



## **Annual Report**

**for the financial year ended 30 June 2014**

**CONTENTS**

	<u>Page</u>
Corporate Information	3
Directors' Report	4
Corporate Governance Statement	13
Auditor's Independence Declaration	15
Statement of Comprehensive Income	16
Statement of Financial Position	17
Statement of Changes in Equity	18
Statement of Cash Flows	19
Notes to the Financial Statements	20
Directors' Declaration	45
Independent Auditor's Report	46
Additional Securities Exchange Information	48

## CORPORATE INFORMATION

**ABN 30 118 758 946**

### Directors

Mr Graeme Kirke	Chairman
Mr Gordon Hart	Non Executive Director
Mr Stuart Rechner	Director/ Project and Exploration Geologist

### Company secretary

Mrs Anna MacKintosh

### Registered and Principal Office

Suite 2, Lower Ground Floor  
26 Eastbrook Terrace  
East Perth WA 6004

Telephone: (08) 6555 0322  
Facsimile: (08) 9325 1238  
Website: [www.gbenergy.com.au](http://www.gbenergy.com.au)

### Share register

Advanced Share Registry  
150 Stirling Highway  
Nedlands WA 6009  
Telephone: 08 9389 8033

### Solicitors

Fairweather Corporate Lawyers  
595 Stirling Highway  
Cottesloe WA 6011

### Bankers

Bankwest  
108 St. Georges Terrace  
Perth WA 6000

### Auditors

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth WA 6000

### Securities Exchange Listing

GB Energy Limited shares are listed on the Australian Securities Exchange (ASX: GBX)

## DIRECTORS' REPORT

Your directors present their report together with the financial statements of the Group consisting of GB Energy Limited ("the Company") and the entities it controlled during the period for the financial year ended 30 June 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

**Mr Russell Barnett (resigned 7 August 2014)** (Chairman) B.Com (UWA), Grad Cert Min. Ec, MBA, MSDIA

Mr Russell Barnett has over 18 years experience in technology commercialisation, innovation management, new venture creation and venture capital markets with a wide range of organisations throughout the Asia Pacific region.

In the 3 years immediately before the end of the financial year, Mr Barnett did not serve as a director of any other listed company.

**Mr Graeme Kirke** (Chairman) B.Com (UWA), MSDIA

Mr. Graeme Kirke has more than 28 years experience in stock broking and capital markets. He is currently managing director of Australian Financial Services Licensee KSLCORP Pty Ltd. He was a founding director of GB Energy Ltd.

**Mr Gordon Hart** (Non Executive Director)

Mr. Gordon Hart has over 32 years experience in investment banking including stock broking, mergers and acquisitions and corporate finance.

In the 3 years immediately before the end of the financial year, Mr Hart also served as a director of the following listed company:

Convergent Minerals Limited 24 August 2009 – 28 February 2013

**Mr Stuart Rechner** (Appointed Director 20 November 2013/ Project and Exploration Geologist) BSC LLB

Mr Stuart Rechner holds degrees in both Geology and Law from the University of Western Australia and worked with a junior mineral exploration company for several years before joining the Department of Foreign Affairs and Trade. Mr Rechner was posted to Beijing and Jakarta where his duties included reporting on the resources industry. Prior to joining GB Energy in February 2012, he was Senior Adviser for National Security and International Policy at the Department of Prime Minister and Cabinet.

In the 3 years immediately before the end of the financial year, Mr Rechner did not serve as a director of any other listed company.

### Company Secretary

Anna MacKintosh B.Com (UWA) CPA

Anna MacKintosh, has over 25 years commercial experience including BHP, with the previous 10 years being employed as Compliance Manager, Finance Manager and Responsible Executive for Australian Financial Services licensee KSLCORP Pty Ltd. She has been the Company Secretary for GB Energy Limited for the last 5 years.

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

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares
Mr Russell Barnett	150,000	Nil
Mr Graeme Kirke	69,077,920	Nil
Mr Gordon Hart	9,000,000	Nil
Mr Stuart Rechner	9,375,000	Nil

## DIRECTORS' REPORT (continued)

No ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of an option.

There are no unpaid amounts on the shares issued.

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of shares
15 Dec 2014	20 cents	1,000,000
		<hr/> 1,000,000 <hr/>

### Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

### Principal Activities

The principal activity of the entities within the Group during the year was uranium exploration in the South Australia region.

The Company is currently in the process of winding up the Slovakian subsidiary Crown Energy s.r.o. (100% subsidiary of GBE Exploration Pty Ltd). This is expected to be finalised at the end of September 2014.

There have been no other significant changes in the nature of those activities during the year.

### Review of operations

During the financial year, GB Energy Limited continued evaluation and exploration of its portfolio of uranium and Iron Oxide Copper-Gold-Uranium (IOCGU) properties in South Australia. Extensive desk top work was carried out on all ELs. In June 2014 high resolution heli-borne magnetics were collected over two existing seismic lines that cross our Stuart Shelf ELs 5231 and 5255. Also in June 2014 a detailed ground gravity survey was conducted over selected areas of ELs 5231 and 5255. Post survey processing and quality control is currently being completed.

Our holdings in South Australia have been added to with the grant of EL 5302 targeting sediment hosted uranium mineralisation and EL 5303, targeting IOCGU mineralisation in the crystalline basement. EL 5391 targeting sandstone hosted uranium in Cenozoic sediments was granted in June 2014.

The Company now holds five ELs covering 2999sq km targeting uranium and IOCGU mineralisation in South Australia.

Importantly during the year the Company completed agreements with the Arabana People in covering ELs 5231, 5255 and 5302. The Company acknowledges the custodians of the land. Agreement was also reached with the Department of Defence in respect of the Woomera Prohibited Area. The arrangements in large part are due the efforts of project geologist and now Director, Stuart Rechner.

### Slovakia

No work was carried out in Slovakia and a decision was made to cease all activities in Slovakia. The process of winding up the Slovakian subsidiary Crown Energy s.r.o. has commenced and should be completed by the end of September 2014.

### Capital Raising

A rights issue was conducted in the December 2013 quarter which raised \$383,128. The funds are to be used for exploration and working capital.

### Director Appointed

Stuart Rechner was appointed a director in November 2013. The decision recognised Stuart's valuable contribution to the Company and brought his technical experience to the Board. This was a continuation of the transitional structure and roles strategy which commenced in July 2013.

## DIRECTORS' REPORT (continued)

### *Risk and Opportunities*

Our Uranium focus exposes the Company to the continuing negative sentiment around both uranium exploration and nuclear power generation. It is unlikely there will be a change in sentiment in the foreseeable future. Whilst as an early stage explorer this is not a significant impediment, the difficult capital markets are of concern and have made and continue to make, raising further funds difficult.

### *Short and Long Term Analysis*

In the short term, the Company will focus on its South Australian properties, developing an exploration program to most efficiently explore our areas and potentially attract a joint venture partner. The portfolio of properties held is appropriate for our technical and financial capacity and unless conditions change is unlikely to be expanded. Extracting value from these properties by sale, joint venture or further exploration is a primary objective.

