

**GREAT WESTERN**  
EXPLORATION

**FINANCIAL  
REPORT  
HALF  
YEAR  
ENDED**

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**31 DECEMBER**



# **GREAT WESTERN EXPLORATION LIMITED**

**ABN 53 123 631 470**

## **FINANCIAL REPORT**

**HALF YEAR ENDED  
31 DECEMBER 2018**

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## CORPORATE DIRECTORY

### Directors

Kevin Somes  
Jordan Lockett  
Rimas Kairaitis  
Terry Grammer

### Secretary

Justin Barton

### Principal Office

6 Outram Street  
WEST PERTH WA 6005  
Telephone: (08) 6311 2852  
Facsimile: (08) 6313 3997  
Website: [www.greatwesternexploration.com.au](http://www.greatwesternexploration.com.au)

### Auditor

Bentleys  
Level 3, London House  
216 St Georges Terrace  
PERTH WA 6000  
Telephone: (08) 9226 4500  
Facsimile: (08) 9226 4300

### Solicitor

Steinepreis Paganin  
16 Milligan Street  
PERTH WA 6000

### Share Registry

Computershare Investor Services Limited  
Level 11  
172 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 787 272  
Facsimile: (08) 9323 2033

### ASX Code

GTE - Shares



# DIRECTORS' REPORT

The Directors present the financial report of the Consolidated Group ("the Group") for the half-year ended 31 December 2018.

## Directors

The names of the Directors in office during the half year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Kevin Clarence Somes	Non-executive Chairman
Jordan Ashton Luckett	Managing Director
Rimas Kairaitis	Non-executive Director
Terrence Ronald Grammer	Non-executive Director

## Review Of Operations

### Yandal West Gold Project (*Ives Find 100%; Harris Find 80%*)

The Yandal West Gold project is located within Western Australia's world-class Yandal gold belt. The project is 55 km north of the Bronzewing (~ 3M oz.) and Mt McClure (~ 1.2M oz.) gold deposits respectively and 60km southeast of the Jundee gold deposit (> 10M oz.). The project comprises the 100% owned Ives Find, and the 80% owned Harris Find tenements.

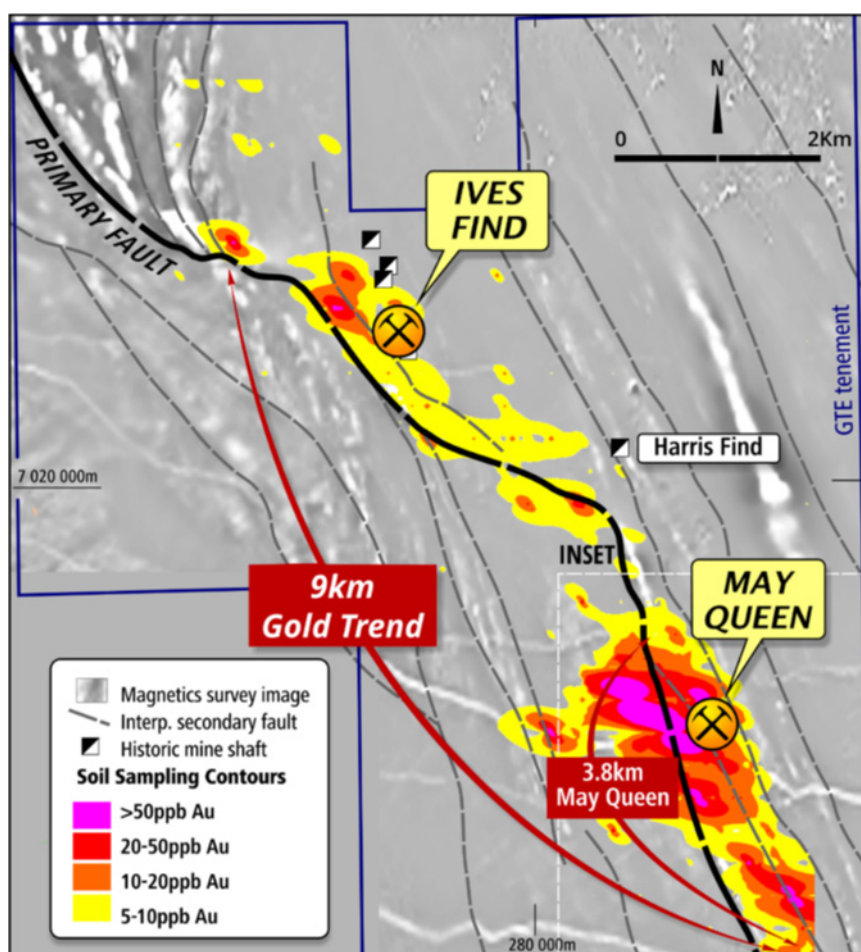


Figure 1. Location of the Ives Find and May Queen Prospects at the Yandal West Gold project.

