ABN 23 124 140 889

AND CONTROLLED ENTITIES

ANNUAL REPORT

For the year ended 30 June 2014

CONTENTS

COMPANY DIRECTORY

MANAGING DIRECTOR
Lia Darby

NON-EXECUTIVE DIRECTORS
Andrew Muir
Steven Bamford

COMPANY SECRETARY
Lia Darby

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STOCK EXCHANGE LISTING
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: GXN, GXNOB, GXNCA

DIRECTORS' REPORT

Your directors present the following report on Global Metals Exploration NL (and the entities it controlled (referred to hereafter as "The Group", "Global Metals" or "GXN") for the financial year ended 30 June 2014.

1. DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Lia Darby	Managing Director
Andrew Muir	Non-Executive Director (appointed 31 December 2013)
Steven Bamford	Non-Executive Director (appointed 31 December 2013)
Carl Swensson	Non-Executive Chairman (resigned 31 December 2013)
Ashley Hood	Non-Executive Director (resigned 31 December 2013)

2. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were mineral exploration and project evaluation.

There were no significant changes in the nature of the Group's principal activities during the financial year.

3. OPERATING RESULTS

The loss of the Group after providing for income tax amounted to $3,870,859 (2013: $5,344,864).

4. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. REVIEW OF OPERATIONS

Work completed by Global Metals in the period from 1 July 2013 to the date of signing this report has focussed on corporate issues, predominantly getting the company funded and having the suspension from the ASX removed. The Company's projects being the Jutson Rocks and Leonora projects are shown in Figure 1.

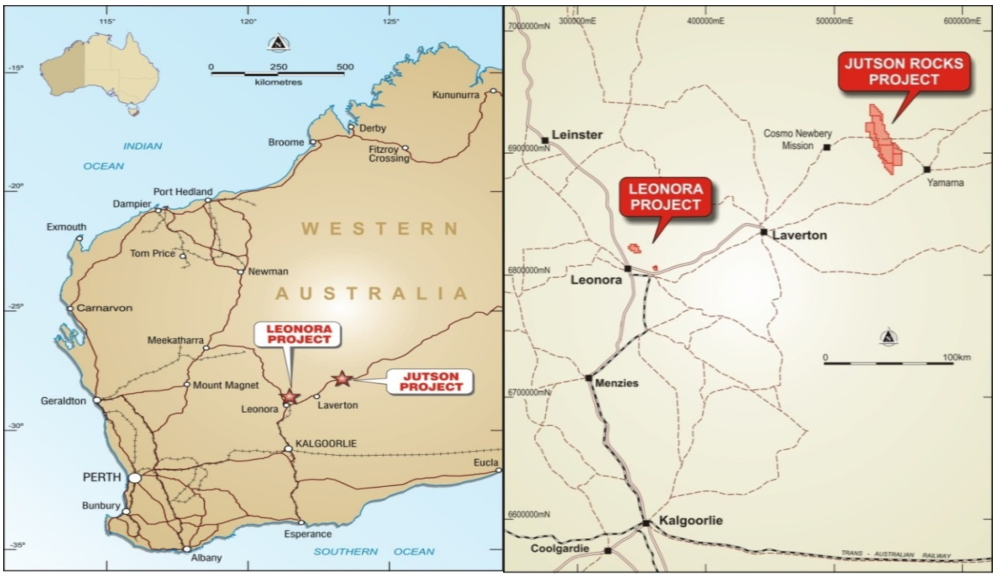

Figure 1 – Global Metals Project Location Map

Jutson Rocks

Work on the Jutson Rocks project has been on hold pending the outcome of a proposed settlement and re- working of the access agreement on the tenements. A proposal submitted in July 2014 has now been accepted which may enable the company to consider the way forward on further exploration and evaluation work on the project. There is however uncertainty surrounding further negotiations on access agreements to ensure exploration can be undertaken on economic and commercial terms. The expiration of the leases are also forthcoming. In this regard where uncertainty as to whether it is economic to retain the licenses the directors feel it is prudent to impair the exploration and evaluation expenditure in accordance with adopted accounting policies.

Leonora Project (Gold)

The General Meeting of 31 October 2012 approved the acquisition of the Leonora Gold Project from Messina Resources Limited. The acquisition was formally completed on 30 January 2013. Work has been stalled while efforts to have the Company relisted on the ASX have been under way. These tenements have not been relinquished but exploration and evaluation were impaired in a prior period.

Corporate

The 17 May 2013 General Meeting had been adjourned, and RM Capital Pty Ltd exercised their right to cancel the first convertible note. After this Global Metals was able to negotiate a new financing on similar terms (see announcement of 5 June 2013), with the total amount available to be $2,500,000 rather than $800,000. This was then included in a new Notice of Meeting lodged with ASX on 29 July 2013, for a General Meeting to be held on 27 August 2013, where it was subsequently approved by shareholders. A revised mandate with the same terms was approved by shareholders on 17 June 2014.

A 1 for 10 consolidation was also approved by shareholders at the same meeting.

The Company was unable to lodge financial statements for the year ended 30 June 2013 and was therefore suspended from the Australian Securities Exchange (ASX) on 1 October 2013. As at the date of signing this report the Company remains suspended from the ASX.

6. FINANCIAL POSITION

The net assets of the Group have decreased by $3,663,962 from $2,768,664 at 30 June 2013 to a deficit of $895,298 at 30 June 2014.

The directors believe the Group is in a financial position to pursue its current operations.

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Issues of securities

On 23 August 2013, Global Metals announced the successful completion of a Share Placement which raised a total of $100,000 for working capital through the issue of 125,000,000 fully paid ordinary shares and 62,500,000 attaching options exercisable at $0.003 on or before 31 December 2016.

The 1 for 10 consolidation of securities on issue was completed shortly thereafter.

The Company was able to reach agreement with certain creditors to settle outstanding liabilities through the issue of securities. A tranche of shares for the settlement and partial settlement of creditor liabilities was issued on 28 February 2014. A total of 15,839,922 ordinary fully paid shares were issued. This included the issue of shares to Mining Corporate Pty Ltd (a related party) in settlement of a deed of agreement on outstanding funds.

The Company, having reached agreement with RM Capital on a convertible note funding arrangement, had the arrangement and facility approved by the shareholders in general meeting on 17 June 2014. The approval was for the issue of convertible notes to raise up to $2,500,000 in aggregate. No other matters or circumstances have arisen since the end of the financial period which 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.

8. AFTER BALANCE DATE EVENTS

The Company, having reached agreement with RM Capital on a convertible note funding arrangement, had the arrangement and facility approved by the shareholders in general meeting on 14 June 2014. The approval was for the issue of convertible notes to raise up to $2,500,000 in aggregate. In this regard 19,560,000 ordinary fully paid shares were issued and 3,600,000 options exerciseable at $0.03 and expiring 31 December 2016 have been issued in relation to fees and drawdowns on the facility.

As of the date of this report 67 convertible notes have been issued for $670,000.

No other matters or circumstances have arisen since the end of the financial year which 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.

9. FUTURE DEVELOPMENTS

At a corporate level the Company will undertake to become quoted on the ASX again.

Thereafter the Group will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

10. ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

11. INFORMATION ON DIRECTORS

Lia Darby	Managing Director
Qualifications	BA (Hons), LLB (Hons)
Experience	Lia Darby is admitted to practice law in the Supreme Court of NSW but now works full-time as a mining company executive. Ms Darby is a founding director of the Company and was Chairman until she became Managing Director in November 2011. Ms Darby is a Non-Executive Director of Proto Resources & Investments Ltd and an Alternate Director of Condor Blanco Mines Ltd.

Directorships of other listed companies in the past 3 years	Proto Resources & Investments Limited (August 2006 to present) Condor Blanco Mines Limited (January 2010 - April 2013)
Interest in shares and options	4,850,883 fully paid ordinary shares 1,022,290 partly paid ordinary shares (paid $0.075, $0.825 unpaid) 269,182 $0.2 1 November 2015 options
Andrew Muir	Non-Executive Director (appointed 31 December 2013)
Qualifications	B.Sc (Hons), G Dip App Fin and Inv, FFin
Experience	Andrew Muir has over 20 years' experience in the mining and investment sectors. He is originally a geologist, though has spent the last 8 years working as a Resources Analyst, covering a range of ASX listed small and large cap mining stocks across a range of commodities. Currently, Mr Muir is Head of Research at boutique broking firm, RM Capital. Prior to this, Mr Muir was Executive Director, Resources Analyst with JP Morgan in Sydney. Before JP Morgan, he was the Senior Resources Analyst at Perth based broking firm, Hartleys, winning the 2009 Metals and Mining Stock Picker of the Year. As a Geologist, Mr Muir has had a range of roles, in both exploration and mining, with open pit and underground operating experience in both large and small companies. He was responsible for the discovery of the large Wallaby gold deposit at the Granny Smith mine. Andrew holds a Bachelor of Science (Geology) with Honours from the University of Western Australia and has completed a Graduate Diploma in Applied Finance and Investment through the Securities Institute of Australia.
Directorships of other listed companies in the past 3 years	Nil
Interest in shares and options	Nil
Steven Bamford	Non-Executive Director (appointed 31 December 2013)
Qualifications	-
Experience	Mr Steve Bamford has had a number of years' experience with junior ASX listed companies. Most recently he has worked in the oil and gas industry, as Operations and Logistics manager. His responsibilities include New Business Development Manager for a Company that is a key supplier in the Oil and Gas Industry. Mr Bamford's previous experience includes General Manager for a major national company with key roles in whole of group management, including all staff, marketing, financial control, IT upgrade and overall group performance. Mr Bamford brings experience in logistics and deployment of equipment for junior exploration companies to Global Metals.