In the longer term the Company will continue to review scale project opportunities across a range of commodities and sectors.

### *General*

Little has changed in the last twelve months. Capital markets continue to be constrained with low levels of turnover, liquidity and capital raisings in the small resources sector. Chinese growth as predicted was moderate and Middle East instability, which is more extensive and deeper, are primary factors negatively affecting global equity markets and commodity prices. US growth is encouraging even though patchy, Europe cannot make up its mind. The Australian Dollar retracement occurred and now seems to be in a comfortable range with perhaps some further downside. Last year we anticipated stability in commodity prices. This did not happen but the subtle sentiment change anticipated in the small resources sector has probably offset this negative.

### *Financial Position*

As is the case for all small explorers, additional funding is always required. Last year we noted our shareholders demonstrated confidence in our strategy by supporting the December 2012 rights issue capital raising. This was not the case for the December 2013 rights issue with only \$383,128 of a possible \$833,000 offered being taken up. Of that amount, a significant proportion came from a small number of shareholders. Since balance date the Company announced a placement to raise \$500,000. The placement is in two tranches with tranche one of \$120,000 complete and tranche two subject to shareholder approval. Further funding will be required as we progress our exploration activities and seek new opportunities.

## **Significant changes in the state of affairs**

The Company made the decision in April 2014 to cease exploration activities in Slovakia and is currently winding up its subsidiary Crown Energy s.r.o.

## **Significant events after balance date**

On the 1<sup>st</sup> August 2014, the Company announced that it had completed detailed ground gravity data acquisition on our Stuart Shelf Copper-Gold-Uranium project in South Australia. GB Energy is currently considering its options and subject to the interpretation of the gravity survey, will proceed with a drilling program. If a drilling program is to proceed, GB Energy will consider joint venturing the project.

On the 6<sup>th</sup> August 2014 the Company announced a Capital Raising, intending to place 250 million fully paid shares at an issue price of 0.2 cents, in two tranches, to sophisticated and professional investors. Tranche 1 is within the Company's 15% placement capacity, while Tranche 2 is subject to Shareholder approval. The 60 million shares in Tranche 1 were issued on the 14<sup>th</sup> August 2014, and raised \$120,000.

On the 15<sup>th</sup> August 2014, the company released a Notice of Meeting to shareholders seeking to approve the second tranche at a general meeting on 17 September 2014.

## **Likely developments and expected results**

The Company will require additional funding to continue operations at its projected level of exploration activity on existing assets.

## **Environmental legislation**

In the course of its normal exploration activities, the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements during the financial year. The board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group.

## DIRECTORS' REPORT (continued)

### Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Remuneration report

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of GB Energy Limited for the financial year ended 30 June 2014. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

#### Key Management Personnel

##### Directors

Mr Russell Barnett	Chairman (non-executive) (resigned 7 August 2014)
Mr Graeme Kirke	Chairman
Mr Gordon Hart	Non Executive Director
Mr Stuart Rechner	Director(appointed 20 November 2014)/ Project and Exploration Geologist

##### Executives

Mrs Anna MacKintosh	Chief Operating Officer
---------------------	-------------------------

#### Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The Board has the authority and responsibility for planning, directing and controlling the activities of the company and the Group, including directors of the company and of the senior management. Compensation levels for directors and senior management of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives.

Remuneration levels are not dependent upon any performance criteria as the Company and the Group are not generating a profit.

#### Remuneration committee

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

#### Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

#### Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The aggregate level (\$500,000) was set at the time of the company's incorporation and has not changed since.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the year ended 30 June 2014 is detailed in page 9 of this report.

## DIRECTORS' REPORT (continued)

### *Senior manager and executive director remuneration*

Remuneration consists of fixed remuneration only.

#### Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

The fixed remuneration of the Company Directors and executives is detailed in page 9 of this report.

#### 2013 Annual General Meeting

The company's most recent Annual General Meeting was held on 18 November 2013. The remuneration report for the financial year ended 30 June 2013 was adopted for the purposes of section 250R(2) of the Corporations Act and for all other purposes.

### *Employment Contracts*

#### **Russell Barnett – Chairman (appointed 30 October 2009 and resigned 7 August 2014)**

The GB Energy service contract with Mr. Barnett was modified in April 2013:

- Chairman's fee of \$35,000 per annum plus statutory superannuation and approved employment expenses.
- Termination Notice 3 months by either party.

#### **Graeme Kirke – Chairman (previously Executive Director)**

GB Energy recently entered into a new service contract with Graeme Kirke for his new role as Chairman/Executive Director.

The key employment terms are:

- Chairman's fee of \$25,000 per annum plus statutory superannuation and approved employment expenses.
- Consulting fee of \$500 per day plus GST up to a maximum of 100 days per annum for activities in addition to normal Directors duties.
- Termination Notice on Consultant Contract 1 month by either party.
- No termination benefits.

#### **Gordon Hart – Executive Director (appointed 4 August 2010)**

The key employment terms of Mr. Hart's service contract remain unchanged from the previous financial year:

- Director's fee of \$25,000 per annum plus statutory superannuation and approved employment expenses.
- No termination benefits.

#### **Stuart Rechner – Director/ Project and Exploration Geologist**

The key terms of Mr Rechner's service contract are:

- Since 1 August 2014, the terms of employment have been adjusted by mutual agreement. Hours of work have been reduced to 1 day per week and the salary reduced accordingly to \$33,000 per annum plus statutory superannuation. Prior to this and for the financial year ended 30 June 2014, the base Salary was \$165,000 per annum plus statutory superannuation expenses and approved employment expenses.
- Term 2 years commencing 28 February 2013.
- Termination Notice 3 months by either party.
- Termination by the Company will result in Termination Benefit equal to 3 months salary and superannuation.

#### **Anna MacKintosh – Chief Operating Officer/ Company Secretary/CFO**

12 month service agreement between GB Energy and Anna MacKintosh as Chief Operating Officer with the following key employment terms:

- Base Salary \$120,000 per annum plus statutory superannuation expenses and approved employment expenses.
- Term 12 months with option to extend by mutual agreement.
- Termination Notice 3 months by either party.
- No termination Benefits.
- Employment terms reviewed 6 months from the commencement date.