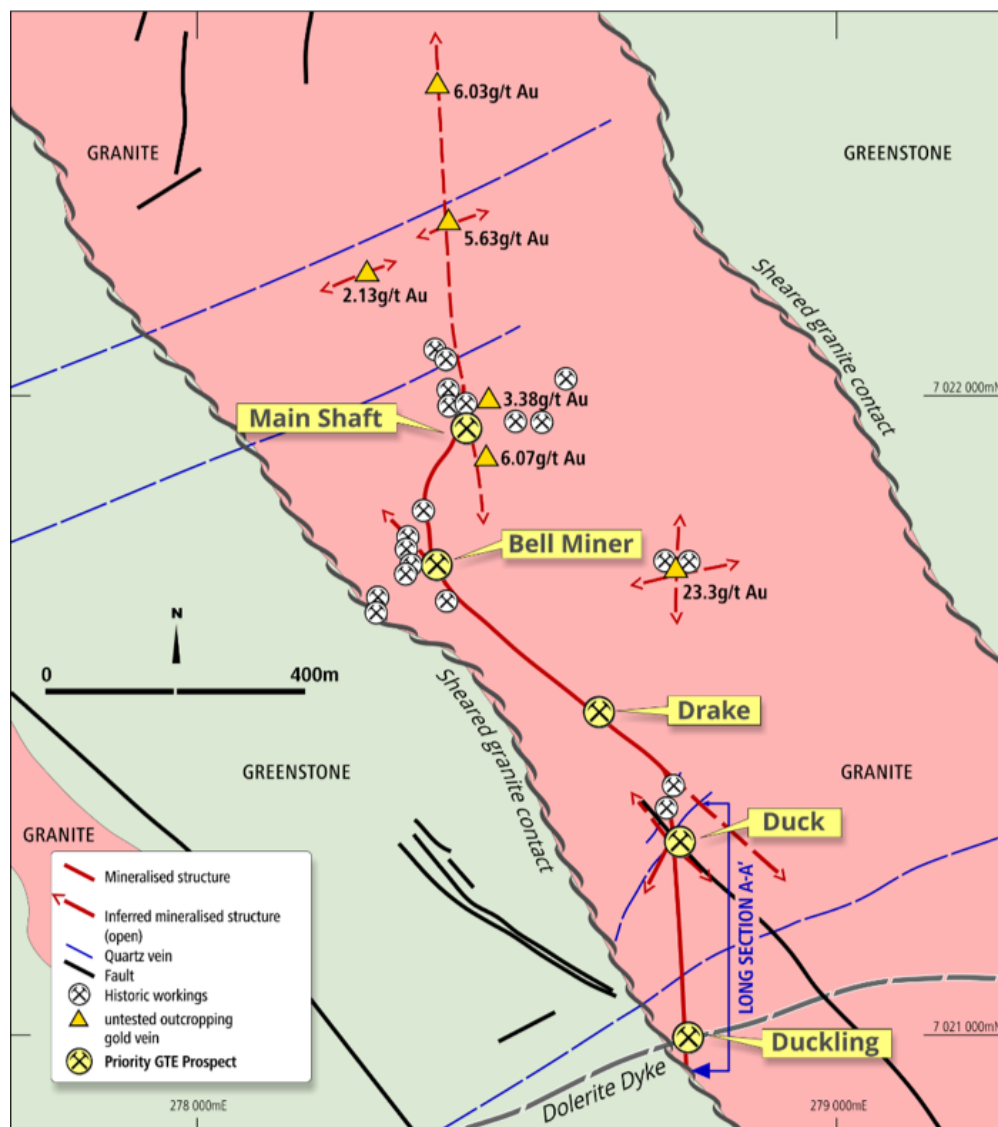
## Ives Find Prospect

The Ives Find prospect is located in the north west of the Yandal West Gold Project (**Fig 1**). To date work completed by the Company has identified multiple high-grade gold targets within a structural corridor with a potential strike of at least 1.3km. The Company has also located untested quartz veining a further 450m north along strike of this corridor that returned 6 g/t gold in rock chips, which suggest it may be up to 1.8km long (**Fig 2**).

During the half year to 31 December 2018, the Company completed 3 RC drill holes for 164m and 2 diamond holes for 202.75m. The best result is a shallow and high-grade gold intersection with intense alteration and quartz veining which assayed **3m @ 10.01 g/t gold from 28m (hole IFRC073)**. This RC hole was designed to test a sheared geological contact at the Duck target (**Fig 2**) that was recommended from the structural study.

The RC drill hole has confirmed a significant high-grade gold lode that remains open along strike and down dip. The Duck target also contains previously reported intersections (using 0.5g/t gold cut-off; depths are downhole) which include:

- **2m @ 13.25 g/t gold** from 12m depth;
- **4m @ 7.30 g/t gold** from 63m depth;
- **4m @ 6.16 g/t gold** from 32m depth.



**Figure 2.** Ives Find Prospect Map showing location of gold mineralised structural zone, high grade lodes intersected in drilling and untested outcropping gold veins.

# DIRECTORS' REPORT

## May Queen Prospect

At May Queen, located in the southeast of the Yandal West tenement (**Fig 1**), work completed to date by the Company has delineated the May Queen gold-in-soil anomaly that indicates an area of approximately 3km<sup>2</sup> (3.5km x 900m) of surface gold anomalism within a complex structural setting. Two significant gold mineralised trends that parallel each other have been identified that have a combined strike of at least 5km (**Fig 4**).

