



**Interim Financial Report
31 December 2016**

CONTENTS

	Page
Directors' Report	2
Auditor's Independence Declaration	3
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Condensed Consolidated Financial Statements	8
Directors' Declaration	12
Independent Auditor's Review Report	13

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2016. 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 interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Stuart Rechner	Chairman appointed 10 October 2016 (previously Executive Director)
Nick Burn	Executive Director (appointed 10 October 2016)
David Detata	Non-Executive Director
Graeme Kirke	Chairman (resigned 10 October 2016)

Review of Operations

Operations

The net loss of the Group for the six months to 31 December 2016 is \$246,552 (31 December 2015: \$168,711).

During the half-year to 31 December 2016 the Group:

- appointed Mr Nick Burn BSc (Hons) MBA MAIG as Exploration Manager and Executive Director;
- was awarded \$200,000 in PACE Discovery Drilling co-funding from the Government of South Australia for the Mt Denison Copper-Gold-Uranium project;
- completed field reconnaissance and sediment/brine sampling work at the Lake Gregory project in South Australia;
- lodged applications for Exploration Licences EL31275 and EL31391 "Indiana" in the East Arunta Region of the Northern Territory which are prospective for Nickel-Copper-Cobalt-Platinum Group Elements (Ni-Cu-Co-PGE);
- lodged applications ELA31392 and ELA31393 in the Ngalia Basin of the Northern Territory, an area known to host significant sandstone-hosted and palaeochannel uranium mineralisation;
- following completion of due diligence, the Company did not exercise the Option to farm in to the Bitterwasser Lithium clay Project in Namibia; and
- continued the review of resource investment opportunities.

Strategy

The Group is moving from a cautious, cost-saving footing to a more aggressive operational tempo in line with improving market conditions for energy metals exploration. We have secured high quality exploration ground during negative commodity price sentiment.

The Group remains of the view that shareholder value can also be achieved by acquisition of a distressed resource asset.

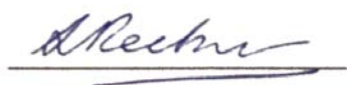
Financial Position

The cash balance at the end of the half-year was \$206,075. Further funds will be required in the coming half-year to fund exploration activities or a potential acquisition.

Auditor's Independence Declaration

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 review of the interim financial report. This Independence Declaration is set out on page 3 and forms part of this directors' report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Stuart Rechner
Chairman
3 March 2017



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of GB Energy Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
3 March 2017

A handwritten signature in blue ink, appearing to read 'M R W Ohm'.

M R W Ohm
Partner

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	31 December 2016 \$	31 December 2015 \$
Continuing operations			
Interest income		330	2,751
Accounting expenses		(13,360)	(10,000)
Administrative and employee expense		(185,694)	(113,037)
Depreciation and amortisation expense		(288)	(1,482)
Project generation		(20,746)	-
Impairment of exploration asset	3	(26,764)	(46,943)
Loss before income tax		(246,522)	(168,711)
Income tax expense		-	-
Loss after tax from continuing operations		(246,522)	(168,711)
Discontinued operation			
Loss after tax from discontinued operation		-	-
Net loss for the period		(246,522)	(168,711)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		-	-
Other comprehensive loss for the period, net of income tax		-	-
Total comprehensive loss for the period attributable to owners of the parent		(246,522)	(168,711)
Basic loss per share (cents per share)		(0.027)	(0.019)
Diluted loss per share (cents per share)		(0.027)	(0.019)

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	31 December 2016 \$	30 June 2016 \$
Assets			
Current assets			
Cash and cash equivalents		206,075	468,535
Trade and other receivables		10,298	5,514
Prepayments		5,288	1,544
Total current assets		221,661	475,593
Non-current assets			
Property, plant and equipment		194	482
Exploration and evaluation expenditure	3	560,903	506,156
Total non-current assets		561,097	506,638
Total assets		782,758	982,231
Liabilities			
Current liabilities			
Trade and other payables		21,506	26,509
Total current liabilities		21,506	26,509
Total liabilities		21,506	26,509
Net assets		761,252	955,722
Equity			
Issued capital	4	10,578,054	10,578,054
Reserves		463,635	411,583
Accumulated losses		(10,280,437)	(10,033,915)
Total equity		761,252	955,722

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

		Issued capital	Option premium reserve	Share- based payment reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
	Note	\$	\$	\$	\$	\$	\$
Balance at 1 July 2015		10,578,054	245,660	58,000	-	(9,614,490)	1,267,224
Loss for the period		-	-	-	-	(168,711)	(168,711)
Total comprehensive loss for the period		-	-	-	-	(168,711)	(168,711)
Shares issued during the half-year		-	-	-	-	-	-
Balance at 31 December 2015		10,578,054	245,660	58,000	-	(9,783,201)	1,098,513
Balance at 1 July 2016		10,578,054	245,660	165,923	-	(10,033,915)	955,722
Loss for the period		-	-	-	-	(246,522)	(246,522)
Total comprehensive loss for the period		-	-	-	-	(246,522)	(246,522)
Recognition of share-based payments	5	-	-	52,052	-	-	52,052
Balance at 31 December 2016		10,578,054	245,660	217,975	-	(10,280,437)	761,252

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	31 December 2016	31 December 2015
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(164,823)	(141,333)
Interest received	330	2,751
Net cash outflow from operating activities	(164,493)	(138,582)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(97,967)	(40,030)
Net cash outflow from investing activities	(97,967)	(40,030)
Cash flows from financing activities		
Net cash inflow from financing activities	-	-
Net (decrease)/increase in cash held	(262,460)	(178,612)
Cash and cash equivalents at the beginning of the period	468,535	828,180
Effects of exchange rate fluctuations on cash held	-	-
Cash and cash equivalents at the end of the period	206,075	649,568

The accompanying notes form part of these financial statements

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2016 and any public announcements made by GB Energy Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Standards and Interpretations applicable to 31 December 2016

In the half-year ended 31 December 2016, 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 half year reporting periods beginning on or after 1 July 2016.