Directorships of other listed companies in the past 3 years	Nil
Interest in shares and options	Nil

Carl Swensson	Chairman (resigned 31 December 2013)
Qualifications	B.Sc. Hons. (Geol) Mem. Aus IMM
Experience	Carl Swensson graduated from the University of Tasmania in 1977. During his 33 years as an exploration geologist he has held senior positions with CRA Exploration Pty Limited, Bendigo Gold Associates and Normandy Mining Limited. During his 14 year career with Normandy Mining he was Chief Exploration Geologist. Mr Swensson's career has involved exploration for base metals, uranium, gold and diamonds in a wide range of deposit styles and geological environments throughout the world. Since 2002 Mr Swensson has worked as a geological consultant, concentrating on developing projects in Brazil, Chile and Peru. He is a member of the Australian Institute of Mining and Metallurgy and a member of the Society of Economic Geologists.
Directorships of other listed companies in the past 3 years	Condor Blanco Mines Limited (June 2010 to present) Lefroy Resources Limited / Brazilian Metals Group (October 2007 to December 2010)
Interest in shares and options	17,000 ordinary fully paid shares
Ashley Hood	Non-Executive Director (resigned 31 December 2013)
Qualifications	Currently completing Masters of Business Degree
Experience	Mr Hood has over twelve years' experience in the mining industry working in exploration and operations for junior and large miners including Anglo Gold Ashanti. Mr Hood has broad senior management experience, delivering exploration outcomes through all aspects of project management. Mr Hood's skills in people management, project planning, Native Title negotiations and contractual negotiations are supported by experience in exploration and mining activities from JORC resource definitions, mining licence applications, various mining & finance studies to geophysical / geochemistry programs on some of Australia's major exploration and JORC projects. Mr Hood is a Director of XTL Energy International Limited, an international energy developer with international technology licencing agreements also Mr Hood is on the board of other ASX and TSX listed companies and COO for two ASX companies. Mr Hood has currently deferred his Masters of Business Degree at the University of Technology, Sydney.
Directorships of other listed companies in the past 3 years	Victory Mines Limited (Since July 2012 to present)
Interest in shares and options	728,321 fully paid ordinary shares 126,976 partly paid ordinary shares (paid $0.0075, $0.0825 unpaid) 21,468 $0.2 1 November 2015 options

Company Secretary

As at the date of this report, Lia Darby was appointed as Company Secretary of the Company.

The former Company Secretary, Kent Hunter, BBus, CA, was appointed upon incorporation of the Company and continued in the role until 20 February 2014.

12. OPTIONS

At the date of this report, the following options over unissued ordinary shares of the Group under option are:

Date of expiry	Exercise price	Number of Options
1 November 2015	$0.20	34,401,959
31 December 2016	$0.03	36,660,113

A ten-for-one consolidation of capital occurred on 11 September 2013 and consequently the exercise price of the above options was increased from $0.02 to $0.20 and $0.003 to $0.03.

These options do not carry any right to participate in any other share issues of the Group.

During the financial year no ordinary shares have been issued as the result of the exercise of options.

There has been no issue of ordinary shares as the result of the exercise of options since the end of the financial year.

13. REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Global Metals Exploration NL.

Remuneration Policy

The remuneration policy of Global Metals Exploration NL has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The board of Global Metals Exploration NL believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Group, as well as create goal congruence between directors and shareholders (with recognition that the Company's ability to pay market wages is somewhat market dependent; directors were asked by the Company to take substantial write-offs of their directors' fees as of the date of this report due to cash flow issues, which was agreed to).

The board's policy for determining the nature and amount of remuneration for board members is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed by the Remuneration Committee and approved by the board after seeking professional advice from independent external consultants.
- In determining competitive remuneration rates, the Remuneration Committee seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans, and share plans. Independent advice is obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.

The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry. Shares and options issued to Board members have largely been retained which assist in aligning their objectives with overall shareholder value.

Options and performance incentives may also be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can then be used as measurements for assessing Board performance.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% and do not receive any other retirement benefits.

All remuneration paid to directors is valued at the cost to the Group and expensed or capitalised to exploration expenditure where appropriate. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group.

Group Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. This has been achieved by encouraging directors and executives to invest in the Company so as to encourage the alignment of personal and shareholder interest.

Details of Remuneration for Year Ended 30 June 2014

The remuneration for each key management personnel of the Group during the year was as follows:

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL	% REPRE-SENTED BY OPTIONS
	Salary	Other	Non-Monetary	Superann-uation	Retirement Benefits	Equity	Options	$	%
Directors									
Lia Darby – Managing Director									
2014	80,092	-	-	7,408	-	-	-	87,500	-
2013	208,000	-	-	18,750	-	-	-	226,750	-
Andrew Muir – – Non Executive Director									
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
Steven Bamford – Non Executive Director									
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
Andrew Mortimer – Non-Executive Director (resigned29 November 2012) (iii)									
2014	-	-	-	-	-	-	-	-	-
2013	90,833	62,500	-	8,175	-	-	-	161,508	-
Carl Swensson - Chairman (iv)									
2014	10,000	14,546	-	555	-	-	-	25,101	-
2013	53,333	32,418	-	-	-	-	-	85,751	-
Ashley Hood – Non Executive Director (i)									
2014	15,997	12,638	-	555	-	-	-	29,190	-
2013	40,000	91,040	-	3,600	-	-	-	134,640	-
Kent Hunter – Company Secretary (ii)									
2014	-	126,928	-	-	-	-	-	126,928	-
2013	-	174,836	-	-	-	-	-	174,836	-
Total Remuneration Key Management Personnel									
2014	106,089	154,112	-	8,518	-	-	-	268,719	-
2013	392,166	360,794	-	30,525	-	-	-	783,485	-

(i) Blue Ribbon Mines Pty Ltd (formerly 26 One 72 Minerals Pty Ltd), a company of which Mr Hood is a director was paid or due to be paid $12,638 (2013 : 91,040) for the provision of contract services to the Group as Operations Manager.

(ii) MinCorp Pty Ltd (formerly Mining Corporate Pty Ltd, a company of which Mr Hunter is a director was paid or due to be paid $126,928 (2013: $174,836) for company secretarial and accounting services.

(iii) Superstructure Energy Pty Ltd (a company of which Mr Mortimer and Ms Darby are directors) was paid or due to be paid $13,035 (2013 : $62,500) for consulting services.

(iv) Swensson Resource Management Pty Ltd (a company which Mr Swensson is a director) was due to be paid $14,546 (2013 : $32,418) for consulting services performed during the year.

(v) Proto Resources & Investments Ltd (a company of which Ms Darby was a director) was paid or due to be paid $24,053) for management services/rent.

The following amounts were forgiven by directors and entities related to directors in FY 2014 :

Superstructure Energy Pty Ltd (A company of which Mr Mortimer and Ms Darby are directors)	68,750
Blue Ribbon Mines Pty Ltd (A company of which Mr Hood is a director)	61,600
Swensson Resources Management Pty Ltd (A company of which Mr Swensson is a director)	37,420
Lia Darby	92,493

Other than as disclosed above, no provision has been made for FY 2014 director fees and nil have been forgiven.

RELATED PARTY TRANSACTIONS

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Remuneration (excluding the reimbursement of costs) received or receivable by the directors of the Group and aggregate amounts paid to superannuation plans in connection with the retirement of directors are disclosed above.

Options to Directors

During the financial year no options were issued to Directors as part of remuneration and no other options have been issued to Directors as remuneration since the end of the financial year. Except as disclosed below, no options issued to Directors have been exercised or have lapsed during or since the end of the financial year.

Option Holdings

No Options held by Key Management Personnel are subject to vesting conditions and are freely tradable as listed securities.

Number of Options Held by Key Management Personnel						
	Balance 1 July 2013	**Granted as remuneration**	**Options Exercised**	**Net Change - Other**	**Outstanding at 30 June 2014***	**Exercisable at 30 June 2014**
Lia Darby	2,691,822	-	-	(ii)(2,422,640)	269,182	269,182
Andrew Muir	-	-	-	-	-	-
Steven Bamford	-	-	-	-	-	-
Ashley Hood(i)	214,680	-	-	(214,680)	-	-
Carl Swensson(i)	-	-	-	-	-	-
Kent Hunter(i)	22,840,978	-	-	(22,840,978)	-	-
	25,747,480	-	-	(25,478,298)	269,182	269,182

	Balance 1 July 2012	**Granted as remunerati on**	**Options Exercised**	**Net Change - Other**	**Outstanding at 30 June 2013***	**Exercisable at 30 June 2013**
Lia Darby	502,318	-	-	2,189,504	2,691,822	2,691,822
Andrew Mortimer	2,189,504	-	-	(2,189,504)	-	-
Ashley Hood	214,680	-	-	-	214,680	214,680
Carl Swensson	-	-	-	-	-	-
Kent Hunter	1,313,200	-	-	21,527,778	22,840,978	22,840,978
	4,219,702	-	-	21,527,778	25,747,480	25,747,480

Options in which Directors have a relevant interest are listed options exercisable at $0.02 on or before 1 November 2015.

i. Messers Hood, Swenson and Hunter resigned during the course of the year (Mr Mortimer in the prior year) and the net change reflects relevant holdings at date of resignation on a pre consolidation basis.
ii. A 1 for 10 consolidation of securities was approved 27 August 2013
iii. Mr Mortimer's holdings have been deemed to be an indirect holding of Ms Darby (partner to Mr Mortimer) for the purpose of this report.

Shareholdings

Number of Fully Paid Shares held by Key Management Personnel					
	Balance 1 July 13	**Granted as remuneration**	**Received on exercise of options**	**Net Change - Other**	**Balance 30 June 14**
Lia Darby	48,508,842		-	(ii) (43,657,959)	4,850,883
Andrew Muir	-	-	-	-	-
Steven Bamford	-	-	-	-	-
Ashley Hood(i)	7,283,216	-	-	(7,283,216)	
Carl Swensson(i)	170,000			(170,000)	
Kent Hunter(i)	38,700,000			(38,700,000)	
	94,662,058			(89,811,175)	4,850,883

	Balance 1 July 12	**Granted as remuneration**	**Received on exercise of options**	**Net Change - Other**	**Balance 30 June 13**
Lia Darby	3,916,671	-	-	(iii) 44,592,171	48,508,842
Andrew Mortimer	30,305,505	-	-	(30,305,505)	-
Ashley Hood	2,283,216	-	-	5,000,000	7,283,216
Carl Swensson	170,000	-	-	-	170,000
Kent Hunter	-	-	-	38,700,000	38,700,000
	36,675,392	-	-	57,986,666	94,662,058

i. Messers Hood, Swenson and Hunter resigned during the course of the year (Mr Mortimer in the prior year) and the net change reflects relevant shareholding at date of resignation on a pre consolidation process.
ii. A 1 for 10 consolidation of securities was approved 27 August 2013.
iii. Mr Mortimer's holdings have been deemed to be an indirect holding of Ms Darby (partner to Mr Mortimer) for the purpose of this report.