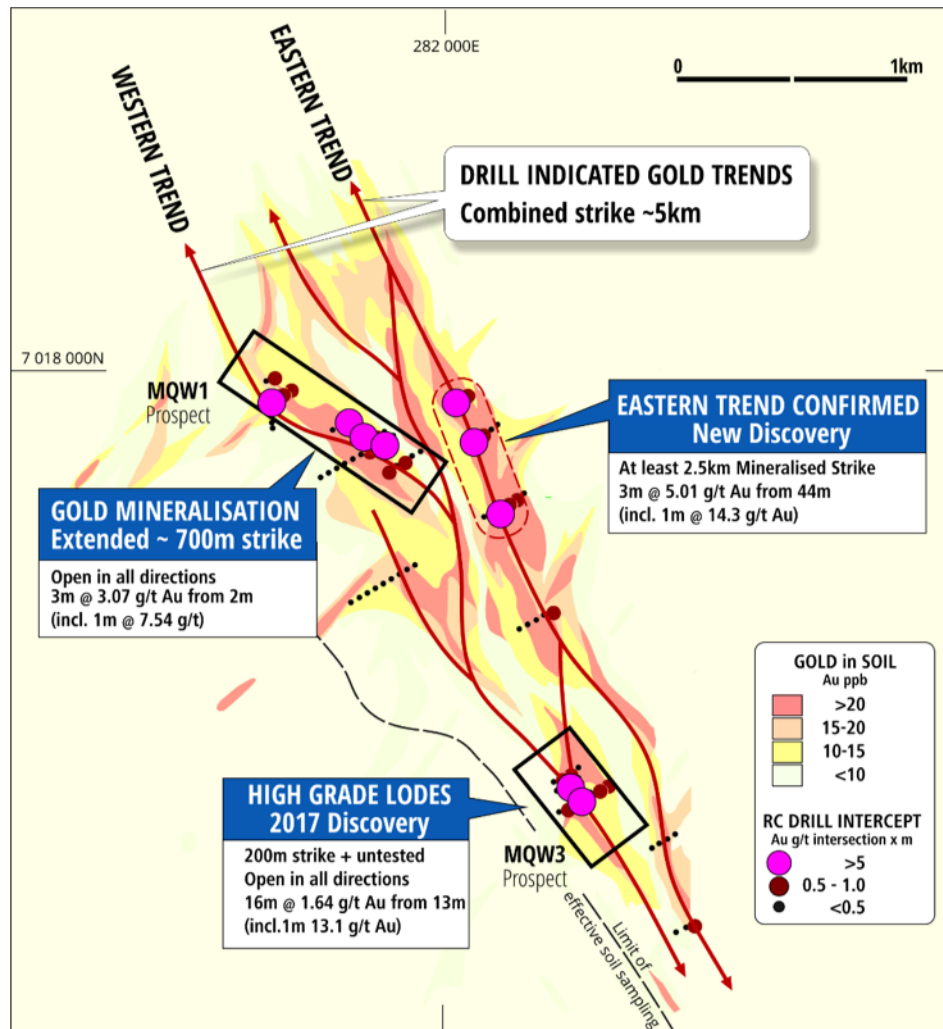


Figure 3. Location all RC Drilling to date at May Queen and the interpreted mineralised trends

During the period, 29 RC holes for 2,568m and 1 diamond hole for 96.6m core (84m to 180m depth) were completed at May Queen. The RC drilling was designed to test structural targets and the diamond hole was designed to collect geological data to assist in the interpretation of the previously reported gold mineralisation at MQW1 target.

To date the Company has intersected significant gold mineralisation in broad spaced RC drilling at three locations within the May Queen gold-in-soil anomaly; MQW1, MQW3 and MQE1 (**Fig 3**). The Company estimates only 10% of the gold mineralised trend has been drill tested so far.

At MQW1 the Company has intersected significant gold mineralisation on broad spaced RC drill lines over 800m strike that remains open to the northwest and down dip. The best results include 4m @ 25.75 g/t gold from 60m.

At MQW3 the Company has intersected significant gold mineralisation on broad spaced drill lines that is at least 200m in strike and remains open in all directions. The best results include 3m @ 7.73 g/t gold from 13m.

At MQE1 very broad spaced drill lines (nominally 300m) to test the 2.5 km gold mineralised eastern trend intersected significant gold mineralisation over a strike length of 800m and remains open. The best result included 3m @ 5.01 g/t gold from 44m depth.

## Yerrida South Project (100%)

During the half year, Great Western substantially built its strategic foothold in the Yerrida Basin, WA, where it believes there is significant potential for the discovery of major base metals deposits.

Following the drilling completed at its Chisel prospect last year (ASX Release 27/04/18) the Company recognised the potential for the Proterozoic Yerrida Basin to be a major source of base metals. In particular, the Company has identified the potential for vanadium, nickel, cobalt, copper, lead and zinc in which demand for these metals is predicted to increase significantly as the world transitions to renewable energy and electric vehicles.

The Company set about establishing a strategic land position to control most of the area that it has recognised as highly prospective by firstly pegging a further 1,500km<sup>2</sup> to its existing 2,800km<sup>2</sup> over the past 12 months and acquiring the remaining area (1,040km<sup>2</sup>) by purchasing 100% of the Yerrida tenements held by Metalicity Limited ("Metalicity") and Stella Resources Pty Ltd ("Stella") for the following consideration:

- Metalicity Area: \$50,000 cash, 25 million shares
- Stella Area: \$10,000 cash, 20 million shares, 10 million 3-year 2 cent options

In total the Company now controls approximately 5,400km<sup>2</sup> of the Yerrida Basin (**Fig 4**). The northern area of the project (~1,560 km<sup>2</sup>) is currently being explored by Sandfire after the Company entered into a Farm-In Agreement (ASX Release 12/04/17).