As a result of the 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 applicable to 31 December 2016

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half year reporting periods beginning on or after 1 January 2017.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

Significant accounting judgments and key estimates

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

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2016.

Going concern

The Group has incurred a net loss after tax of \$246,522 and experienced net cash outflows from operating and investing activities of \$262,460 for the half-year ended 31 December 2016. As at 31 December 2016 the Group had cash assets of \$206,075 and net current assets of \$200,155.

Based on the cash flow forecasts, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

The directors have prepared a cash flow forecast for the period to 28 February 2018 which indicates that the cash resources will meet expected cash outgoings. This is reliant upon fund raising which will be required in April 2017 to fund further exploration expenditure, other principal activities and working capital. The ability of the Group to continue as a going concern is principally dependent upon raising sufficient additional capital.

Should the Group be unable to raise the further 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 interim financial report.

NOTE 2: 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 – South Australia and Northern Territory
- Other sector

Exploration and evaluation – South Australia and Northern Territory refers to four Exploration licenses (EL's) held in South Australia and one EL held in the Northern Territory. The Group holds a 100% interest in these licences through GBE Exploration Pty Ltd a wholly owned subsidiary of GB Energy.

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.

The following table presents the revenue and loss information regarding the segment information provided to the Board of GB Energy Limited for the half-year periods ended 31 December 2016 and 31 December 2015.

	Continuing operations			Consolidated
	Exploration and evaluation- S.Aust and NT	Other	Unallocated items	
31 December 2016	\$	\$	\$	\$
Segment revenue	2	328	-	330
Segment result	(48,321)	(198,201)	-	(246,522)
Segment assets	574,836	207,917	-	782,758

	Continuing operations			Consolidated
	Exploration and evaluation- S.Aust	Other	Unallocated items	
31 December 2015	\$	\$	\$	\$
Segment revenue	3	2,748	-	2,751
Segment result	(51,160)	(117,551)	-	(168,711)
Segment assets	476,908	637,092	-	1,114,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 2: SEGMENT REPORTING (continued)

The revenue reported above represents revenue generated from external customers. Intersegment revenues have been eliminated.

Segment results earned by each segment are without allocation of central administration costs and directors' salaries, share of profits from associates, investment revenue and finance costs, income tax expense, gains or losses of associates and discontinued operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Six months to 31 December 2016 \$	Year to 30 June 2016 \$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	506,156	461,241
Expenditure incurred	81,511	91,858
Impaired exploration ¹	(26,764)	(46,943)
Total exploration and evaluation expenditure	560,903	506,156

1. In the current half-year the Board made the decision not to renew EL5778 and therefore exploration costs relating to this tenement were written off.

The South Australian exploration assets and the recently acquired Northern Territory EL31275 satisfy AASB 6 and remain as exploration assets in the statement of financial position. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 4: ISSUED CAPITAL

	31 December 2016 \$	30 June 2016 \$
<i>Ordinary shares</i>		
Issued and fully paid	10,578,054	10,578,054

	Six months to 31 December 2016	Year to 30 June 2016
	Number	Number
<i>Movements in ordinary shares</i>		
Balance at beginning of period	905,955,825	905,955,825
Balance at end of period	905,955,825	905,955,825

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 5: SHARE BASED PAYMENTS RESERVE

The Company during the current financial year made an equity based payment to the Directors of the Company approved at GB Energy Annual General Meeting held 25 November 2016.

	December 2016		June 2016	
	Number	\$	Number	\$
Balance at beginning of year	75,000,000	107,923	-	-
Cancellation of Options	(37,500,000)	(12,543)	-	-
Issue of options	37,500,000	64,595	75,000,000	107,923
Balance at end of year ⁽¹⁾	75,000,000	159,975	75,000,000	107,923

(1) Options have an exercise price of \$0.006 and expiry of 13 May 2019

NOTE 6: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 7: RELATED PARTY TRANSACTIONS

There has been no change in the nature of related party transactions since the last annual reporting date.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

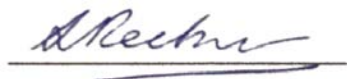
No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of GB Energy Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

A handwritten signature in blue ink, appearing to read 'Stuart Rechner', is written over a horizontal line.

Stuart Rechner
Chairman

3 March 2017



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GB Energy Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GB Energy Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility


Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: <http://www.hlb.com.au>
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  HLB International, a worldwide organisation of accounting firms and business advisers.

*Conclusion*

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the Group to continue as a going concern is principally dependent upon raising sufficient additional capital. Should the Group be unable to raise sufficient additional funding, there is a material uncertainty that may cast significant doubt about the Group's ability 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'M R W Ohm'.

M R W Ohm
Partner

Perth, Western Australia
3 March 2017