**DIRECTORS' REPORT (continued)****Remuneration of Key Management Personnel**

Key Management Personnel remuneration for the years ended 30 June 2014 and 30 June 2013

	Short-term employment benefits		Post-employment benefit	Equity Share options	Total	Performance related
	Salary & fees	Bonus	Superannuation			
30 June 2014	\$	\$	\$	\$	\$	%
<u>Directors</u>						
R Barnett <sup>(i)</sup>	35,000	-	3,237	-	38,237	-
G Kirke	38,150	-	-	-	38,150	-
G Hart	25,000	-	2,313	-	27,313	-
S Rechner <sup>(ii)</sup>	165,000	-	15,263	-	180,263	-
<u>Executives</u>						
A MacKintosh	119,456	-	11,050	-	130,506	-
Total	382,606	-	31,863	-	414,469	-
	Short-term employment benefits		Post-employment benefit	Equity Share options	Total	Performance related
	Salary & fees	Bonus	Superannuation			
30 June 2013	\$	\$	\$	\$	\$	%
<u>Directors</u>						
R Barnett	46,250	-	4,163	-	50,413	-
G Kirke	27,916	-	2,513	-	30,429	-
G Hart	25,000	-	2,250	-	27,250	-
<u>Executives</u>						
A MacKintosh	87,500	15,000	8,325	-	110,825	-
S Rechner	155,000	-	13,950	-	168,950	-
Total	341,666	15,000	31,201	-	387,867	-

(i) Resigned on 7 August 2014

(ii) Appointed on 20 November 2013

No member of key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

**DIRECTORS' REPORT (continued)****Shareholdings of Key Management Personnel**

	Balance at beginning of period Number	Granted as remuneration Number	On Exercise of Options Number	Net Change Other Number	Balance at end of period Number
30 June 2014					
Directors					
Mr Russell Barnett	75,000	-	-	75,000	150,000
Mr Graeme Kirke	34,538,960	-	-	34,538,960	69,077,920
Mr Gordon Hart	4,500,000	-	-	4,500,000	9,000,000
Mr Stuart Rechner	6,250,000	-	-	3,125,000	9,375,000
Executives					
Mrs Anna MacKintosh	450,000	-	-	450,000	900,000
30 June 2013					
Directors					
Mr Russell Barnett	50,000	-	-	25,000	75,000
Mr Graeme Kirke	20,500,200	-	-	14,038,760	34,538,960
Mr Gordon Hart	3,000,000	-	-	1,500,000	4,500,000
Executives					
Mrs Anna MacKintosh	400,000	-	-	50,000	450,000
Mr Stuart Rechner	-	-	-	6,250,000	6,250,000

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

**Option holdings of Key Management Personnel**

	Opening balance Number	Granted as remune- ration Number	Options exercised Number	Net change Other (i) Number	Closing balance Number	Balance vested at 30 June Number	Vested but not exercisable Number	Vested and exercisable Number
30 June 2014								
Directors								
Mr Russell Barnett	-	-	-	-	-	-	-	-
Mr Graeme Kirke	-	-	-	-	-	-	-	-
Mr Gordon Hart	-	-	-	-	-	-	-	-
Executives								
Mrs Anna MacKintosh	-	-	-	-	-	-	-	-
Mr Stuart Rechner	-	-	-	-	-	-	-	-

(i) Includes forfeitures

**DIRECTORS' REPORT (continued)**

	Opening balance Number	Granted as remuner- -ation Number	Options exercised Number	Net change Other (i) Number	Closing balance Number	Balance vested at 30 June Number	Vested but not exercisable Number	Vested and exercisable Number
30 June 2013								
Directors								
Mr Russell Barnett	-	-	-	-	-	-	-	-
Mr Graeme Kirke	-	-	-	-	-	-	-	-
Mr Gordon Hart	-	-	-	-	-	-	-	-
Executives								
Mrs Anna MacKintosh	-	-	-	-	-	-	-	-
Mr Stuart Rechner	-	-	-	-	-	-	-	-
(i) Includes forfeitures								

Option plans in existence at balance date

	Option grant date	Expiry date	Grant date fair value (cents)	Vesting date
Series 4	20/05/2009	15/12/2014	1.0	14/09/2010

For details on the valuation of the options, including models and assumptions used, please refer to Note 14. There were no alterations to the terms and conditions of options granted as remuneration since their grant date. The series 4 options were issued to a former director.

Details of employee share option plans

No new options were granted to key management personnel during the year.

Bonuses

No bonuses were granted during the year.

Share-based compensation to key management personnel during the current financial year

No share based payments were made to key management personnel during the year

Options granted, exercised or lapsed during the year

Series 3 options granted to a previous Managing Director of GB Energy expired during the financial year. As a result, 1,000,000 unlisted options with an exercise price of 15 cents expired 15 December 2013.

End of Remuneration Report

## DIRECTORS' REPORT (continued)

### Directors' Meetings

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

	Directors' meetings
Number of meetings held:	5
Number of meetings attended:	
Mr Russell Barnett	5
Mr Graeme Kirke	5
Mr Gordon Hart	5
Mr Stuart Rechner	5
(i) Not a member of the relevant committee	

### Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.


### Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 15 and forms part of this directors' report for the year ended 30 June 2014.

### Non-Audit Services

No non-audit services were provided during the year by the auditor.

Signed in accordance with a resolution of the directors.



Graeme Kirke  
Chairman  
Perth, 12 September 2014

## CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council's 2nd edition recommendations, unless otherwise stated.

### Board of Directors

The primary responsibility of the Board is to represent and advance shareholders' interests and to protect the interests of all stakeholders. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals. Given the size and operations of the business, the Board undertook an active, not passive, role in the day-to-day management of the Company during the financial year.

The Company's constitution provided that the number of directors shall not be less than three and not more than seven. There is no requirement for any share holding qualification.

The responsibilities of the Board include:

- Protection and enhancement of shareholder value;
- Formulation, review and approval of the objectives and strategic direction of the Company;
- Approving all significant business transactions including acquisitions, divestments and capital expenditure;
- Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- The identification of significant business risks and ensuring that such risks are adequately managed;
- The review of the performance and remuneration of executive directors and key staff;
- The establishment and maintenance of appropriate ethical standards; and
- Evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The following table provides a summary statement of the compliance with the corporate governance recommendations. The Board have implemented an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

### Summary Statement

	ASX P & R <sup>1</sup>	If not, why not <sup>2</sup>		ASX P & R <sup>1</sup>	If not, why not <sup>2</sup>
Recommendation 1.1	✓		Recommendation 4.2		✓
Recommendation 1.2	✓		Recommendation 4.3		✓
Recommendation 1.3	✓		Recommendation 4.4	✓	
Recommendation 2.1		✓	Recommendation 5.1	✓	
Recommendation 2.2		✓	Recommendation 5.2	✓	
Recommendation 2.3	✓		Recommendation 6.1	✓	
Recommendation 2.4		✓	Recommendation 6.2	✓	
Recommendation 2.5	✓		Recommendation 7.1	✓	
Recommendation 2.6	✓		Recommendation 7.2	✓	
Recommendation 3.1	✓		Recommendation 7.3	✓	
Recommendation 3.2		✓	Recommendation 7.4	✓	
Recommendation 3.3		✓	Recommendation 8.1		✓
Recommendation 3.4		✓	Recommendation 8.2		✓
Recommendation 3.5	✓		Recommendation 8.3	✓	
Recommendation 4.1		✓	Recommendation 8.4	✓	

<sup>1</sup> Indicates where the Company has followed the Principles & Recommendations.

<sup>2</sup> Indicates where the company has provided an "if not, why not" disclosure

The Board sets out below its “if not, why not” report in relation to those matters of corporate governance where the Company’s practices depart from the recommendations.