Based on the global metal endowment of Proterozoic basins, the Company has recognised the significant potential for the Yerrida to host the following styles of metal mineralisation:

- Sedimentary hosted vanadium, nickel, cobalt, zinc, silver, molybdenite and lead;
- Besshi style VMS hosted copper-gold (Degrussa, Monty types);
- Lode Gold (Wiluna type); and
- Massive nickel sulphides (Norilsk, Voisey's Bay, Nova type).

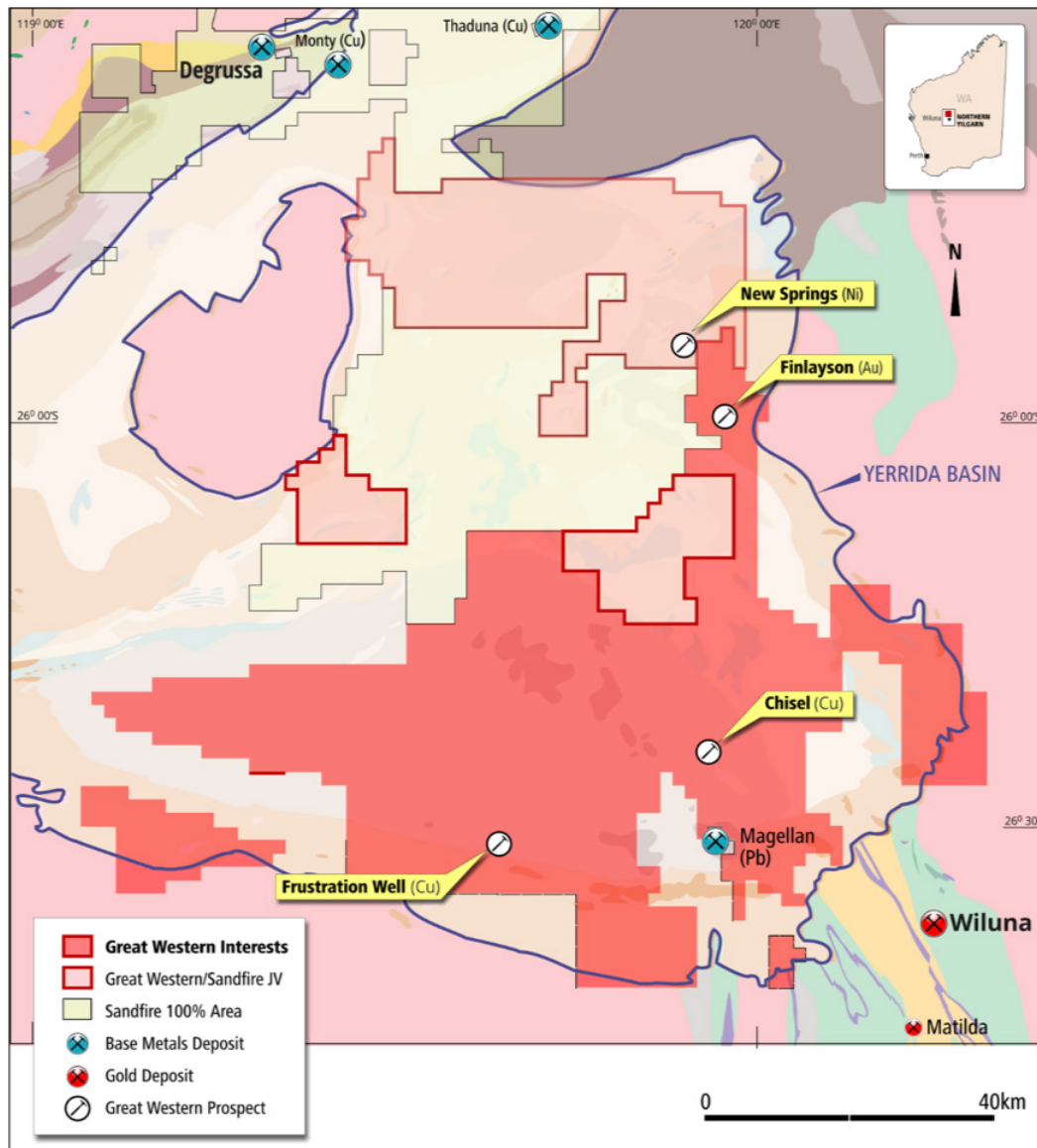
In general, Proterozoic terrains are the major source for the world's main metals accounting for over 80% of the iron, copper, lead, zinc, nickel & cobalt and significant gold & silver production. All known Proterozoic terrains in the world contain significant economic mineralisation in one form or another. Proterozoic rocks are the primary target for base metal exploration in Australia, where these rocks host a number of world class deposits, including Mt Isa, MacArthur River, Broken Hill and Olympic Dam.