Number of Partly Paid Shares held by Key Management Personnel				
	Balance 1 July 13	**Granted as remuneration**	**Net Change - Other**	**Balance 30 June 14**
Lia Darby	10,222,912	-	(ii) (9,200,622)	1,022,290
Andrew Muir	-	-	-	-
Steven Bamford	-	-	-	-
Ashley Hood(i)	1,269,768	-	(1,269,768)	-
Carl Swensson(i)	-	-	-	-
Kent Hunter(i)	500,000	-	(500,000)	-
	11,992,680	-	(10,970,390)	1,022,290

	Balance 1 July 12	**Granted as remuneration**	**Net Change - Other *****	**Balance 30 June 13**
Lia Darby	1,937,504	-	(iii) 8,285,408	10,222,912
Andrew Mortimer(i)	8,285,408		(8,285,408)	-
Ashley Hood	1,269,768	-	-	1,269,768
Carl Swensson	-	-	-	-
Kent Hunter	500,000	-	-	500,000
	11,992,680	-	-	11,992,680

i. Messers Hood, Swenson and Hunter resigned during the course of the year (Mr Mortimer in the prior year) and the net change reflects relevant shareholding at date of resignation on a pre consolidation basis.
ii. A 1 for 10 consolidation of securities was approved 27 August 2013.
iii. Mr Mortimer's holdings have been deemed to be an indirect holding of Ms Darby (partner to Mr Mortimer) for the purpose of this report.

The Group's policy for determining the nature and amount of emoluments of board members and senior executives of the Group is as follows:

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group. The contracts for service between the Group and specified directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement specified directors and executives are paid employee benefit entitlements accrued to date of retirement.

SHARE BASED PAYMENTS

The following share and option based payments were made during the 2014 financial year to related parties:

Fully Paid ordinary shares – issued to related parties	**2014 ($)**
On 28 February 2014 the Company issued 15,839,922 ordinary fully paid shares to creditors at a nominal value of $0.001 per share. 7,002,577 of the shares were issued Mining Corporate Pty Ltd in full and final settlement for amounts billed but disputed. Credit notes for $75,781 were processed accordingly	75,781

Fully Paid ordinary shares – issued to related parties	**2013 ($)**
On 20 May 2013, the Company issued 37,500,000 fully paid ordinary shares to Mining Corporate Pty Ltd for settlement of a liability in relation to previous consultancy services provided. The fair value was determined by reference to market price, was $.002 per share.	75,000
On 20 May 2013, Company issued 13,750,000 fully paid shares to Proto Resources & Investments Ltd (a company of which Lia Darby is a director) in relation to settlement of a liability in relation to rent payable. The fair value was determined by referenced to market price, was $.002 per share.	27,500

14. MEETINGS OF DIRECTORS

The number of directors' meetings held during the financial year and the number of meetings attended by each director are:

	Directors Meetings	
Director	**Number Eligible to Attend**	**Number Attended**
Lia Darby	5	5
Andrew Muir	2	2
Steven Bamford	2	1
Carl Swensson	3	3
Ashley Hood	3	3

The Group does not have a formally constituted audit committee. The Board has resolved that given the size and scale of the operations of the Group, the full Board will undertake the role of the Audit Committee. The Board has adopted an Audit Committee Charter which represents the duties required to be undertaken by the whole Board in their role as otherwise performed by the audit committee.

15. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, and no proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237.

16. INDEMNIFYING OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer or agent of the Group shall be indemnified out of the property of the Group against any liability incurred by him in his capacity as Officer or agent or the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The Group has not paid for insurance of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Group, other than conduct involving a wilful breach of duty in relation to the Group. The disclosure of the amount of the premium is prohibited by the insurance policy.

17. NON-AUDIT SERVICES

No non-audit services were provided by the external auditors during the year ended 30 June 2014.

18. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration required by Section 307C of the *Corporations Act 2001* is set out on the next page.

The report of Directors' incorporating the Remuneration report is signed in accordance with a resolution of the Board of Directors.

Lia Darby
Managing Director
6 March 2015

Bentleys
THINKING AHEAD

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To The Board of Directors

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

As lead audit director for the audit of the financial statements of Global Metals Exploration NL for the financial year ended 30 June 2014, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Director

Dated at Perth this 6th day of March 2015

KRESTON

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Accountants
Auditors
Advisors

Independent Auditor's Report

To the Members of Global Metals Exploration NL

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We have audited the accompanying financial report of Global Metals Exploration NL ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising 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 and fair presentation of the financial report 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, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply 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. These Auditing 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 judgment, 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 entity'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 the entity's 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.

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

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Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Opinion

In our opinion:

a. The financial report of Global Metals Exploration NL is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity'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*;

b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter – Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a loss of $3,870,859. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will 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.

Opinion

In our opinion, the Remuneration Report of Global Metals Exploration NL for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 6th day of March 2015

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2014

	Note	2014 $	2013 $
Interest Received		2,942	2,700
Debt forgiveness		260,263	-
Research & Development refund		-	260,210
Revenue and other income	2	263,205	262,910
Administrative expense		(73,177)	(168,438)
Consultancy expenses		(143,205)	(683,775)
Compliance and regulatory expenses		(139,757)	(131,182)
Directors fees		(84,014)	(243,014)
Employee benefits expense	3(a)	(19,918)	(21,917)
Exploration expenditure		-	(16,360)
Occupancy expenses		(21,763)	(88,481)
Share based payments	21	-	(423,518)
Depreciation and amortisation expense		(6,600)	(9,859)
Borrowing costs	3(b)	(97,800)	(680,159)
Impairment of exploration assets	14	(3,421,747)	(3,036,434)
Write offs (other)		(108,842)	4,335
Gain/(Loss) on sale of financial assets		(17,241)	(5,709)
Net fair value loss on financial assets		-	(103,263)
Loss before income tax		(3,870,859)	(5,344,864)
Income tax expense	5	-	-
Loss from continuing operations		(3,870,859)	(5,344,864)
Loss for the year		**(3,870,859)**	**(5,344,864)**
Other comprehensive income/(loss)		-	-
Total other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) attributable to members of the parent entity		**(3,870,859)**	**(5,344,864)**
Basic loss per share (cents per share) from continuing operations attributable to members of the parent entity	7	(2.48)	(6.3)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Note	2014 $	2013 $
CURRENT ASSETS			
Cash and cash equivalents	8	296,701	34,590
Trade and other receivables	9	51,965	295,827
Financial assets	10	3,770	29,339
TOTAL CURRENT ASSETS		352,436	359,756
NON CURRENT ASSETS			
Trade and other receivables	9	54,120	82,863
Plant and equipment	13	13,201	19,801
Exploration, evaluation and development	14	-	3,221,076
TOTAL NON CURRENT ASSETS		67,321	3,323,740
TOTAL ASSETS		**419,757**	**3,683,496**
CURRENT LIABILITIES			
Trade and other payables	15	671,398	914,832
Borrowings	16	643,657	-
TOTAL CURRENT LIABILITIES		1,315,055	914,832
TOTAL LIABILITIES		**1,315,055**	**914,832**
NET ASSETS		**(895,298)**	**2,768,664**
EQUITY			
Issued capital	17	18,354,308	18,147,411
Reserves	18	2,100,218	2,100,218
Accumulated losses		(21,349,824)	(17,478,965)
TOTAL EQUITY		**(895,298)**	**2,768,664**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

		2014 $	2013 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(225,509)	(804,974)
Interest received		2,942	2,700
Payments for exploration and evaluation		(200,671)	(859,796)
Net cash used in operating activities	21(ii)	(423,238)	(1,662,070)
Cash Flows From Investing Activities			
Net cash outflow on acquisition of subsidiary		-	(463,495)
Purchase of shares		-	(125,252)
Proceeds from sale of shares		-	89,795
Loans to associated entities		(6,808)	(16,893)
Loans repaid by associated entities		-	10,490
Net cash provided by/(used in) investing activities		(6,808)	(505,355)
Cash Flows from Financing Activities			
Proceeds from issue of securities		100,000	2,507,633
Proceeds from borrowings/convertible note	21(iii)	643,657	-
Repayment of convertible notes funds		-	(160,000)
Payment for costs of issue of securities		(51,500)	(186,287)
Loan from related entity		-	50,000
Loan repaid to related entity		-	(50,000)
Net cash provided by financing activities		692,157	2,161,346
Net increase/(decrease) in cash held		262,111	(6,079)
Cash and cash equivalents at beginning of the financial year		34,590	43,574
Cash and cash equivalents at end of the financial year	21(i)	**296,701**	**34,590**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

	Note	Issued Capital $	Accumulated Losses $	Option Reserve $	Total $
Balance at 1 July 2013		**18,147,411**	**(17,478,965)**	**2,100,218**	**2,768,664**
Loss for the year		-	(3,870,859)	-	(3,870,859)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss)		-	(3,870,859)	-	(3,870,859)
Transactions with owners, directly recorded in equity:					
Shares issued during the year		258,397	-	-	258,397
Transaction costs		(51,500)	-	-	(51,500)
Recognition of share based payments		-	-		-
Balance at 30 June 2014	**17, 18**	**18,354,308**	**(21,349,824)**	**2,100,218**	**(895,298)**
Balance at 1 July 2012		**14,336,422**	**(12,134,101)**	**1,624,703**	**3,827,024**
Loss for the year		-	(5,344,864)	-	(5,344,864)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss)		-	(5,344,864)	-	(5,344,864)
Transactions with owners, directly recorded in equity:					
Shares issued during the year		4,002,151	-	-	4,002,151
Transaction costs		(191,162)	-	-	(191,162)
Recognition of share based payments		-	-	475,515	475,515
Balance at 30 June 2013	**17, 18**	**18,147,411**	**(17,478,965)**	**2,100,218**	**2,768,664**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable by the measurement at fair value of non-current assets and financial liabilities.

The financial report is presented in Australian dollars.

The financial report covers the Group of Global Metals Exploration NL and Controlled Entities. Global Metals Exploration NL is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 6 March 2015 by the board of directors.

(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 year of $3,870,859 (2013: $5,344,864) and net cash outflows from operating activities of $423,238 (2013: $1,662,070). Included within the loss was the impairment of exploration expenditure of $3,421,747 (2013:$3,036,434).

As at 30 June 2014, the Group had a working capital deficit of $962,619 (2013: $555,076). Included in this working capital deficiency are borrowings of $643,657 which are expected to be converted to equity (refer note 16).