Best Practice Recommendation	Notification of departure	Explanation of departure
2.1	Majority of the Board not independent	The Board considers in the current phase of the organisation, it is not of sufficient size nor are its affairs of such complexity to justify the appointment of a majority of independent non-executive directors. If Directors have a conflict of interest in relation to a particular item, they must absent themselves from the Board meeting before commencement of discussion of the topic
2.2	Chairman is not independent	The Chairman’s role during the financial year ended 30 June 2014 was considered by the board to be independent. Subsequent to year end however, the Chairman Russell Barnett resigned as Director of GB Energy (7 August 2014). The recently appointed Executive Chairman Graeme Kirke is not considered independent in terms of the ASX Corporate Governance Council’s definition of independent director. However, the Board believes that the Chairman is able and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman.
2.4	No Nomination Committee	The Board given the present size of the Company has not formed a nomination Committee and this function is undertaken by the full Board.
3.2, 3.3 3.4	Diversity Policy not finalised	The Board of GB Energy Diversity Policy has not formalised, however the Board has embraced the intention of the recommendation as part of their Corporate Governance role.
4.1, 4.2 & 4.3	A separate Audit committee no longer in place.	While in previous years a Risk/Audit Committee was in place, given the size of the company, and the non-complex financial affairs, the Board as a whole undertakes the selection and application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems.
8.1 & 8.2	A separate remuneration Committee has not been formed	<p>The Board is responsible for determining and reviewing compensation arrangements. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Company, it has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Company is of sufficient size a separate Remuneration Committee will be formed.</p> <p>It is the Company’s objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating directors fairly and appropriately with reference to relevant market conditions. The Board is conscious of achieving a mix of skills and diversity with its Board membership.</p> <p>The Board conducts its performance review on an annual basis, or sooner if required. The small size of the Company and hands on management style requires an increased level of interaction between directors and executives throughout the period. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company.</p>

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability. The Board undertakes to foster a governance culture that embraces diversity in the composition of the Board.

Details of each Director’s qualifications and experience are set out in the Directors’ Report. Details of remuneration are contained in the Remuneration Report which forms part of the Directors’ Report.

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of GB Energy Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



**Perth, Western Australia**  
**12 September 2014**

**L Di Giallonardo**  
**Partner**

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Consolidated	
		2014 \$	2013 \$
<b>Continuing operations</b>			
Interest income	2	4,421	8,946
Foreign exchange gains		9,441	71,344
Administrative and employee benefits expense		(444,715)	(531,538)
Depreciation expense		(4,108)	(3,307)
Accounting expenses		(34,449)	(36,294)
Impairment of exploration asset - Slovakia		(519,063)	-
<b>Loss before income tax expense</b>		<b>(988,473)</b>	<b>(490,849)</b>
Income tax benefit	3	-	-
<b>Loss after tax from continuing operations</b>		<b>(988,473)</b>	<b>(490,849)</b>
<b>Discontinued operation</b>			
Loss after tax from discontinued operation		-	(818,296)
<b>Loss for the year</b>		<b>(988,473)</b>	<b>(1,309,145)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations		19,710	(26,743)
<b>Reclassification adjustments</b>			
Reclassification to profit or loss on dissolution of foreign operations		-	818,296
<b>Other comprehensive income for the year, net of tax</b>		<b>19,710</b>	<b>791,553</b>
<b>Total comprehensive loss for the year attributable to owners of the parent</b>		<b>(968,763)</b>	<b>(517,592)</b>
Basic loss per share (cents per share)	5	0.29	0.56
Basic loss per share from continuing operations (cents per share)	5	0.29	0.21
Diluted loss per share (cents per share)	5	0.29	0.56
Diluted loss per share from continuing operations (cents per share)	5	0.29	0.21

The accompanying notes form part of these financial statements



# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2014

		Consolidated	
	Notes	2014 \$	2013 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	127,813	507,790
Trade and other receivables	7	14,310	4,324
Prepayments	8	7,833	16,892
<b>Total current assets</b>		<u>149,956</u>	<u>529,006</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	7,370	9,747
Deferred exploration and evaluation expenditure	10	337,494	534,429
<b>Total non-current assets</b>		<u>344,864</u>	<u>544,176</u>
<b>Total assets</b>		<u>494,820</u>	<u>1,073,182</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	55,519	48,246
<b>Total current liabilities</b>		<u>55,519</u>	<u>48,246</u>
<b>Total liabilities</b>		<u>55,519</u>	<u>48,246</u>
<b>Net assets</b>		<u>439,301</u>	<u>1,024,936</u>
<b>Equity</b>			
Issued capital	12	9,408,745	9,025,617
Reserves	13	339,256	319,546
Accumulated losses	13	(9,308,700)	(8,320,227)
<b>Total equity</b>		<u>439,301</u>	<u>1,024,936</u>

The accompanying notes form part of these financial statements

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Issued capital \$	Option Premium reserve \$	Share- based payment reserve \$	Foreign currency translation reserve \$	Revaluation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2012</b>		8,307,070	245,660	58,000	(123,690)	(651,977)	(7,011,082)	823,981
Loss for the year							(1,309,145)	(1,309,145)
Exchange differences arising on translation of foreign operations					(26,743)	-	-	(26,743)
Reclassification to profit or loss on dissolution of foreign operations		-	-	-	166,319	651,977	-	818,296
<b>Total comprehensive loss for the year</b>		-	-	-	139,576	651,977	(1,309,145)	(517,592)
Shares issued during the year	12	740,771	-	-	-	-	-	740,771
Shares issue costs	12	(22,224)	-	-	-	-	-	(22,224)
<b>Balance as at 30 June 2013</b>		9,025,617	245,660	58,000	15,886	-	(8,320,227)	1,024,936
<b>Balance as at 1 July 2013</b>		9,025,617	245,660	58,000	15,886	-	(8,320,227)	1,024,936
Loss for the year		-	-	-	-	-	(988,473)	(988,473)
Exchange differences arising on translation of foreign operations		-	-	-	19,710	-	-	19,710
<b>Total comprehensive loss for the year</b>		-	-	-	19,710	-	(988,473)	(968,763)
Shares issued during the year	12	383,128	-	-	-	-	-	383,128
<b>Balance as at 30 June 2014</b>		9,408,745	245,660	58,000	35,596	-	(9,308,700)	439,301

The accompanying notes form part of these financial statements

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Consolidated	
		2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(471,509)	(567,395)
Interest received		4,421	8,946
<b>Net cash (outflows) from operating activities</b>	6	(467,088)	(558,448)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,731)	(11,734)
Exploration and evaluation expenditure		(293,886)	(69,548)
<b>Net cash (outflows) from investing activities</b>		(295,617)	(81,282)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		383,128	740,771
Payments for share issue costs		-	(22,224)
<b>Net cash inflows from financing activities</b>		383,128	718,547
Net increase/(decrease) in cash and cash equivalents		(379,577)	78,817
Cash and cash equivalents at the beginning of the year		507,790	430,052
Effect of exchange rate fluctuations on cash held		(400)	(1,079)
<b>Cash and cash equivalents at the end of the year</b>	6	127,813	507,790

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of GB Energy Limited and its subsidiaries.