In WA, until recently, most of the Proterozoic terrains were not given the same exploration focus, however, this is now rapidly changing due to major greenfields discoveries in the last decade from these under explored Proterozoic terrains that include Tropicana, Degrussa, Nova and Monty and more recently the focus on the Paterson Province after some spectacular gold intersections in an area that had very little previous exploration.

It has been an ongoing strategy of the Company to identify under explored Proterozoic terrains that it believes are highly prospective for metals, especially for those where demand is predicted to increase due to the transition to renewable energy and electric vehicles.

The Yerrida basin is a metalliferous Proterozoic Basin that has been subject to limited exploration and very little work has been completed since the mid-1990s when RGC Exploration discovered the Roslyn Hill (nee Magellan) lead mine.





**Figure 4.** Figure showing GTE's 5,400km<sup>2</sup> land position in the Yerrida. The northern 1,560km<sup>2</sup> is in JV with Sandfire. Sandfire are also the second largest landholder in the region.

The Company has now completed building its ground position and is in the process of incorporating the data from its newly acquired areas into its 2019 exploration program.

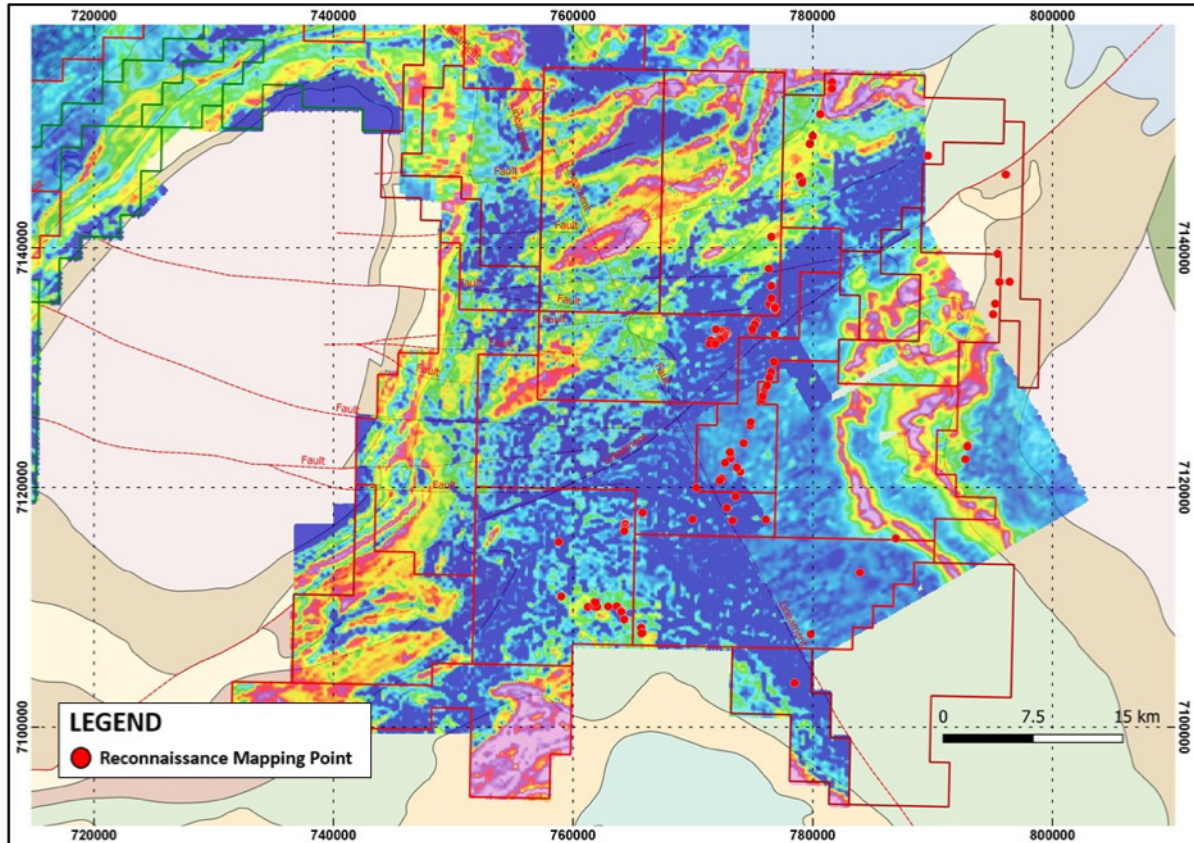
## Yerrida North JV (Sandfire earning 70%)

The Company has entered into an Earn-In agreement with Sandfire Resources Limited ("Sandfire") whereby they can earn 70% of the Company's northern Yerrida tenements by funding exploration.

Sandfire has reported work completed during the half year included historic data compilation followed by reconnaissance field-truthing, which complements a detailed structural and geological interpretation previously undertaken. Interpretation and follow-up of the cast AEM dataset is still ongoing.

With relatively little detailed historical work across the tenure, there is a paucity of information and accurate interpretation, requiring further field work but also providing good potential for green fields targeting.

The Yerrida North JV tenure is considered prospective for copper-gold, copper-cobalt, nickel-cobalt and gold. Sandfire entered into a Farm-In Agreement where they have committed to a minimum exploration spend of \$1.7 million over three years and may initially earn 70% by delineating at least 50,000t in-ground copper Mineral Resource.