These conditions indicate a material uncertainty that may have cast doubt about the ability of the Group to continue as a going concern. At all times from 30 June 2014 to present, the Directors have considered the Company solvent and had the expectation that debts would be able to be paid as they fell due. The basis for this expectation was principally the relationship with RM Corporate Finance Pty Ltd, the success of which was proven with the raisings in the points below:

- On 23 August 2013 Global Metals announced the successful completion of a Share Placement which raised a total of $100,000 to fund the ongoing working capital needs of the Company. This placement saw the issue of 125,000,000 fully paid ordinary shares and 62,500,000 attaching options exercisable at $0.003 on or before 31 December 2016.
- On 27 August 2013, a General Meeting of shareholders was held to approve a debt financing facility signed with RM Corporate Finance Pty Ltd, which was duly approved. An initial $80,000 was raised via the facility. A further $550,000 was received under that facility by 31 December 2013, but the convertible instrument could not be issued due to

the expiry of the approval from the earlier General Meeting. This amount was held by the Company as a Loan until a New Convertible Note Agreement to raise up to $2.5 million (with minimum monthly drawdowns of $50,000) on a best endeavours basis was approved at a General Meeting of Shareholders on 18 July 2014. As at the date of this report the undrawn amount on the facility is $1,870,000.

- The Group has entered into Corporate and Debt Restructure Agreements with various creditors which has resulted in the settlement of liabilities via the issue of equity, and deferred payment arrangements. In addition to this, the Company is in advanced discussions in agreeing to a payment arrangement with creditors, namely Central Desert and Cosmo Newberry, with respect to approximately $210,000, the terms of which have been accepted and reduce the liability to approximately $97,000.
- The Directors have forgiven director and consulting fees to the value of $260,263.
- On 1 May 2014 the Group lodged a Research & Development application with AusIndustry, and received a refund of $260,697 on 30 June 2014.
- In February 2015, the Company entered into an underwriting agreement with RM Corporate Finance Pty Ltd to underwrite the subscription for a placement of $500,000 at an issue price the lower of $0.003 or 80% of the 5 day volume weighted average share price following reinstatement on the ASX.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds under the debt financing facility with RM Corporate Finance Pty Ltd and negotiations with creditors and managing cashflow in line with available funds. Should the Group not be successful in fund raising activities, it may be necessary to sell some of its assets, farm-out exploration projects, reduce exploration expenditure by various methods including surrendering less prospective tenements.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments, creditor arrangements and working capital requirements for the 12 month period from the date of signing this financial report. Included in this cashflow forecast are drawdowns on facilities and placements totalling $1.25m in the next twelve months from the date of this report. Whilst the directors believe there is strong investor appetite in the Company's exploration assets to enable it to raise the funds under the Convertible Note Agreement, there is no certainty that the raising will be successful.

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 Group's history of raising funds to date and the underwriting agreement discuss above, the directors are confident of the Group's ability to raise additional funds as and when they are required Although the Directors believe that they will be successful in these measures 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 Group be unable to continue as a going concern and meet its debts as and when they fall due.

(b) Principles of Consolidation

A controlled entity is any entity over which Global Metal Exploration NL has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 11 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(c) Taxation

The income tax revenue for the year comprises current income tax income and deferred tax income.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax assets are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax income is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.
Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(d) Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	40.0%
Motor Vehicles	33.33%

(e) Exploration, Evaluation and Development Expenditure

Costs related to an area of interest incurred during the exploration and evaluation phase are accumulated. Costs carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

These assets are considered for impairment on an annual basis, depending on the existence of impairment indicators including:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- sufficient key data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

(f) Operating Segments

The consolidated group has applied AASB 8, it requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes and provided to the chief operating decision maker (the Board).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(g) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

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 and are subsequently measured at amortised cost using the effective interest rate method.

iii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

iv. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

(h) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Foreign Currency Transactions

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Statement of Comprehensive Income.

(j) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(k) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(l) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(m) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

Research and Development tax incentive refunds are recognised as income in the period to which the research and development activities occurred.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities which are classified as operating cash flows.

(o) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the entity will not be able to collect the debts. Bad debts are written off when identified.

(p) Trade and Other Payables

Trade payables and other payables are carried at amortised costs 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.

(q) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(r) Share Based Payments

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

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 Group's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(s) Earnings Per Share

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

(t) Critical accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

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 internal valuation using Black-Scholes option pricing model.

For equity settled transactions with consultants and other non-employees the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black and Scholes option pricing model.

Exploration and evaluation costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at Statement of Financial Position 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 relating to, the area of interest are continuing.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group’s development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors’ best estimate, pending an assessment by the Australian Taxation Office.

(u) Convertible Note

Convertible notes which are convertible to a variable number of shares at a variable price are a financial liability measured at amortised cost. Upon conversion the liability is derecognised and converted to equity at the rate designated by the agreement.

(vi) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(x) Adoption of New and Revised Standards

New and revised AASB's affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of new and revised AASB's issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective from an accounting period on or after 1 January 2013.

The Group has applied AASB 13 'Fair Value Measurement' for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

In addition, standards on consolidation, joint arrangements, associates and disclosures were adopted. The impact of the application of these standards is not material.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The Group does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ‘Financial Instruments’, and the relevant amending standards	1 January 2017	30 June 2018
AASB 1031 ‘Materiality’ (2013)	1 January 2014	30 June 2015
AASB 2012-3 “Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities’	1 January 2014	30 June 2015
AASB 2013-3 “Amendments to AASB 135 – Recoverable Amount Disclosures for Non Financial Assets’	1 January 2014	30 June 2015
AASB 2013-5 “Amendments to Australian Accounting Standards – Investment Entities’	1 January 2014	30 June 2015
AASB 2013-9 “Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments’	1 January 2014	30 June 2015

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

	2014 $	2013 $
2. REVENUE & OTHER INCOME		
Other Revenue		
Interest received	2,942	2,700
Debt forgiveness	260,263	-
Research & Development refund	-	260,210
	263,205	262,910

3. LOSS FOR THE YEAR

Loss for the year includes the following expenses:

	2014 $	2013 $
(a) Expenses		
Employee benefits expense		
- Salaries	17,735	11,538
- Superannuation	2,183	10,379
	19,918	**21,917**
(b) Borrowing Costs	**97,800**	**680,159**

Borrowing cost consist of fees in relation to the Funding Loan and Convertible Note Mandates entered into during the year with RM Corporate.

4. PARENT ENTITY DISCLOSURES

	2014 $	2013 $
(a) Financial Position		
Assets		
Current assets	352,436	367,896
Non-current assets	67,322	3,323,741
Total assets	**419,758**	**3,691,637**
Liabilities		
Current liabilities	1,252,955	851,202
Total liabilities	**1,252,955**	**851,202**
Equity		
Issued capital	18,354,308	18,147,411
Reserves	2,100,218	2,100,218
Accumulated losses	(21,287,723)	(17,407,194)
Total Equity	**(833,197)**	**2,840,435**
(b) Financial Performance		
Loss for the year	(3,880,529)	(5,273,093)
Other comprehensive income		
Total comprehensive income/(loss)	**(3,880,529)**	**(5,273,093)**

(c) Contingent Liabilities of the Parent Entity

Contingent liabilities are consistent with those of the Group (refer note 19).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

5. INCOME TAX EXPENSE

	2014 $	2013 $
(a) The components of the tax expense/(income) comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Net loss before tax	(3,870,859)	(5,344,864)
Prima facie tax (benefit) on loss from ordinary activities before income tax at 30%	(1,161,257)	(1,603,459)
Increase in income tax due to:		
Non-deductible expenses	10,260	577,359
Effect of current year tax losses derecognised/(recognised)	420,052	434,782
Derecognition of previously recognised tax losses	572,163	377,045
Movement in unrecognised temporary differences	219,284	333,330
Current year capital losses not recognised	-	3,822
	60,502	122,879
Decrease in income tax expense due to:		
Movement in unrecognised temporary differences	-	-
Non-assessable income	-	(79,364)
Tax benefit of deductible equity raising costs	(60,502)	(43,514)
Effect of prior year tax losses derecognised/(recognised)	-	-
Recognition of previously unrecognised temporary differences	-	-
Income tax attributable to entity	-	-
(c) Recognised deferred tax assets		
Tax losses	-	873,603
Investments	-	-
Accruals	-	26,209
Borrowing costs	-	7,771
Previously expensed blackhole costs	-	58,316
Plant and equipment	-	425
Total deferred tax asset	-	966,323
Less: set off of deferred tax liabilities	-	(966,323)
Net deferred tax asset	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

5. INCOME TAX EXPENSE (continued)

(d) Recognised deferred tax liabilities	**2014 $**	**2013 $**
Exploration expenditure	-	966,323
Prepayments	-	-
Investments	-	-
Total deferred tax liabilities	-	966,323

(e) Unused tax losses and temporary differences for which no deferred tax asset has been recognized at 30%:

Deferred tax assets have not been recognized in respect of the following (30%):

Deductible temporary differences	62,309	205,156
Borrowing Costs	4,667	-
Blackhole Costs	100,364	-
Tax revenue losses	4,972,460	3,826,824
Tax capital losses	105,673	105,673
	5,245,473	4,137,652

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2014 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration to be realised;
- the Group continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

6. AUDITORS' REMUNERATION

Remuneration of the auditor for:		
- Auditing or reviewing the financial report	35,000	35,500
	35,000	35,500

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

7. EARNINGS PER SHARE

(a)	Total loss used in the calculation of basic EPS	(3,870,859)	(5,344,864)
		Number of Shares	***Number of Shares***
(d)	Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted earnings per share: (i)	156,230,375	84,964,047
(e)	Basic and diluted earnings cents per share:	(2.48)	(6.3)

(i) The comparative weighted average number of ordinary shares has been updated as a result of share capital consolidation.

8. CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank and in hand	296,701	34,590

9. TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
Other debtors	51,965	35,617
Research and Development refund	-	260,210
	51,965	295,827
Non-Current		
Security bonds	54,120	82,863
	54,120	82,863

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

9. TRADE AND OTHER RECEIVABLES

The security bonds are held as security over performance conditions stated in exploration licences granted by the Western Australian Department of Mines and Petroleum.