The financial statements have been prepared on a historical cost basis, except for available-for-sale investments and derivative financial instruments which have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

The Company is a listed public Company, incorporated in Australia and operating in Slovakia and Australia. The entity's principal activities are uranium exploration.

#### (b) Adoption of new and revised standards

*Standards and Interpretations applicable to 30 June 2014*

In the year ended 30 June 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

*Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Group accounting policies.

#### (c) Statement of compliance

The financial report was authorised for issue by the directors on 12 September 2014.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

#### (d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of GB Energy Limited ('Company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. GB Energy Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

#### (e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Share-based payment transactions:*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model, using the assumptions detailed in Note 14.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The policy described above is applied to all equity-settled share-based payments that were granted after 7 November 2003 and vested after 1 January 2006. No amounts have been recognised in the financial statements in respect of other equity-settled share-based payments.

#### (f) Going concern

The Group has incurred a net loss after tax of \$988,473 (2013: \$1,309,145) and experienced net cash outflows from operating and investing activities of \$762,705 (2013: \$639,730) for the year ended 30 June 2014. As at 30 June 2014 the Group had cash assets of \$127,813 and net current assets of \$94,437.

The ability of the Group to continue as a going concern is principally dependent upon raising sufficient additional capital to fund exploration expenditure, other principal activities and working capital.

The directors have prepared a cash flow forecast for the period to 30 September 2015 which indicates that the current cash resources will not meet expected cash outgoings without the raising of additional capital. The Group recently (14 August 2014) raised \$120,000 in a Placement and subject to shareholder approval will raise an additional \$380,000 by September 2014. The General Meeting of shareholders is to take place on 17 September 2014. Further fund raising will be required in the 4<sup>th</sup> quarter of the current financial year, to provide sufficient funds for the Group to operate through to September 2015 and beyond.

Based on the cash flow forecasts and achieving the above funding, the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the Group be unable to raise the funding referred to above, there is a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of GB Energy Limited.

#### (h) Foreign currency translation

Both the functional and presentation currency of GB Energy Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations in Slovakia is Euro (EUR).

As at the balance date the assets and liabilities of this subsidiary are translated into the presentation currency of GB Energy Limited at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

#### (i) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable.

#### *Interest income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (l) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### (m) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### (n) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

#### (o) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of the disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

#### (p) Financial assets

##### *Classification*

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

##### *(i) Financial assets at fair value through profit or loss*

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that the consolidated entity manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

##### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity. If the consolidated entity were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

#### *(iv) Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

#### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

#### *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

#### *Subsequent measurement*

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the consolidated entity's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

#### *Fair value*

The fair values of quoted investments are based on last trade prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Impairment*

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

#### **(q) Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	3 - 5 years
---------------------	-------------

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### *Impairment*

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

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

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

#### *Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

#### **(r) Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

#### **(s) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

#### (t) Share-based payment transactions

##### *Equity settled transactions*

The Group in a previous financial year provided benefits to employees of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model, further details of which are given in Note 14.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of GB Energy Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Refer Note 5.

#### (u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

#### (v) Loss per share

Basic loss per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Diluted loss per share is calculated as net loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

#### (w) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

#### (x) Parent entity financial information

The financial information for the parent entity, GB Energy Limited, disclosed in Note 18 has been prepared on the same basis as the consolidated financial statements, except as set out below.

#### *Investments in subsidiaries*

Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

#### (y) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

#### (z) Key sources of estimation uncertainty

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. When assessing impairment of exploration and evaluation assets, the carrying amount of exploration and evaluation is compared to its recoverable amount. The estimated recoverable amount is used to determine the extent of the impairment loss (if any).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The carrying amount of exploration and evaluation assets at 30 June 2014 was \$337,494 (30 June 2013, \$534,429). This relates to exploration program costs relating to the five Exploration Licences (EL) in South Australia. The Directors believe this valuation is appropriate and no impairment has been made in the current financial year. The two uranium licences in Slovakia (Kluknava and Vitaz II) are in the process of surrender and have been impaired by \$519,063 to a carrying value of nil at 30 June 2014.

### NOTE 2: REVENUE AND EXPENSES

	Consolidated	
	2014	2013
	\$	\$
<i>Revenue</i>		
Interest income	4,421	8,946
Foreign exchange gains	9,441	71,344
	<u>13,862</u>	<u>80,290</u>
	Consolidated	
	2014	2013
	\$	\$
<i>Other expenses</i>		
Depreciation of non-current assets	4,108	3,307
Impairment of exploration asset – Slovakia	519,063	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 3: INCOME TAX

*Income tax recognised in profit or loss*

The major components of tax expense are:

	Consolidated	
	2014	2013
	\$	\$
Current tax expense/(income)	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
	-	-

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

	Consolidated	
	2014	2013
	\$	\$
Accounting loss before tax from continuing operations	(988,473)	(490,849)
Loss before tax from discontinued operations	-	(818,296)
Accounting loss before income tax	(988,473)	(1,309,145)
Income tax benefit calculated at 30%	(296,542)	(392,743)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Difference in overseas tax rates	4,585	7,638
Effect of unused tax losses not recognised as deferred tax assets	291,957	385,105
Income tax benefit reported in the consolidated statement of comprehensive income	-	-
Income tax attributable to discontinued operations	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

### *Unrecognised deferred tax assets*

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated	
	2014	2013
	\$	\$
Tax losses – revenue	1,944,324	1,701,646
Tax losses – capital	250,383	250,383
Deductible temporary differences	(98,520)	(118,001)
	2,096,187	1,834,028

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 4: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is more specifically focused on the exploration and development of uranium resource projects. The Group's reportable segments under AASB 8 are therefore as follows:

- Exploration and evaluation – Slovakia
- Exploration and evaluation – South Australia
- Other sector

Exploration and evaluation – Slovakia expenditure relates to two uranium exploration licences in Slovakia covering Permian volcano sedimentary sequences. The Group holds a 100% effective interest in these licences through Crown Energy s.r.o, a wholly owned subsidiary of GBE Exploration Pty Ltd. The Company made the decision in April 2014 to cease exploration activities in Slovakia, due to the downgrading of the Slovak licence areas and the need to prioritise exploration expenditure. The Company is currently in the process of surrendering the licences and winding up its Slovakian based subsidiary Crown Energy s.r.o.

Exploration and evaluation - South Australia refers to five Exploration licenses (EL's) held. The Group holds a 100% interest in these licences through GBE Exploration Pty Ltd, a wholly owned subsidiary of GB Energy Ltd.

The other sector relates to head office operations, including cash management. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

#### Segment information

The following tables present revenue and profit information and certain asset and liability information regarding business segments for the years ended 30 June 2014 and 30 June 2013.