*Figure 5: Map detailing reconnaissance mapping points undertaken during Q4 in the Yerrida Project. Points plotted over Spatially Constrained AEM Inversions, undertaken in Q2 2018.*

### **Fairbairn Copper - Cobalt- Nickel; Project (100%)**

The Fairbairn project area is located approximately 170 kilometres north of Wiluna and is situated on the Jenkins-Goodin Fault Zone along strike from the Degruessa copper deposit and has total area of 1,670 km<sup>2</sup>. The Company believes this prospect is prospective for Proterozoic base metals, including copper, cobalt, lead, zinc, silver and manganese, as well as Archaean gold and nickel sulphide mineralisation.

The Company is still compiling data on these areas and will make a further announcement once this work is completed.

# DIRECTORS' REPORT

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## Competent Person Statement

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Jordan Luckett who is a member of the Australian Institute of Mining and Metallurgy. Mr. Luckett is an employee of Great Western Exploration Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Luckett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Auditor's Declaration

The Auditor's Independence Declaration for the half year ended 31 December 2018 under section 307C of the Corporations Act 2001 is set out on page 23.

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



**K C Somes**

Chairman

Dated: Perth 14 March 2019

# Condensed Consolidated statement of Profit or Loss and other Comprehensive Income

For the Half-Year Ended 31 December 2018

	Note	Consolidated 31.12.2018 \$	Consolidated 31.12.2017 \$
Interest revenue		11,650	4,386
Employee benefits expense		(72,430)	(57,492)
Directors fees		(80,835)	(85,000)
Depreciation		(3,116)	(1,503)
Administration costs		(189,327)	(204,405)
Compliance and regulatory		(23,972)	(40,001)
Share based payments	3	(12,986)	(153,414)
Impairment of mineral exploration expenditure		(6,645)	(79,279)
<b>Loss before income tax</b>		<b>(377,661)</b>	<b>(616,708)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(377,661)</b>	<b>(616,708)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period attributable to members</b>		<b>(377,661)</b>	<b>(616,708)</b>
<b>Earnings per share</b>			
From continuing operations: Basic earnings per share (cents)		<b>(0.04)</b>	<b>(0.09)</b>

The accompanying notes form part of this condensed consolidated half-year financial report.

# Condensed Consolidated Statement of Financial Position

As at 31 December 2018

	Note	Consolidated 31.12.2018 \$	Consolidated 30.06.2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,105,076	1,263,091
Trade and other receivables		53,530	115,395
Prepayments		33,725	2,245
Deposits		235,005	249,028
Other financial assets		400	1,000,400
<b>TOTAL CURRENT ASSETS</b>		<b>1,427,736</b>	<b>2,630,159</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		8,065	11,181
Mineral exploration expenditure	4	9,332,882	8,207,648
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,340,947</b>	<b>8,218,829</b>
<b>TOTAL ASSETS</b>		<b>10,768,683</b>	<b>10,848,988</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		315,410	322,684
<b>TOTAL CURRENT LIABILITIES</b>		<b>315,410</b>	<b>322,684</b>
<b>TOTAL LIABILITIES</b>		<b>315,410</b>	<b>322,684</b>
<b>NET ASSETS</b>		<b>10,453,273</b>	<b>10,526,304</b>
<b>EQUITY</b>			
Issued capital	3	29,448,726	29,178,726
Reserves	3	898,867	864,237
Accumulated losses		(19,894,320)	(19,516,659)
<b>TOTAL EQUITY</b>		<b>10,453,273</b>	<b>10,526,304</b>

The accompanying notes form part of this condensed consolidated half-year financial report.



# Condensed Consolidated Statement of Changes in Equity

For The Half-Year Ended 31 December 2018

	Issued Capital \$	Option Reserves \$	Accumulated Losses	Total \$
<b>Consolidated</b>				
<b>Balance at 1.7.2018</b>	<b>29,178,726</b>	<b>864,237</b>	<b>(19,516,659)</b>	<b>10,526,304</b>
Loss for the period	-	-	(377,661)	(377,661)
Other comprehensive income for the period	-	-	-	-
Total comprehensive Income for the period	-	-	-	-
Options issued	-	12,986	-	12,986
Acquisition of tenements	270,000	21,644	-	291,644
<b>Balance at 31.12.2018</b>	<b>29,448,726</b>	<b>898,867</b>	<b>(19,894,320)</b>	<b>10,453,273</b>
<b>Consolidated</b>				
<b>Balance at 1.7.2017</b>	<b>24,500,456</b>	<b>710,823</b>	<b>(18,447,367)</b>	<b>6,763,912</b>
Loss for the period	-	-	(616,709)	(616,709)
Other comprehensive income for the period	-	-	-	-
Total comprehensive Income for the period	-	-	-	-
Share based payments	91,025	-	-	91,025
Options exercised	360,000	-	-	360,000
Options issued	-	153,414	-	153,414
Shares issued during the period	4,530,000	-	-	4,530,000
<b>Issue costs</b>	<b>(302,756)</b>	<b>-</b>	<b>-</b>	<b>(302,756)</b>
<b>Balance at 31.12.2017</b>	<b>29,178,725</b>	<b>864,237</b>	<b>(19,064,076)</b>	<b>10,978,886</b>

The accompanying notes form part of this condensed consolidated half-year financial report.

# Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2018

	Consolidated 31.12.2018 \$	Consolidated 31.12.2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(325,075)	(390,633)
Mineral exploration expenditure	(795,035)	(801,727)
Interest paid	-	(249)
Interest received	11,650	4,387
Net cash used in operating activities	(1,108,460)	(1,188,222)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of exploration projects	(10,000)	-
Deposits paid on exploration tenements	(47,744)	(241,429)
Divestment of other assets	-	47,922
Return from term deposit	1,008,189	-
Net cash provided by (used in) investing activities	950,445	(193,507)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	4,850,000
Securities issue costs	-	(314,601)
Net cash provided by financing activities	-	4,535,399
Net increase (decrease) in cash held	(158,015)	3,153,670
Cash and cash equivalents at beginning of period	1,263,091	690,505
Cash and cash equivalents at end of period	<b>1,105,076</b>	<b>3,844,175</b>

The accompanying notes form part of this condensed consolidated half-year financial report.

# Notes to the Condensed Consolidated Financial Statements

## For the Half-Year Ended 31 December 2018

### Note 1: Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Great Western Exploration Limited and its controlled entities ("the Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the half-year.

### Adoption of new and revised Accounting Standards

#### Accounting Standards that are mandatorily effective for the current reporting period

*The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018.*

*New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:*

- AASB 9 Financial Instruments and related amending Standards
- AASB 15 Revenue from Contracts with Customers and related amending Standards
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions

#### AASB 9 Financial Instruments and related amending Standards

*In the current year, the Group has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.*

*Additionally, the Group adopted consequential amendments to AASB 7 Financial Instruments: Disclosures.*

*In summary AASB 9 introduced new requirements for:*

- The classification and measurement of financial assets and financial liabilities,
- Impairment of financial assets, and
- General hedge accounting.

#### AASB 15 Revenue from Contracts with Customers and related amending Standards

*In the current year, the Group has applied AASB 15 Revenue from Contracts with Customers (as amended) which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios.*

*There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.*

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

## Note 1: Basis of Preparation (Continued)

### (a) Going Concern

*The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.*

*The Group incurred a loss for the half year of \$377,661 (31 December 2017: loss \$616,708) and net cash outflows from operating activities of \$1,108,460 (31 December 2017: 1,188,222).*

*The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.*

*The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.*

*Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.*

*Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.*

## Note 2: Operating Segments

### Segment Information

#### Identification of reportable segments

*The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.*

*The Group's principal activities are mineral exploration. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.*

#### Types of products and services by segment

*The Group's exploration projects consist of:*

- *Mineral exploration*
- *Finance and administration*

#### Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

## Note 2: Operating Segments (Continued)

### *Segment assets*

*Segment assets are clearly identifiable on the basis of their nature and physical location.*

*Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.*

### *Segment liabilities*

*Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.*

### *Unallocated items*

*Items of revenue, expense, assets and liabilities are not allocated to operating segments if they are not considered part of the core operations of any segment.*



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

## Note 2: Operating Segments (Continued)

### (i) Segment performance

31 December 2018	Mineral Exploration (\$)	Finance and Administration (\$)	Total (\$)
Interest received			
Other income	-	11,650	11,650
Total segment revenue			
Employee benefit expense	-	(72,430)	(72,430)
Administration expenses	-	(189,327)	(189,327)
Directors fees	-	(80,835)	(80,835)
Depreciation	-	(3,116)	(3,116)
Compliance and regulatory expenses	-	(23,972)	(23,972)
Share based payments	-	(12,986)	(12,986)
Mineral exploration written-off	(6,645)	-	(6,645)
Net profit/ (loss) before tax from operations	(6,645)	(371,016)	(377,661)

31 December 2017	Mineral Exploration (\$)	Finance and Administration (\$)	Total (\$)
Interest received	-	4,386	4,386
Other income	-	-	-
Total segment revenue	-	4,386	4,386
Employee benefit expense	-	(57,492)	(57,492)
Administration expenses	-	(204,405)	(204,405)
Directors fees	-	(85,000)	(85,000)
Depreciation	-	(1,503)	(1,503)
Compliance and regulatory expenses	-	(40,002)	(40,002)
Share based payments	-	(153,414)	(153,414)
Mineral exploration written-off	(79,279)	-	(79,279)
Net profit/ (loss) before tax from operations	(79,279)	(537,429)	(616,708)

## Note 2: Operating Segments (Continued)

### (ii) Segment assets

<b>31 December 2018</b>	<b>Mineral Exploration (\$)</b>	<b>Finance and Administration (\$)</b>	<b>Total (\$)</b>
Current assets			
Cash and cash equivalents	-	1,105,076	1,105,076
Trade and other receivables	235,004	87,256	322,260
Other	-	400	400
Non-current assets			
Exploration and evaluation expenditure	9,332,882	-	9,332,882
Plant & Equipment	5,850	2,215	8,065
Total assets from operations	9,563,736	1,194,947	10,768,683

<b>30 June 2018</b>	<b>Mineral Exploration (\$)</b>	<b>Finance and Administration (\$)</b>	<b>Total (\$)</b>
Current assets			
Cash and cash equivalents	-	1,263,091	1,263,091
Trade and other receivables	249,028	117,640	366,668
Other	-	1,000,400	1,000,400
Non-current assets			
Exploration and evaluation expenditure	8,207,648	-	8,207,648
Plant & Equipment	6,579	4,602	11,181
Total assets from operations	8,463,255	2,385,733	10,848,988