The following table details the Group's trade and other receivables exposed to risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not fully be repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired				Within initial trade terms
			< 30 days	31-60 days	61-90 days	> 90 days	
	$	$	$	$	$	$	$
2014							
Bonds	54,120	-	-	-	-	-	54,120
ATO – GST/ FBT/ICA	50,941	-	-	-	-	-	50,941
Other	1,024						1,024
	106,085	**-**	**-**	**-**	**-**	**-**	**106,085**
2013							
Bonds	82,863	-	-	-	-	-	82,863
Research and Development refund	260,210	-	-	-	-	-	260,210
GST receivable	8,521	-	-	-	-	-	8,521
Other	26,996	-	-	-	-	-	26,996
	378,590	**-**	**-**	**-**	**-**	**-**	**378,590**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

10. FINANCIAL ASSETS	**2014**	**2013**
	$	*$*
Current		
Financial assets at fair value through profit and loss		
- listed entities	3,770	29,339
	3,770	29,339

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:	**$**	**$**	**$**	**$**
Financial assets at fair value through profit or loss:				
- investments – held-for-trading	3,770	-	-	3,770
	3,770	**-**	**-**	**3,770**

2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:	**$**	**$**	**$**	**$**
Financial assets at fair value through profit or loss:				
- investments – held-for-trading	29,339	-	-	29,339
	29,339	**-**	**-**	**29,339**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

11. CONTROLLED ENTITIES

Controlled Entities

Subsidiaries of Global Metals Exploration NL

Name	**Country of Incorporation**	**Ownership Interest**	
		2014	**2013**
Global Mining Group Pty Ltd	Australia	100%	100%
Messina Resources Limited	Australia	100%	100%

12. ACQUISITION OF SUBSIDIARY

No interests were acquired during the year ending 30 June 2014. Interests acquired for the prior year ending 30 June 2013 were as follows :

On 29 January 2013, the Group acquired 100% equity interest in Messina Resources Limited. Messina Resources Limited holds exploration tenements in Western Australia.

Consideration transferred

	$
Cash and Cash equivalents	466,400
Consideration payable	44,600
Fair Value of the fully paid 85,755,555 ordinary shares	340,222
Fair value of the 40,000,000 GXN Options	52,000
Total consideration transferred	**903,222**

Net assets acquired at the date of acquisition

	$
Current assets	
Cash and cash equivalents	2,905
Non-current Assets	
Exploration, evaluation and development costs	74,000
Total assets	**76,905**
Current liabilities	
Trade and other payables	(122,938)
Net liability	**(46,033)**
Acquisition of exploration expenditure (refer Note 14)	**949,255**

Net Cash Outflow on acquisition of a subsidiary

	$
Total cash and cash equivalent consideration transferred	(466,600)
Cash and cash equivalents	2,905
Net cash outflow on acquisition of a subsidiary	**(463,495)**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

13. PLANT AND EQUIPMENT

	2014 $	2013 $
Motor vehicles		
At cost	46,000	46,000
Accumulated depreciation	(32,799)	(26,199)
Total plant & equipment	13,201	19,801

Movement in the carrying amounts for each class of plant and equipment between the beginning and end of the current financial year.

2013	2014 Motor Vehicles $	2013 Motor Vehicles $
Balance at the beginning of the year	19,801	29,660
Additions	-	-
Disposals	-	-
Depreciation expense	(6,600)	(9,859)
Carrying amount at the end of the year	13,201	19,801

14. EXPLORATION, EVALUATION AND DEVELOPMENT COSTS

	2014 $	2013 $
Non-Current		
Costs carried forward in respect of areas of interest in:		
- Exploration and evaluation phases – at cost	-	3,221,076
Movement		
Brought forward	3,221,076	4,376,902
Purchase of exploration assets (Note 12)	-	949,255
Exploration expenditure capitalised during the year	200,671	931,353
Impairment of exploration assets	(3,421,747)	(3,036,434)
	-	3,221,076

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.

Uncertainty surrounds the ability to renegotiate commercial and economic terms on access agreements on prospective licences which have capitalised exploration and evaluation expenditure attached to them. Additionally there are expiration dates forthcoming on these tenements. The directors therefore conclude that it is prudent to impair the exploration and evaluation expenditure. This is consistent with treatment prescribed under the accounting policies adopted by the group.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

15. TRADE AND OTHER PAYABLES

	2014 $	2013 $
Current		
Trade creditors	463,659	670,945
Accruals	207,698	235,006
Loan from associated entities (i)	41	6,849
Other creditors	-	2,032
	671,398	914,832

(i) Payable to Proto Resources & Investments Ltd $41 (2013 :$6,849).

16. BORROWINGS

	2014 $	2013 $
Current		
Unsecured – at amortised cost		
Convertible note (i)	30,917	-
Loan (ii)	612,740	-
	643,657	

(i) On 17 May 2013 the Company entered into a Capital Raising and Corporate Advisory Mandate with RM Corporate Finance Pty Ltd for a placement of an unsecured convertible note of up to $2,500,000 with an interest rate of 4% per annum. In accordance with the mandate, the Company issued 150,000,000 ordinary shares and 75,000,000 attaching options with an exercise price of $0.001 expiring on 31 December 2016 as security for the convertible bond and a sign on fee. These have been recognised as borrowing costs in the statement of profit or loss and other comprehensive income. No funds were raised under this mandate during the year ended 30 June 2013. The conversion price was to be the lower of $0.005 or 80% of five day VWAP together with one for two free attaching options exercisable at 0.3 cents each on or before 31 December 2016.

The general meeting to be held on 17 May 2013 was adjourned and RMCF exercised their option to cancel the Convertible Note. A new financing provision was however approved by shareholders on 27 August 2013 on the same terms and conditions. Convertible notes amounting to $30,000 were issued under this mandate.

The Company, having reached agreement with RM Capital on a convertible note funding arrangement, had the arrangement and facility approved by the shareholders in general meeting on 17 June 2014. The approval was for the issue of convertible notes to raise up to $2,500,000 in aggregate.

As at 30 June 2014 $30,000 of convertible notes were on issue with accrued interest of $917.

(ii) $600,000 was received under the debt financing facility by 30 June 2014 but the notes could not be issued due to expiry of the approval from the earlier General Meeting. This amount is being held by the company as a loan until a new convertible note agreement can be approved in general meeting by shareholders. Interest of 4% pa is charged on the loan balance. Convertible notes to the value of the loan were issued on 16 September 2014.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

17. ISSUED CAPITAL

	2014 $	2013 $
Fully paid ordinary shares: 167,789,220 (2013: 1,394,493,959)	17,584,215	17,377,318
Partly paid ordinary shares: 115,901,984 (2013: 115,901,984)	770,093	770,093
	18,354,308	18,147,411
Fully paid ordinary Shares		
At the beginning of the reporting period	17,377,318	13,566,329
Shares issued during the year		
- placement to private investors on 18 July 2012	-	633,000
- placement to private investors on 23 July 2012	-	690,800
- placement to private investors on 24 July 2012	-	146,650
- placement to private investors on 10 August 2012	-	329,506
- issued to Fortensa bond conversion on 14 August 2012	-	150,000
- placement to private investors on 8 January 2013	-	19,500
- placement to private investors on 14 January 2013	-	172,500
- share purchase plan 24 January 2013	-	353,000
- Messina Resources Limited 29 January 2013	-	343,040
- share purchase plan shortfall 1 February 2013	-	91,750
- entitlement issue acceptances 20 May 2013	-	59,233
- entitlement issue shortfall 20 May 2013	-	878,177
- placement 22 May 2013	-	134,995
- 125,000,000 issued to private investors on 22 August 2013	100,000	-
- Issued to creditors in settlement of liabilities 28 February 2014	158,397	-
Capital raising costs	(51,500)	(191,162)
At reporting date	17,584,215	17,377,318

	2014	2013
Partly paid ordinary Shares		
At the beginning of the reporting period	770,093	770,093
Shares issued during the year	-	-
Calls made during the year	-	-
Capital raising costs	-	-
At reporting date	770,093	770,093

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

17. ISSUED CAPITAL (continued)

	2014 No.	2013 No.
Fully paid ordinary Shares		
At the beginning of the reporting period	1,394,493,959	345,290,212
Shares issued during the year		
- placement to private investors on 18 July 2012	-	70,333,329
- placement to private investors on 23 July 2012	-	76,755,552
- placement to private investors on 24 July 2012	-	16,294,444
- placement to private investors on 10 August 2012	-	36,612,221
- issued to Fortensa bond conversion on 14 August 2012	-	15,000,000
- placement to private investors on 8 January 2013	-	6,500,000
- placement to private investors on 14 January 2013	-	57,500,000
- share purchase plan 24 January 2013		117,666,680
- Messina Resources Limited 29 January 2013	-	85,755,555
- share purchase plan shortfall 1 February 2013	-	30,583,332
- entitlement issue acceptances 20 May 2013	-	29,616,375
- entitlement issue shortfall 20 May 2013	-	439,088,759
- placement 22 May 2013		67,497,500
- issued to private investors on 22 August 2013	125,000,000	-
Prior to 1 for 10 consolidation 27 August 2013	1,519,493,959	1,394,493,959
Consolidation on a 1 for 10 basis	151,949,298	-
- Issued to creditors in settlement of liabilities 28 February 2014	15,839,922	-
At reporting date	167,789,220	1,394,493,959

	2014 No.	2013 No.
Partly paid ordinary Shares*		
At the beginning of the reporting period	115,901,984	115,901,984
Consolidation on a 1 for 10 basis 27 August 2013	11,590,184	-
Calls made during the year	-	-
At reporting date	11,590,184	115,901,984

*The partly paid shares are paid to $0.075, with $0.825 (post consolidation) unpaid per partly paid share.

Ordinary fully paid shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

Ordinary partly paid shares participate in dividends in the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

17. ISSUED CAPITAL (continued)

Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The Group's capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. For further details please refer to Note 1(a) to the financial statements.

The net working capital position of the Group at 30 June 2014 is a deficit of $962,619 (2013 : $555,076 deficit) and the net increase in cash held during the year was $262,111 (2013: $6,079 decrease).

As of the date of this report much has been done to rectify this creditor position and the majority of creditors as at 30 June 2014 have either been paid out in cash or equity or are now party to payment arrangements for remaining amounts to be paid over time.

18. OPTION RESERVE

	2014 **$**	**2013** **$**
Reserves at the beginning of the reporting period	2,100,218	1,624,703
	-	-
Attaching to share based payments	-	475,515
Option Reserve at the end of the financial reporting period	2,100,218	2,100,218

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

18. OPTION RESERVE (continued)

	Number of Options
Options outstanding as at 30 June 2012	104,024,749
Granted	508,096,873
Forfeited	-
Cancelled	
Exercised	-
Expired	-
Options outstanding as at 30 June 2013	612,121,622
Granted	62,500,000
Forfeited	-
Cancelled	-
Exercised	-
Expired	-
Options outstanding prior to consolidation :	674,621,622
Options exercisable prior to consolidation	674,621,622
Options outstanding after 1 for 10 consolidation	67,462,072
Granted	-
Forfeited	-
Cancelled	-
Exercised	-
Expired	-
Options outstanding as at 30 June 2014 :	67,462,072
Options exercisable as at 30 June 2014	67,462,072

19. CONTINGENT LIABILITIES

In the opinion of the directors there are no contingent liabilities as at 30 June 2014.