	Continuing operations			Discontinued operation		
	Exploration and Evaluation - Slovakia	Exploration and Evaluation - S.Aust	Other	Other	Unallocated Items	Consolidated
	\$	\$		\$	\$	\$
<b>30 June 2014</b>						
<b>Revenue</b>						
Total segment revenue	1	14	13,847	-	-	13,862
<b>Segment results</b>						
Segment Result	(543,158)	(3,801)	(441,514)	-	-	(988,473)
<b>Segment assets</b>						
Segment assets	9,543	359,611	125,666	-	-	494,820
<b>Segment liabilities</b>						
Segment liabilities	364	837	54,318	-	-	55,519
<b>Cash flow information</b>						
Net cash flow from operating activities	(25,006)	(2,615)	(439,467)	-	-	(467,088)
Net cash flow from investing activities	(700)	(295,586)	669	-	-	(295,617)
Net cash flow from financing activities	-	-	383,128	-	-	383,128



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 4: SEGMENT REPORTING (continued)

	Continuing operations			Discontinued operation		
	Exploration and Evaluation - Slovakia	Exploration and Evaluation – S. Aust	Other	Segment	Unallocated Items	Consolidated
30 June 2013	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Total segment revenue	1	52	80,237	-	-	80,290
<b>Segment results</b>						
Segment results	(16,503)	(2,295)	(472,051)	(818,296)	-	(1,309,145)
<b>Segment assets</b>						
Segment assets	528,044	69,769	475,369	-	-	1,073,182
<b>Segment liabilities</b>						
Segment liabilities	5,566	-	42,680	-	-	48,246
<b>Cash flow information</b>						
Net cash flow from operating activities	(23,485)	(1,946)	(533,017)	-	-	(558,448)
Net cash flow from investing activities	(25,240)	(47,908)	(8,134)	-	-	(81,282)
Net cash flow from financing activities	-	-	718,547	-	-	718,547

#### Other segment information

#### Segment revenue reconciliation to the statement of comprehensive income

	Consolidated	
	2014	2013
	\$	\$
Total segment revenue	13,862	80,290
Total revenue	13,862	80,290

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographical location based on the location of customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than those shown.

	Consolidated	
	2014	2013
	\$	\$
Australia	13,861	80,289
Slovakia	1	1
Total revenue	13,862	80,290

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 5: LOSS PER SHARE

	Consolidated	
	2014	2013
	Cents per share	Cents per share
<i>Basic loss per share</i>		
Continuing operations	(0.29)	(0.21)
Discontinued operations	-	(0.35)
Total basic loss per share	(0.29)	(0.56)

	Consolidated	
	2014	2013
	Cents per share	Cents per share
<i>Diluted loss per share</i>		
Continuing operations	(0.29)	(0.21)
Discontinued operations	-	(0.35)
Total diluted loss per share	(0.29)	(0.56)

#### *Basic loss per share*

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	Consolidated	
	2014	2013
	\$	\$
Loss	(988,473)	(1,309,145)
Loss from continuing operations	-	(490,849)

	Consolidated	
	2014	2013
	Number	Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	344,268,037	235,408,437

### NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2014	2013
	\$	\$
Cash at bank and on hand	127,813	507,790

Cash at bank earns interest at floating rates based on daily bank deposit rates.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 6: CASH AND CASH EQUIVALENTS (continued)

*Reconciliation of loss for the year to net cash flows from operating activities*

	Consolidated	
	2014	2013
	\$	\$
Loss for the year	(988,473)	(490,849)
Depreciation and amortisation	4,108	3,307
Foreign exchange (gain)/loss	(8,133)	(63,352)
Impairment of exploration (Slovakia)	519,063	-
(Increase)/decrease in assets:		
Trade and other receivables	(9,986)	4,497
Other current assets	9,060	(10,285)
Increase/(decrease) in liabilities:		
Trade and other payables	7,273	(1,766)
Net cash from operating activities	(467,088)	(558,448)

### NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2014	2013
	\$	\$
Other receivables	112	151
GST receivables	14,198	4,173
	14,310	4,324

### NOTE 8: OTHER FINANCIAL ASSETS

	Consolidated	
	2014	2013
	\$	\$
<i>Current</i>		
Prepayments	7,833	16,892

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment \$
<i>Gross carrying amount</i>	
Balance at 1 July 2012	74,278
Additions	11,734
Disposals	-
Balance at 1 July 2013	86,012
Additions	1,731
Disposals	-
Balance at 30 June 2014	87,743
<i>Accumulated depreciation and impairment</i>	
Balance at 1 July 2012	72,958
Depreciation expense	3,307
Disposals	-
Balance at 1 July 2013	76,265
Depreciation expense	4,108
Disposals	-
Balance at 30 June 2014	80,373
<i>Carrying value</i>	
30 June 2014	7,370
30 June 2013	9,747

The useful life of the assets was estimated as follows for both 2014 and 2013:  
Plant and equipment 3 years

### NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2014	2013
	\$	\$
Costs carried forward in respect of:		
<i>Exploration and evaluation phase – at cost</i>		
Balance at beginning of year	534,429	427,195
Expenditure incurred	293,885	69,548
Impaired exploration expenditure –Slovakia (i)	(519,063)	-
Foreign exchange translation movement	28,243	37,686
Total exploration and evaluation expenditure	337,494	534,429

- (i) The Group's two uranium licences in Slovakia are in the process of surrender and as a result, the Directors have deemed it appropriate to fully impair the carrying value of these assets.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 11: TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated	
	2014	2013
	\$	\$
Trade payables (i)	9,192	16,260
Annual leave provision	21,897	12,278
Accruals	24,430	19,708
	<u>55,519</u>	<u>48,246</u>

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 15.

### NOTE 12: ISSUED CAPITAL

	Consolidated	
	2014	2013
	\$	\$
405,498,587 Ordinary shares issued and fully paid (2013: 277,789,155)	<u>9,408,745</u>	<u>9,025,617</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

#### *Movement in ordinary shares on issue*

	2014		2013	
	Number	\$	Number	\$
Balance at beginning of year	277,789,155	9,025,617	185,192,770	8,307,070
Rights Issue December 2013	127,709,432	383,128		
Rights Issue December 2012	-	-	92,596,385	740,771
Share issue costs	-	-	-	(22,224)
Balance at end of year	<u>405,498,587</u>	<u>9,408,745</u>	<u>277,789,155</u>	<u>9,025,617</u>

#### *Share options*

The Company has one share based payment option scheme under which options to subscribe for the Company's shares have been granted to a former director. Refer Note 14.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 13: RESERVES AND ACCUMULATED LOSSES

#### Reserves

Movements in reserves were as follows:

	Consolidated				
	Option premium reserve	Share based payment reserve	Revaluation reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
2014					
Balance at beginning of year	245,660	58,000	-	15,886	319,546
Currency translation differences	-	-	-	19,710	19,710
Balance at end of year	245,660	58,000	-	35,596	339,256

	Consolidated				
	Option premium reserve	Share based payment reserve	Revaluation reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
2013					
Balance at beginning of year	245,660	58,000	(651,977)	(123,690)	(472,007)
Currency translation differences	-	-	-	(26,743)	(26,743)
Difference arising on disposal of Imperial Petroleum			651,977	166,319	818,296
Balance at end of year	245,660	58,000	-	15,886	319,546

#### Nature and purpose of reserves

##### Revaluation reserve

The revaluation reserve arose from a previous period following the increase in the investment in Imperial Petroleum Ltd (UK). The difference between the non controlling interest and the amount paid for the increase in the investment of Imperial Petroleum Ltd (UK) was directly recognised in this reserve. In August 2012, Imperial Petroleum Ltd (UK) was dissolved and therefore this reserve has been eliminated.

