC and ECS Bioscience, Inc. Agreements for the acquisition targets are nearing completion and expected to be signed in the coming weeks. Please refer to the Directors' Report for further detail on the terms of the acquisitions.

Directors' Declaration

1. In the opinion of the Directors of NuCannaCo Science Limited:

   a The consolidated financial statements and notes of NuCannaCo Science Limited are in accordance with the *Corporations Act 2001*, including:

      i. Giving a true and fair view of its financial position as at 31 December 2017 and of its performance for the financial period ended on that date; and

      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

   b There are reasonable grounds to believe that NuCannaCo Science Limited will be able to pay its debts as and when they become due and payable.

2. The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Director

David Goughnour

Dated the 30th day of April 2018

Grant Thornton

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of NuCannaCo Science Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of NuCannaCo Science Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Disclaimer Opinion

We were engaged to audit the financial report of NuCannaCo Science Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for Disclaimer Opinion

We draw attention to Note 4.17 in the financial report which indicates that the Group incurred losses of $2,668,610 during the year ended 31 December 2017 and at that date, its liabilities exceeded its total assets by $750,113. As at the date of this report, we have been unable to obtain evidence which would provide sufficient appropriate audit evidence as to whether the Group can achieve the matters disclosed in Note 4.17 and hence remove significant doubt as to its ability to continue as a going concern within 12 months of the date of this auditor's report.

In addition and as set out in Note 17, the Group has recognised a note receivable relating to the issuance of shares to Pro-Thotics Technology, Inc. amounting to $820,000 ($410,000 net after a provision for impairment) in the statement of financial position. As at the date of this report, we have been unable to obtain sufficient appropriate audit evidence as to whether the Group will fully recover the note receivable.

Responsibilities of the Directors' for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the ethical requirements of *the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code*) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2017.

In our opinion, the Remuneration Report of NuCannaCo Science Limited, for the year ended 31 December 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey

Partner – Audit & Assurance

Adelaide, 30 April 2018

Additional information for listed companies

1. **Shareholdings as at 31December 2017**

a.

Substantial Shareholders	
Shareholder	**Number of Shares**
David Frankens <IGWT Trust>	6,243,750
Michael D. Long	5,177,999
K. David Goughnour	4,759,999
James R. Renfro	4,080,000
Robert K. Hughes	2,955,000

b. **Distribution and number of equity security holders**

Shareholders with:	Holders	Ordinary Shares
1 – 1,000 shares	1	1
1,001 – 5,000 shares	9	28,525
5,001 – 10,000 shares	8	68,500
10,001 – 100,000 shares	69	2,830,846
100,001 – and over shares	67	54,203,565
Total Shareholders	154	57,131,437

c. **Marketable Parcels**

The number of shareholders holding less than a marketable parcel of ordinary shares is NIL

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**

  Each fully paid ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

- **Options**

  No voting rights.

Top 20 Holders of Ordinary Shares as at 31 December 2017

Rank	Name	Units
1	MR DAVID FRANKENS <IGWT A/C>	6,243,750
2	MR MICHAEL DENMAN LONG	5,177,999
3	MR KENNETH DAVID GOUGHNOUR	4,759,999
4	MR JAMES RENFRO	4,080,000
5	MR ROBERT KERNAL HUGHES	2,955,000
6	MR MATTHEW CUSHING HARRISON	2,658,041
7	FLEYVA LLC	2,000,000
8	DR DAVID FELLER	1,800,000
9	EMA MANAGEMENT GROUP LLC	1,515,000
10	MR MARK HANLEY	1,485,000
11	MR MICHAEL DENMAN LONG <MPJ HOLDINGS LLC A/C>	1,215,000
12	MR SEAN ALLWOOD	1,125,000
13	MRS RACHELLE ALANE WAYMAN	1,080,000
14	MR BARNEY BARNHILL	1,074,400
15	MR THOMAS NASH BOWER	1,020,000
16	MR DAVID FRANKENS	1,020,000
17	MR EDUARDO LUIS ESTEVE	843,750
18	QUEST IRA INC <FBO SCOTT WEGNER # 19013-21>	810,000
19	QUEST IRA INC <FBO SCOTT WEGNER # 19013-11>	708,750
20	MR RICHARD LABICKI + MRS DEBORAH LABICKI	675,000
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**42,246,689**

Other company information

1. **Company Secretary**
   Mr. Jonathan Lindh

2. **Registered office**
   Level 4,
   22 Grenfell Street,
   Adelaide SA 5000

3. **Registers of securities are held at the following addresses:**
   Adelaide
   Computershare Investor Services Pty Ltd
   Level 5,
   115 Grenfell Street
   Adelaide SA 5000

4. **National Stock Exchange of Australia**

   The Company listed on the National Stock Exchange of Australia on 24 February 2017.

5. **Equity Securities**

   There are 153 shareholders holding 57,131,437 fully paid ordinary shares.

6. **Options**
   The Company currently has the following options on issue:

   (a) 8,480,000 A Class Options exercisable at $0.40 and expiring on 31 December 2021

   (b) 8,480,000 B Class Options exercisable at $0.60 and expiring on 31 December 2021

   (c) 10,000,000 C Class Options exercisable at $0.25 and expiring on 31 December 2021