20. OPERATING 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.

Identification of reportable segments

The Group earns no revenue from its operating segments. The Group operates in one operating segment being mineral exploration.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

21. CASH FLOW INFORMATION	**2014 $**	**2013 $**
(i) Cash is made up of the following:		
Cash at bank	296,701	34,590
(ii) Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	(3,870,859)	(5,344,864)
Reconciliation of cash flows from operating activities with (loss) after income tax		
Non-cash flows in loss for the year		
- Share based payments expense	-	423,518
- Debt forgiveness	(260,263)	-
- (Profit)/loss on sale of investment	-	5,709
- Net unrealised gain / loss on investments	17,241	108,971
- Exploration impairment	3,421,747	3,036,434
- Write-off other	108,842	(4,335)
- Depreciation	6,600	9,859
- Borrowing costs	97,800	680,159
- Settlement of liabilities via issue of shares	158,397	256,324
Cash flows not in loss for the year		
- Payments for exploration and evaluation	(138,722)	(931,353)
Changes in assets and liabilities		
- Decrease/(Increase) in receivables	272,605	(198,487)
- Increase/(Decrease) in trade and other creditors, accruals and employee entitlements	(236,626)	295,995
Net cash outflow from Operating Activities	(423,238)	(1,662,070)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

(iii) Non Cash Financing and Investing Activities

During the year ended 30 June 2014, 15,839,922 ordinary fully paid shares were issued to creditors in settlement of liabilities in lieu of cash.

Prior period (2013) non cash financing and investing activities : The Company entered into a Capital Raising and Corporate Advisory Mandate with RM Corporate Finance Pty Ltd on 8 April 2013 for a placement of an unsecured convertible note of up to $800,000 with an interest rate of 4% per annum RM Corporate Finance raised $100,000 which was subsequently settled via the issue of 144,500,971 ordinary shares, and 72,250,486 attaching options with an exercise price of $0.001 expiring on 31 December 2016

On 17 May 2013 the Company entered into a Capital Raising and Corporate Advisory Mandate with RM Corporate Finance Pty Ltd for a placement of an unsecured convertible note of up to $2,500,000 with an interest rate of 4% per annum. In accordance with the mandate, the Company issued 150,000,000 ordinary shares and 75,000,000 attaching options with an exercise price of $0.001 expiring on 31 December 2016 as security for the convertible bond and a sign on fee. These have been recognised as borrowing costs in the statement of profit or loss and other comprehensive income in the 2013 financial year. No funds were raised under this mandate during the year ended 30 June 2013. $30,000 was raised under this mandate during the year ended 30 June 2014.

The Company, having reached agreement with RM Capital on a convertible note funding arrangement, had the arrangement and facility approved by the shareholders in general meeting on 17 June 2014. The approval was for the issue of convertible notes to raise up to $2,500,000 in aggregate.

On 14 March 2014 the Company entered into a Capital Raising and Corporate Advisory Mandate with RM Corporate Finance Pty Ltd for the placement of an unsecured convertible note of up to $2.5m with an interest rate of 4%pa. In accordance with the mandate the Company issued 19,560,000 ordinary shares and 3,600,000 attaching options with an exercise price of $0.03 each expiring on 31 December 2016 (refer note 27 for further details) as sign on fees and financing fees. These have been recognised as borrowing costs in the statement of profit or loss and other comprehensive income in the 2014 financial year. $600,000 was raised under this mandate during the year ended 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

22. SHARE BASED PAYMENTS

The following share and option based payments were made to unrelated parties :

Fully Paid ordinary shares – issued to unrelated parties	**2014 ($)**
15,839,922 ordinary fully paid shares to creditors at a deemed value of $0.001 each to creditors on 28 February 2014.	158,397

Fully Paid ordinary shares – issued to unrelated parties	**2013 ($)**
15,000,000 issued to Fortensa bond conversion on 14 August 2012 at a fair value of $0.01 per share	150,000
85,755,555 issued to Messina Resources Limited on 29 January 2013 as part consideration to acquire 100% of the issued capital of Messina Resources Limited. Issued at a deemed value of $0.004 per share)	343,022
449,491,006 issued to various creditors and consultants on 20 May 2013 in lieu of cash payment for services. Shares represent a portion of the entitlement issue shortfall and were issued at a fair value of $0.002 per share	898,982
Fully Paid ordinary shares – issued to related parties	
On 20 May 2013, the Company issued 37,500,000 fully paid ordinary shares to Mining Corporate Pty Ltd for settlement of a liability in relation to previous consultancy services provided. The fair value was determined by reference to market price, was $.002 per share.	75,000
On 20 May 2013, Company issued 13,750,000 fully paid shares to Proto Resources & Investments Ltd in relation to settlement of a liability in relation to rent payable. The fair value was determined by referenced to market price, was $.002 per share.	27,500

The weighted average remaining contractual life of options outstanding at year end was 1.9 years. The weighted average exercise price of outstanding options at the end of the reporting period was $0.12 cents. The weighted average fair value of options granted during the year was nil.

As at 30 June 2013 the weighted average remaining contractual life of options outstanding at year end was 2.9 years. The weighted average exercise price of outstanding options at the end of the reporting period was 0.19 cents. The weighted average fair value of options granted during the year was 0.17 cent. These values were calculated using the Black Scholes option pricing model applying the following inputs:

The Black & Scholes model inputs for options granted during the period ended 30 June 2013 are set out below.

Grant Date	**Expiry Date**	**Exercise Price**	**Options**	**Share price at Grant**	**Risk free Rate**	**Fair value as at the Grant date**
29.01.2013	01.11.2015	$0.002	40,000,000	$0.002	2.52%	$0.0013
22.05.2013	31.12.2016	$0.002	250,331,361	$0.002	2.52%	$ 0.0017

The level of volatility anticipated for the purposes of the model was 106% for all options.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

23. FINANCIAL INSTRUMENTS

Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and shares in listed companies.

The Group does not speculate in the trading of derivative instruments. The main risks the Group is exposed to through its financial instruments are interest rate risk and liquidity risk.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

The risks arising from the Group's financial instruments are foreign currency risk, interest rate risk and credit risk.

(a) Foreign Currency Risk

The Group's exposure to fluctuations in foreign currencies is not substantial.

(b) Interest rate and liquidity risk

The Group manages interest rate and liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

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

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2014	**2013**
	$	**$**
Financial assets:		
Cash and cash equivalents		
AA	296,701	34,590

Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

2014 : **Fixed interest rate maturing in**

Financial Instrument	**Floating interest rate**	**1 year or less**	**Over 1 to 5 years**	**More than 5 years**	**Non-interest Bearing**	**2014 Total**	**Weighted average effective interest rate**
	$	**$**	**$**	**$**	**$**	**$**	
Financial Assets							
Cash	296,701	-	-	-	-	296,701	-
Receivables – other	-	-	-	-	51,965	51,965	-
Security Bonds	54,120	-	-	-		54,120	-
Listed investments	-	-	-	-	3,770	3,770	-
Total financial assets	350,821	-	-	-	55,735	406,556	
Financial Liabilities							
Trade payables and accruals	-	-	-	-	671,398	671,398	-
Convertible notes			30,917			30,917	
Loans	-	-	612,740	-	-	612,740	
Total financial liabilities	-	-	643,657	-	671,398	1,315,055	

2013 **Fixed interest rate maturing in:**

Financial Instrument	**Floating interest rate**	**1 year or less**	**Over 1 to 5 years**	**More than 5 years**	**Non-interest Bearing**	**2013 Total**	**Weighted average effective interest rate**
	$	**$**	**$**	**$**	**$**	**$**	
Financial Assets							
Cash	34,590	-	-	-	-	34,590	-
Receivables – other	-	-	-	-	295,827	295,827	-
Security Bonds	52,000	-	-	-	30,863	82,863	-
Listed investments	-	-	-	-	29,339	29,339	-
Total financial assets	86,590	-	-	-	356,029	442,619	
Financial Liabilities							
Trade payables and accruals	-	-	-	-	914,832	914,832	-
Total financial liabilities	-	-	-	-	914,832	914,832	

Trade payable and other accruals have a maturity of less than one month. Subsequent to year end the Company entered into payment arrangements with various creditors and directors.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Net fair value

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based on upon market prices where a market exists or be discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Market risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the Statement of Financial Position as fair value through profit and loss.

Listed investments have been valued at the quoted market bid price at balance date, adjusted for transactions costs expected to be incurred.

Interest rate sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The tables indicates the impact of how profit and equity values reports at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

At 30 June 2014, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

CHANGE IN LOSS	**Change $**	**2014 $**
Increase in interest rate by 200 basis points	+5,934	(3,864,925)
Decrease in interest rate by 200 basis points	-5,934	(3,876,793)

CHANGE IN EQUITY	**Change $**	**2014 $**
Increase in interest rate by 200 basis points	+5,934	(889,364)
Decrease in interest rate by 200 basis points	-5,934	(901,232)

Year ended 30 June 2013

CHANGE IN LOSS	**Change $**	**2013 $**
Increase in interest rate by 200 basis points	+692	5,345,555
Decrease in interest rate by 200 basis points	-692	5,344,172

CHANGE IN EQUITY	**Change $**	**2013 $**
Increase in interest rate by 200 basis points	+692	2,767,974
Decrease in interest rate by 200 basis points	-692	2,769,358

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

24. COMMITMENTS

a) Exploration

In order to maintain current rights of tenure to mining tenements, the Group has the following discretionary exploration expenditure requirement up until expiry of leases. These obligations, where are subject to renegotiation on expiry of the leases, are not provided for in the financial statements and are payable:

Australia	**2014**	**2013**
	$	**$**
Not longer than one year	-	447,697
Longer than one year, but no longer than five years	-	494,880
	-	942,577

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

b) Operating leases

There are no operating leases currently. Any agreements in place can be terminated giving less than thirty business days written notice and hence no commitment has been recorded.

25. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to directors and KMPs is as follows :

	Short term benefits	**Post-employment benefits**	**Share-based payments**	**Total**
	Salary $	**Superannuation $**	**$**	**$**
2014				
Total compensation	260,201	8,518	-	268,719
2013				
Total compensation	752,960	30,525	-	783,485

26. RELATED PARTY TRANSACTIONS

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.
Remuneration (excluding the reimbursement of costs) received or receivable by the directors of the Group and aggregate amounts paid to superannuation plans in connection with the retirement of directors are disclosed in the directors' report.