##### Share based payment and option premium reserve

The share based payment reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. The option premium reserve arises on the grant of share options for consideration.

##### Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

#### Accumulated Losses

Movements in accumulated losses were as follows:

	Consolidated	
	2014	2013
	\$	\$
Balance at beginning of year	(8,320,227)	(7,011,082)
Net loss for the year	(988,473)	(490,849)
Loss for the year from discontinued operations	-	(818,296)
Balance at end of year	(9,308,700)	(8,320,227)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 14: SHARE BASED PAYMENT PLANS

#### *Employee Share Options*

Options issued to Directors are not issued under an Employee Share Option Plan and are subject to approval by shareholders and attaching vesting conditions.

There were no new share based payments during the period.

The following share-based payment arrangements were in place during the current and prior periods:

Series	Number	Grant date	Expiry date	Exercise price cents	Fair value at grant date Cents
<u>Directors</u>					
1.Options issued 25 May 2009	500,000	20/05/09	Expired	20	2.60
2.Options issued 25 May 2009	2,500,000	20/05/09	Expired	10	1.00
3.Options issued 25 May 2009	1,000,000	20/05/09	Expired	15	1.00
4.Options issued 25 May 2009	1,000,000	20/05/09	15/12/14	20	1.00
<u>Consultant</u>					
5 Options issued 12 April 2010	1,000,000	12/04/10	Cancelled	5	1.77
6 Options issued 12 April 2010	1,000,000	12/04/10	Cancelled	10	3.00
7 Fully paid ordinary shares issued 12 April 2010	500,000	12/04/10	N/A	N/A	3.00

Option series 5 to 7 were granted to a Consultant in a previous reporting period. The vesting conditions were not met and the options were cancelled/expired.

The following table illustrates the number and weighted average exercise prices of, and movements in, share options on issue during the year:

	2014		2013	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding at the beginning of year	2,000,000	0.175	4,500,000	0.1333
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(1,000,000)	-	(2,500,000)	-
Outstanding at the end of year	1,000,000	0.200	2,000,000	0.175
Exercisable at the end of year	1,000,000	0.200	2,000,000	0.175

No share options were exercised during the year:

The share options outstanding at the end of the year had an exercise price of \$0.20 (2013: \$0.15, \$0.20).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 14: SHARE BASED PAYMENT PLANS (continued)

#### Directors

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

30 June 2014	[SERIES 1]	[SERIES 2]	[SERIES 3]	[SERIES 4]
Grant Date	20 May 2009	20 May 2009	20 May 2009	20 May 2009
Expected volatility (%)	n/a	65%	65%	65%
Risk-free interest rate (%)	n/a	5.75%	6.50%	6.25%
Exercise price (cents)	20 cents	10 cents	15 cents	20 cents
Grant date share price	3 cents	3 cents	3 cents	3 cents
Expiry Date	30 Sep 2011	15 Dec 2012	15 Dec 2013	15 Dec 2014
Fair value at grant date	2.6 cents	1 cent	1 cent	1 cent

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

### NOTE 15: FINANCIAL INSTRUMENTS

#### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2013.

The capital structure of the Group consists of cash and cash equivalents (no debt) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, and general administrative outgoings.

#### Categories of financial instruments

	Consolidated	
	2014	2013
	\$	\$
<u>Financial assets</u>		
Cash and cash equivalents	127,813	507,790
Receivables	14,310	4,324
Other financial assets – prepayments	7,833	16,892
<u>Financial liabilities</u>		
Trade and other payables	55,519	48,246

#### Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 15: FINANCIAL INSTRUMENTS (continued)

#### *Market risk*

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period

#### Foreign currency risk management

The Group undertakes certain transactions denominated in a foreign currency (Euro), hence exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities		Assets	
	2014	2013	2014	2013
	\$	\$	\$	\$
Euro ("EUR")	364	5,567	9,543	37,922

#### Foreign currency sensitivity analysis

The Group was exposed to Euro (EUR) currency fluctuations during the year.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	Equity	Loss
<b>30 June 2014</b>		
Euro	(57,670)	(35,718)
<b>30 June 2013</b>		
Euro	(21,953)	(1,657)

#### Interest rate risk management

The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

#### Interest rate risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- net loss would decrease by \$639 and equity would increase by \$639 (2013:\$2,539).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 15: FINANCIAL INSTRUMENTS (continued)

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

### NOTE 16: COMMITMENTS AND CONTINGENCIES

#### a) *Slovakia uranium exploration works program*

During the financial year ended 30 June 2014, the Group made the decision to cease exploration activity in Slovakia.

#### b) *South Australia uranium exploration program*

As at June 30 2014 GBE Exploration (100% subsidiary of GB Energy) held five Exploration licences ("EL") in South Australia, as follows;

Licence	2013/2014 Actual Expenditure	2014/2015 Budget Expenditure	2015/2016 Budget Expenditure	Total Budget
EL 5231	\$145,000	\$155,000	-	\$300,000
EL 5255	\$138,000	\$102,000	-	\$240,000
EL 5302	\$19,300	\$60,700	-	\$80,000
EL 5303	\$17,000	\$53,000	-	\$70,000
EL 5391	\$17,600	\$150,000	\$132,400	\$300,000

#### c) *Operating lease commitments*

GB Energy Limited has not entered into a contracted head office lease arrangement for the 2013/2014 financial year. The current lease arrangements are on a month to month basis at \$2,491 per month plus outgoings.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 17: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of GB Energy Limited and the subsidiaries listed in the following table.

	Country of incorporation	% Ownership interest	
		2014 \$	2013 \$
Parent Entity			
GB Energy Limited	Australia		
Subsidiaries			
GBE Exploration Pty Ltd (held 100% by GB Energy Ltd)	Australia	100%	100%
Crown Energy s.r.o. (held 100% by GBE Exploration Pty Ltd)	Slovakia	100%	100%

GB Energy Limited is the ultimate Australian parent entity and ultimate parent of the Group.

#### *Transactions with Key Management Personnel*

#### *Loans to Key Management Personnel*

There were no loans to Key Management Personnel.

#### *Other transactions and balances with Key Management Personnel*

Nil.