### (iii) Segment liabilities

<b>31 December 2018</b>	<b>Mineral Exploration (\$)</b>	<b>Finance and Administration (\$)</b>	<b>Total (\$)</b>
Current liabilities			
Trade and other payables	192,736	122,674	315,410
Total liabilities from operations	192,736	122,674	315,410

<b>30 June 2018</b>	<b>Mineral Exploration (\$)</b>	<b>Finance and Administration (\$)</b>	<b>Total (\$)</b>
Current liabilities			
Trade and other payables	174,784	147,900	322,684
Total liabilities from operations	174,784	147,900	322,684

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

## Note 3: Issued capital

31 December 2018	No. on issue	\$
<b>ISSUED CAPITAL</b>		
Ordinary shares on issue	965,199,310	29,448,726
<b>Movements in Ordinary Shares</b>	<b>No. on issue</b>	<b>\$</b>
Balance at the beginning of the period 1/7/18	920,199,310	29,178,726
Issued during the period		
On 14 December 2018, issue of 20,000,000 shares at \$0.006 to acquire 3 Yerrida tenements	20,000,000	120,000
On 14 December 2018, issue of 25,000,000 shares at \$0.006 to acquire 3 additional Yerrida tenements	25,000,000	150,000
Balance at the end of the period 31/12/18	965,199,310	29,448,726
<b>Options Reserve</b>		
<b>Unlisted</b>		
Balance at the beginning of the period 1/7/18	76,500,000	864,237
Issued during the period <sup>1</sup>	16,000,000	34,630
Expired during the period	(20,500,000)	-
Balance at the end of the period 31/12/18	72,000,000	898,867

<sup>1</sup>The Company issued 10,000,000 options with an exercise price of \$0.02, expiring 31 December 2021 as part of the acquisition of 3 Yerrida tenements. The Company issued a further 6,000,000 options with an exercise price of \$0.02, expiring 31 December 2021 to employees.

The options will vest immediately when the share price equals or exceeds the exercise price of the respective shares after the date of the issue of the options. Each Option was valued via the Black & Scholes method.

## Note 4: Mineral Exploration Expenditure

	31.12.2018 \$	30.6.2018 \$
Capitalised at cost at the beginning of the period	8,207,648	6,525,098
Deferred exploration expenditure	780,235	1,763,338
Acquisition of tenements <sup>1</sup>	351,644	-
Mineral exploration written off	(6,645)	(80,788)
Balance at the at the end of the period	9,332,882	8,207,648

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

<sup>1</sup>During the half year ended 31 December 2018, the Company acquired 3 exploration tenements from Metalicity Limited for \$50,000 cash and 25m GTE shares and a further 3 tenements from Stella Resources Pty Ltd for \$10,000 cash, 20m GTE shares and 10m unlisted options with an exercise price of \$0.02, expiring 31 December 2021.

## Note 5: Financial Instruments

The Group's financial instruments consist of trade and other receivables, other financial assets and trade and other payables. The financial instruments are measured at cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

## Note 6: Events subsequent to reporting date

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2018 which has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years .

## Note 7: Commitments

In order to maintain the mineral tenements in which the Group is involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. Minimum annual expenditure required to maintain the Group's tenements is \$546,000. This obligation is capable of being varied from time to time. Exploration commitments beyond this time cannot be reliable determined.

## Note 8: Contingent Liabilities

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

# DIRECTORS' DECLARATION

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In accordance with a resolution of the Directors of Great Western Exploration Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2018 and the performance for the half-year ended
  - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they come due and payable.

On behalf of the Board



**K C Somes**  
*Chairman*

Dated: Perth 14 March 2019



**Bentleys Audit & Corporate  
(WA) Pty Ltd**

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

[bentleys.com.au](http://bentleys.com.au)

To the Board of Directors

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

As lead audit partner for the review of the financial statements of Great Western Exploration Limited for the period ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



**BENTLEYS**  
**Chartered Accountants**



**DOUG BELL CA**  
**Partner**

Dated at Perth this 14<sup>th</sup> day of March 2019

## Independent Auditor's Review Report

### To the Members of Great Western Exploration Limited

We have reviewed the accompanying financial report of Great Western Exploration Limited ("the Company") and Controlled Entities ("the Group") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Group, comprising the Company and the entities it controlled during the period.

### 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the 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 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 2018 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 Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a 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.

# Independent Auditor's Review Report

To the Members of Great Western Exploration Limited (Continued)

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## Independence

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

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Great Western Exploration Limited and Controlled Entities 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 2018 and of its performance for the period ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that the Group incurred a net loss of \$377,661 during the half year ended 31 December 2018. As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**BENTLEYS**  
Chartered Accountants

**DOUG BELL CA**  
Partner

Dated at Perth this 14<sup>th</sup> day of March 2019



TELEPHONE  
(08) 6311 2852

ADDRESS  
6 Outram Street  
West Perth WA 6005  
Australia

[GREATWESTERNEXPLORATION.COM.AU](http://GREATWESTERNEXPLORATION.COM.AU)