Transactions with related parties:	
(i)	Blue Ribbon Mines Pty Ltd (formerly 26 One 72 Minerals Pty Ltd), a company of which Mr Hood is a director was paid or due to be paid $12,638 (2013 : $91,040) for the provision of contract services to the Group as Operations Manager.
(ii)	MinCorp Pty Ltd (formerly Mining Corporate Pty Ltd, a company of which Mr Hunter is a director was paid or due to be paid $126,928 (2013: $174,836) for company secretarial and accounting services.
(iii)	Superstructure Energy Pty Ltd (a company of which Mr Mortimer and Ms Darby are directors) was paid or due to be paid $13,035 (2013 : $62,500) for consulting services.
(iv)	Swensson Resource Management Pty Ltd (a company which Mr Swensson is a director) was due to be paid $14,546 (2013 : $32,418) for consulting services performed during the year.
(v)	Proto Resources & Investments Ltd (a company of which Ms Darby was a director) was paid or due to be paid $24,053) for management services/rent.

The following amounts were forgiven by directors and entities related to directors in FY 2014 :

Superstructure Energy Pty Ltd (A company of which Mr Mortimer and Ms Darby are directors)	68,750
Blue Ribbon Mines Pty Ltd (A company of which Mr Hood is a director)	61,600
Swensson Resources Management Pty Ltd (A company of which Mr Swensson is a director)	37,420
Lia Darby	92,493

The following balance was outstanding at the end of the reporting period :

Amounts owed to related parties	2014	2013
Proto Resources & Investments Ltd	11,000	3,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

27. *EVENTS SUBSEQUENT TO REPORTING DATE*

The Company, having reached agreement with RM Capital on a convertible note funding arrangement, had the arrangement and facility approved by the shareholders in general meeting on 18 June 2014. The approval was for the issue of convertible notes to raise up to $2,500,000 in aggregate. In this regard 19,560,000 ordinary fully paid shares were issued and 3,600,000 options exercisable at $0.03 and expiring 31 December 2016 have been issued in relation to fees and drawdowns on the facility.

No other matters or circumstances have arisen since the end of the financial year which 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.

28 COMPANY DETAILS

Registered office of the Group is:

Level 12, 95 Pitt St
Sydney NSW 2000

Principal place of business is:

Level 12, 95 Pitt St, Sydney NSW 2000
Telephone: 02 8249 8284

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. the financial statements and notes set out on pages 22 to 58 are in accordance with the *Corporations Act 2001*, and:

   (a) comply with the Accounting Standards and Corporations Regulations 2001 and other mandatory reporting requirements; and

   (b) give 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.

2. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

3. The directors have been given the declarations by the chief executive officer and chief financial officer required by S295A.

4. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Lia Darby
Managing Director
6 March 2015

ADDITIONAL SHAREHOLDER INFORMATION

The distribution of members and their holdings of equity securities in the company as at 13 February 2015 was as follows:

Number Held as at 3 April 2014	**Fully Paid Ordinary Shares**	**Partly Paid Ordinary Shares**	**$0.20 1 November 2015 Options**
1-1,000	59,517	8,269	15,930
1,001 - 5,000	577,942	64,742	120,235
5,001 – 10,000	989,521	183,944	89,905
10,001 - 100,000	15,620,966	2,056,003	3,456,187
100,001 and over	170,101,274	9,277,226	30,719,702
TOTALS	**187,349,220**	**11,590,184**	34,401,959

Holders of less than a marketable parcel: GXN remains unquoted

Fully paid ordinary shares: GXN remains unquoted

Substantial Shareholders

The company has the following substantial shareholders listed in the Company's register as at 13 February 2015:

Name	**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
1. BT Global Holdings and Redate Pte Ltd	29,540,000	15.77
2. BARRALONG CAPITAL PTY LTD	12,500,000	6.672

Restricted Securities

The Company has no restricted securities.

Voting Rights

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

ADDITIONAL SHAREHOLDER INFORMATION (CONT.)

Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 13 February 2015 are as follows:

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. REDATE PTE LTD	19,560,000	10.440
2. BARRALONG CAPITAL PTY LTD	12,500,000	6.672
3. BT GLOBAL HOLDINGS PTY LTD	9,980,000	5.327
4. OREQUEST PTY LTD	7,545,448	4.027
5. SATORI INTERNATIONAL PTY LTD	7,228,962	3.859
6. MERIWA STREET PTY LTD	7,228,962	3.859
7. MINCORP PTY LTD	7,001,977	3.737
8. VALUE RELATIONS GMBH	6,720,637	3.587
9. MISS GISELA ALEJANDRA RAMIREZ	5,445,540	2.907
10. MR JULIAN ALBERTO RAMIREZ	4,887,265	2.609
11. BERNE NO 132 NOMINEES PTY LTD	4,279,666	2.284
12. MR GAVIN JOHN MUSPRATT &	4,250,000	2.268
13. MR ENRIQUE W ARREGUI	4,150,000	2.215
14. MINCORP PTY LTD	3,870,000	2.066
15. ZERIMAR ENTERPRISES PTY LTD	3,600,000	1.922
16. MR GLEN BULL	3,563,842	1.902
17. MR ROBERT BRIAN THOMAS	2,704,955	1.444
18. MR ANDREW KENNETH BRUCE	2,403,387	1.283
19. MR JOHN ANTHONY VLADICH	2,000,000	1.068
20. AUCTOR GROUP PTY LTD	2,000,000	1.068
Total	**120,920,641**	**64.543**

Twenty Largest Partly Paid Shareholders

The names of the twenty largest ordinary partly paid shareholders as at 13 February 2015 are as follows:

Name	Number of Partly Paid Shares Held	% Held of Issued Ordinary Capital
1. SA Capital Funds Management Limited <SACFM No 1 Fund A/C>	2,700,000	23.296
2. Tornado Nominees Pty Ltd <Angus Middleton S/F A/C>	1,122,326	9.683
3. Proto Resources & Investments Ltd	646,762	5.580
4. Mr Andrew Kenneth Bruce Mortimer	591,290	5.102
5. Darver Investments Incorporated	500,000	4.314
6. Mr George Phillip Kay	392,500	3.386
7. Petard Pty Ltd	381,250	3.289
8. Mr Peter Gebhardt & Mrs Carlene Gebhardt <Petard Super Fund A/C>	325,000	2.804
9. Union Pacific Investments Pty Limited	269,980	2.329
10. Mr Barry John Rooney	255,000	2.200
11. Mr Andrew Kenneth Bruce Mortimer	237,250	2.047
12. Premar Capital Nominees Pty Ltd	200,000	1.726
13. Mr Allan Harvey Moffatt & Mrs Suzanne Maureen Moffatt <Moffatt Super Fund A/C>	199,556	1.722
14. William Geoffrey Kroon	190,750	1.646
15. Mr Andrew Thomas Jones	180,000	1.553
16. Monclar Pty Ltd	155,000	1.337
17. B & M Jackson Pty Limited <Jackson S/F A/C>	150,000	1.294
18. Fundamental Cents Pty Ltd	150,000	1.294
19. Dr Arnis Lidums	130,000	1.122
20. Middleton Nominees (SA) Pty Ltd <The Middleton Family A/C>	130,000	1.122
Total	**8,906,664**	**76.846**

ADDITIONAL SHAREHOLDER INFORMATION (CONT.)

Twenty Largest Optionholders

The names of the twenty largest holders of options exercisable at twenty cents on or before 1 November 2015 as at 16 February 2015 are as follows:

	Name	Number of Options	% Held of Listed Options
1.	MR PETER ANDREW PROKSA & MRS SANDRA PROKSA	3,800,000	11.046
2.	4 AUSTRALIA PTY LTD	2,613,333	7.596
3.	MR ENRIQUE W ARREGUI	2,000,000	5.814
4.	MR ANTHONY SZELOCEI	1,500,000	4.360
5.	MR MICHELE SANTI & MRS MARIA TERESA SANTI	1,135,554	3.301
6.	GOFFACAN PTY LTD	1,100,000	3.197
7.	MR ANDREW THOMAS JONES	1,060,000	3.081
8.	MRS AYAKO FLANDERS	1,050,000	3.052
9.	ZERIMAR ENTERPRISES PTY LTD	748,649	2.176
10.	MR PETER GEBHARDT & MRS CARLENE GEBHARDT	715,850	2.081
11.	MR JASON ERIC CONSTABLE & MRS CATHERINE CONSTABLE	700,000	2.035
12.	MR ZHONGPENG HUANG	622,855	1.811
13.	GE & CA COOPER PTY LTD	532,600	1.548
14.	MR GEORGE PHILLIP KAY	514,195	1.495
15.	MR JOHN HENDERSON MANSON & MRS KAREN ANN-MARIE MANSON	500,000	1.453
16.	TROCA ENTERPRISES PTY LTD	500,000	1.453
17.	DEAD KNICK PTY LTD	500,000	1.453
18.	MR GRAHAM REGINALD CREASEY	500,000	1.453
19.	MR MICHAEL ALAN NICHOLLS	500,000	1.453
20.	MR MARIO DALL'EST	500,000	1.453
Total		**21,093,036**	**61.313**

SCHEDULE OF MINERAL TENEMENTS
AS AT 7 APRIL 2014

Project	***Tenement***	***Interest held by Global Metals Exploration NL***
Jutson Rocks	E38/1541	75%
Jutson Rocks	E38/1540	75%
Jutson Rocks	E38/2405	100%
Jutson Rocks - Mt Cornell	E38/1850	90%
Leonora	M37/1202	100% (Messina Resources)
Leonora	E37/0893	100% (Messina Resources)

P Prospecting Licence
E Exploration Licence
M Mining Licence

CORPORATE GOVERNANCE

The Group is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Group has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

The Group is pleased to advise that the Group's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Group did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Group's corporate governance practices do not correlate with the practices recommended by the Council, the Group is working towards compliance however it does not consider that all the practices are appropriate for the Group due to the size and scale of Group operations.