### NOTE 18: PARENT ENTITY DISCLOSURES

#### *Financial position*

	2014 \$	2013 \$
<u>Assets</u>		
Current assets	120,695	452,322
Non-current assets	6,095	92,776
Total assets	126,790	545,098
<u>Liabilities</u>		
Current liabilities	54,442	42,805
Non-current liabilities	-	-
Total liabilities	54,442	42,805
<u>Equity</u>		
Issued capital	9,408,745	9,025,617
Reserves		
• Option premium reserve	245,660	245,660
• Equity settled employee benefits	58,000	58,000
Accumulated losses	(9,640,057)	(8,826,984)
Total equity	72,348	502,293

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 18: PARENT ENTITY DISCLOSURES (continued)

#### *Financial performance*

	2014	2013
	\$	\$
Loss for the year	(813,074)	(834,550)
Other comprehensive loss	-	-
Total comprehensive loss	(813,074)	(834,550)

#### *Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

GB Energy Limited has not entered into any deed of cross guarantee with its wholly-owned subsidiaries during the year ended 30 June 2014 (2013: Nil)

### NOTE 19: EVENTS AFTER THE REPORTING PERIOD

On the 1<sup>st</sup> August 2014, the Company announced that it had completed detailed ground gravity data acquisition on our Stuart Shelf Copper-Gold-Uranium project in South Australia. GB Energy is currently considering its options and subject to the interpretation of the gravity survey, will proceed with a drilling program. If a drilling program is to proceed, GB Energy will consider joint venturing the project.

On the 6<sup>th</sup> August 2014 the Company announced a Capital Raising, intending to place 250 million fully paid shares at an issue price of 0.2 cents, in two tranches, to sophisticated and professional investors. Tranche 1 is within the Company's 15% placement capacity, while Tranche 2 is subject to Shareholder approval. The 60 million shares in Tranche 1 were issued on the 14<sup>th</sup> August 2014.

On the 15<sup>th</sup> August 2014, the company released a Notice of Meeting to shareholders seeking to approve the second tranche at a general meeting on 17 September 2014.

### NOTE 20: AUDITOR'S REMUNERATION

The auditor of GB Energy Limited is HLB Mann Judd.

	Consolidated	
	2014	2013
	\$	\$
<i>Auditor of the parent entity</i>		
Audit or review of the financial statements	29,350	29,000
	29,350	29,000

### NOTE 21: DIRECTORS AND EXECUTIVES DISCLOSURES

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report. Total remuneration paid to key management personnel is as follows:

	2014	2013
	\$	\$
<i>Remuneration type</i>		
Short- term employee benefits	382,606	356,666
Post-employment benefits	31,863	31,201
Share- based payments	-	-
Total	414,469	387,867

## DIRECTORS' DECLARATION

1. In the opinion of the directors of GB Energy Limited (the 'Company'):
  - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
    - i. giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year then ended; and
    - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
  - 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.
  - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

This declaration is signed in accordance with a resolution of the Board of Directors.

Graeme Kirke  
Chairman



---

Dated this 12th day of September 2014



Accountants | Business and Financial Advisers

## INDEPENDENT AUDITOR'S REPORT

To the members of GB Energy Limited

### Report on the Financial Report

We have audited the accompanying financial report of GB Energy Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

### *Directors' responsibility for the financial report*

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

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

### *Independence*

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



Accountants | Business and Financial Advisers

### **Auditor's opinion**

In our opinion:

- (a) the financial report of GB Energy Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

### **Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 1(f) in the financial report which indicates that the ability of the Group to continue as a going concern is principally dependent upon raising sufficient additional capital to fund exploration expenditure, other principal activities and working capital. Should the Group be unable to raise sufficient additional capital, there is a material uncertainty that may cast significant doubt whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

### **Report on the Remuneration Report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. 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.

### **Auditor's opinion**

In our opinion the remuneration report of GB Energy Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

**HLB Mann Judd**  
**Chartered Accountants**

A handwritten signature in black ink that reads 'L Di Giallonardo'.

**L Di Giallonardo**  
**Partner**

**Perth, Western Australia**  
**12 September 2014**

## ADDITIONAL SECURITIES EXCHANGE INFORMATION

### ASX additional information as at 5 September 2014

#### Number of holders of equity securities

##### Ordinary share capital

465,498,587 fully paid ordinary shares are held by 408 individual shareholders.

All issued ordinary shares carry one vote per share.

##### Unquoted Options

1,000,000 unquoted options are held by 1 individual option holder.

Unquoted options do not carry a right to vote.

#### Distribution of holders of equity securities

	Fully paid ordinary shares	Unquoted Options
1 – 1,000	19	-
1,001 – 5,000	11	-
5,001 – 10,000	47	-
10,001 – 100,000	152	-
100,001 and over	179	1
	<u>408</u>	<u>1</u>

Holding less than a  
marketable parcel

230

#### Substantial shareholders

Ordinary shareholders	Fully paid ordinary shares Number
N & J Mitchell Holdings Pty Ltd <Ord Street Properties A/C> and associates	75,452,148
Mr Graeme Kirke and associated entities	69,077,920



Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully paid ordinary shares	
	Number	Percentage
N & J Mitchell Holdings Pty Ltd <Ord Street Properties A/C> and associates	75,452,148	16.209
Graeme Kirke and associated entities	69,077,920	14.839
EERC Australasia Pty Ltd	20,498,202	4.403
Freshwater Resources Pty Ltd <The Ashton Superfund A/C>	15,250,000	3.276
Mr Roderick McIlree and associated entities	15,100,000	3.244
Alberta Resources Pty Ltd <British Columbia S/F A/C>	14,997,312	3.222
Panstyn Investments Pty Ltd	13,500,000	2.900
Longfarn Pty Ltd	10,000,000	2.148
Mr Miles Ashton and associated entities	9,675,000	2.078
Mr Stuart Rechner	9,375,000	2.014
Mr Gordon Russell Hart & Mrs Helene Bronwyn Hart <The Hart Superfund A/C>	9,000,000	1.933
Westedge Investments Pty Ltd (The PMB Fund A/C>	9,000,000	1.933
Mr Jeremy Jon Nyman & Mrs Jill Patricia Nyman <The Nyman Family A/C>	7,524,451	1.616
Talltree Holdings Pty Ltd	7,500,000	1.611
Applabs Technologies Ltd	7,500,000	1.611
Ranchland Holdings Pty Ltd	7,500,000	1.611
Oakhurst Enterprises Pty Ltd	7,500,000	1.611
Zani Holdings Pty Ltd	6,000,000	1.289
Berenes Nominees Pty Ltd <Berenes Super Fund A/C>	6,000,000	1.289
Mr Charles William Thomas	5,625,000	1.208
	<b>326,075,033</b>	<b>70.048</b>

### Company Secretary

Mrs Anna MacKintosh

### On-market buy-back

Currently there is no on-market buy-back of the Company's securities

### Registered and principal office

Suite 2, Ground Floor, 26 Eastbrook Terrace  
EAST PERTH WA 6004

### Share registry

Advanced Share Registry Services  
150 Stirling Highway  
NEDLANDS WA 6009

**TENEMENT SCHEDULE**

As at 30 June 2014

TENEMENT	LOCATION	INTEREST
EL 5231	South Australia	100%
EL 5255	South Australia	100%
EL 5302	South Australia	100%
EL 5303	South Australia	100%
EL 5391	South Australia	100%
Vitaz-II	Slovak Republic	100%
Kluknava	Slovak Republic	100%