To illustrate where the Group has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at asx.com.au/about/corporate_governance/index.htm.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Performance Evaluation of Senior Executives	1.4.10
Recommendation 1.3 Reporting on Principle 1	1.1 and 1.4.10
Recommendation 2.1 Independent Directors	1.2.1
Recommendation 2.2 Independent Chairman	1.2.1
Recommendation 2.3 Role of the Chairman and CEO	1.2.2
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Performance Evaluation Processes	1.4.10
Recommendation 2.6 Reporting on Principle 2	1.2.1, 1.4.10, 2.3 & Directors' Report
Recommendation 3.1 Code of Conduct	5
Recommendation 3.2 Diversity Policy	4
Recommendation 3.3 Diversity Objectives	4
Recommendation 3.4 Diversity Reporting	4
Recommendation 3.5 Reporting on Principle 3	4 and 5
Recommendation 4.1 Establishment of Audit Committee	2.1
Recommendation 4.2 Structure of Audit Committee	2.1.1
Recommendation 4.3 Audit Committee Charter	2.1
Recommendation 4.4 Reporting on Principle 4	2.1
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Reporting on Principle 6	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	3.1
Recommendation 7.2 Risk Management Reporting	3.1
Recommendation 7.3 Attestations by CEO and CFO	1.4.11
Recommendation 7.4 Reporting on Principle 7	3.1 , 1.4.11
Recommendation 8.1 Establishment of Remuneration Committee	2.2
Recommendation 8.2 Structure of Remuneration Committee	2.2
Recommendation 8.3 Executive and Non-Executive Director Remuneration	2.2.4, .2.2.3.1 and 2.2.3.2
Recommendation 8.4 Reporting on Principle 8	2.2 and 2.2.4, 2.2.3.1 and 2.2.3.2

1. Board of Directors

1.1 Role of the Board

The Board's role is to govern the Group rather than to manage it. In governing the Group, the Directors must act in the best interests of the Group as a whole. It is the role of senior management to manage the Group in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Group. The Board must also ensure that the Group complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Group.

To assist the Board to carry out its functions, it has developed a Code of Conduct to guide the Directors, the Chairman and other key executives in the performance of their roles.

1.2.1 Composition of the Board

To add value to the Group the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. The names of the Directors and their qualifications and experience are stated in the Directors' Report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Group and on their decision-making and judgment skills.

The Group recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr Ashley Hood, Mr Andrew Muir and Mr Steve Bamford were or are Non-Executive Directors and Mr Swensson was considered during his tenure to be an independent director as he met the following criteria for independence adopted by the Group. The Board recognises that the following criteria are not exhaustive in determining the independence of directors.

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Group or an officer of, or otherwise associated directly with, a substantial shareholder of the Group;
- has not been employed in an executive capacity by the Group or another group member since incorporation;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Group or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Group or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Group or other group member other than as a Director of the Group.
- their role is to advise the Group on matters pertaining to their expertise and provide governance in the best interests of the Group. Independent Directors do not participate in day to day operations or management of the Group and its affairs.
- are remunerated based on a set scale relating to the risks undertaken within their roles as Non-Executive Directors. Additional work engagements may be undertaken by independent Directors at commercial rates, however the Group and the Independent Directors must ensure that materiality thresholds are not breached.
- There remains a departure from the recommendation in relation to a majority of independent directors due to the small scale nature of the Group and its limited financial resources to attract appropriately skilled yet independent directors. The Board is continually reviewing the status of independent directors with a view to engaging further independent directors when financial resources allow.

1.2.2 Role of the Chairman and CEO

Recommendation 2.3 has been complied with as the Group currently does not have a CEO in place and appointed management is separate from the Chairman's position.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Group. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Group.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

- Leadership of the Organisation: overseeing the Group and establishing codes that reflect the values of the Group and guide the conduct of the Board.
- Strategy Formulation: to set and review the overall strategy and goals for the Group and ensuring that there are policies in place to govern the operation of the Group.
- Overseeing Planning Activities: the development of the Group's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Group.
- Monitoring, Compliance and Risk Management: the development of the Group's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Group.
- Group Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Group's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Group and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at the Group's registered office.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Group; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Group.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Group have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has adopted a continuous disclosure policy to ensure that the Group complies with the disclosure requirements of the ASX Listing Rules which is available on the Group's website. The Board has designated the Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

- concerning the that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

1.4.5 Education and Induction

It is the policy of the Group that new Directors undergo an induction process in which they are given a full briefing on the Group. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;

- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Group;
- a synopsis of the current strategic direction of the Group; and
- a copy of the Constitution of the Group.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Group's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Group. Unless there is an exemption under the *Corporations Act* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Group respects the rights of its shareholders and to facilitate the effective exercise of those rights the Group is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders, the Group website and the general meetings of the Group;
- giving shareholders ready access to balanced and understandable information about the Group and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Group; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Group also makes available a telephone number and email address for shareholders to make enquiries of the Group and encourages shareholders to visit the Group's website for information.

The Group's policy for shareholder communication is available on the Group's website.

1.4.9 Trading in Company Shares

On 16 December 2010 the Board reviewed and adopted a revised Share Trading Policy to comply with ASX Listing Rule requirements. The Board periodically reminds directors, officers and employees of the prohibition in the Corporations Act 2001 concerning trading in the Company's securities when in possession of "inside information". The Board also periodically reminds directors of their obligations to notify the Company Secretary of any trade in securities to ensure that ASX Listing Rule requirements are met. The Group's policy for trading in Company securities is available on the Group's website.

1.4.10 Performance Review/Evaluation

It is the policy of the Board to conduct regular evaluation of its performance against appropriate measures. The evaluation process was introduced via the Board Charter adopted on 15 May 2007 and reviewed on 22 July 2009 and was implemented for the financial period ended 30 June 2009. A performance evaluation of senior executives was undertaken during the financial period ended 30 June 2010 in accordance with the Board Charter. The objective of this evaluation is to provide ongoing best practice corporate governance to the Group.

1.4.11 Attestations by CEO and CFO

It is the Board's policy, that the CEO and the CFO make the attestations recommended by the ASX Corporate Governance Council as to the Group's financial condition prior to the Board signing the Annual Report. However, as at the date of this report the Group does not have a designated CEO or CFO. Due to the size and scale of operations of the Group these roles are performed by the Board as a whole.

2. Board Committees

2.1 Audit Committee

Due to the size and scale of operations of the Group the full Board undertakes the role of the Audit Committee. In the absence of a formal audit committee the board considers the issues that would otherwise be considered by the audit committee. A copy of the Audit Committee Charter is available on the Group's website.

Below is a summary of the role and responsibilities of an Audit Committee.

2.1.1 Role

The Audit Committee is responsible for reviewing the integrity of the Group's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of three (3) members, the Group does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Group on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Group and the independence of the external auditor.

2.1.2 Audit Committee Charter

The Board has adopted an Audit Committee Charter which sets of the roles and responsibilities, composition, structure and membership requirements. The Board refers to the Audit Committee Charter to ensure they are meeting all the requirements otherwise delegated to an audit committee. A copy of the Audit Committee Charter is available on the Group's website.

2.1.3 Responsibilities

The Audit Committee or as at the date of this report the full Board of the Group reviews the audited annual and half-yearly financial statements and any reports which ac published financial statements and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Group each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee or as at the date of this report the full Board of the Group is also responsible for establishing policies on risk oversight and management.

2.1.4 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a good sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole. On 13 May 2014 Ms Lia Darby provided the Board with written assurance that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

2.1.5 External Auditor

The Board's has adopted a policy setting out criteria for the selection and appointment of an external auditor. A copy of this policy is available on the Group's website.

2.2 Remuneration Committee

2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, the Group does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Group on specific issues.

2.2.2 Responsibilities

The responsibilities of a Remuneration Committee, or the full Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the executive officers, reviewing and making recommendations to the Board on the Group's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors, recommendations for remuneration by gender and making recommendations on any proposed changes and undertaking reviews of the executive officers' performance, including, setting with the Chief Executive Officer goals and reviewing progress in achieving those goals.

2.2.3 Remuneration Policy

Directors' Remuneration has been approved by the Board. On 20 January 2012, the Board further resolved to address the current remuneration strategy as and when appropriate.

<u>2.2.3.1 Senior Executive Remuneration Policy</u>

The Group is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- long term incentives in the form of shares or options in the Company;

- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Group aims to align the interests of senior executives with those of shareholders and increase Group performance. During the year there were no Non-Director Executives.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes method.

The objective behind using this remuneration structure is to drive improved Group performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

2.2.3.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

2.2.4 Current Director Remuneration

Full details regarding the remuneration of Directors, is included in the Directors' Report.

2.3 Nomination Committee

2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Group by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole Board only consists of three (3) members, the Group does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Group on specific issues.

2.3.2 Responsibilities

The responsibilities of a Nomination Committee, as performed by the full Board, include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans including the CEO and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.

2.3.3 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Group. Given the size of the Group and the business that it operates, the Group aims at all times to have at least one Director with experience appropriate to the Group's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

3. Risk Management

3.1 Risk Management Policies

The Group's risk management strategy policy states that the Board as a whole is responsible for the oversight of the Group's risk management and control framework. The objectives of the Group's risk management strategy are to:

- identify risks to the Group,
- balance risk to reward,
- ensure regulatory compliance is achieved; and
- ensure senior management, the Board and investors understand the risk profile of the Group.

The Board monitors risk through various arrangements including:

- regular board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Board requires that each major transaction proposed to the Board for decision is accompanied by a risk assessment.

The Group's risk management strategy was formally reviewed by the Board on 20 January 2012 and was considered the Group's risk management strategy sound for addressing and managing risk. A copy of the strategy is available on the Group's website.

4. Diversity

The Company recognises and respects the value of diversity at all levels of the organisation.

The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation.

As at the date of this report, the Company has the Company has the following proportion of women appointed:

- to the Board – 33%
- to senior management – 33%
- to the organisation as a whole – 33%

The Company's objective is to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising skills are not gender specific.

5. Code of Conduct

The Board adheres to and is responsible for enforcing the Code of Conduct set out in this Corporate Governance Statement.

The Group is committed to:

- applying the Group's funds efficiently to provide above average and sustainable return to shareholders through capital appreciation; and
- adopting high standards of occupational health and safety, environmental management and ethics.

The Board through the Managing Director monitors the Group's compliance with the Code of Conduct periodically. The Code of Conduct was reviewed by the Board on 29 August 2010 to ensure it reflects the standards of behaviour and practices necessary to maintain confidence in the Group's integrity.

The Code of Conduct applies to all the directors and employees of the Group who must comply with all legal obligations and the Group policies.

The Board and the executives are obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of the Group. If a situation where a conflict of interest arises the Managing Director is to be notified; the matter will then be considered and the appropriate steps taken to avoid a repetition.

Any breach of Corporate Governance is to be reported directly to the Managing Director.

Corporate Responsibility

The Group complies with all legislative and common law requirements that affect its business, particularly environmental regulations, native title and cultural heritage laws.

A copy of the Company's Code of Conduct is available on the Group's website.