



ABN 91 124 752 745

Financial Statements

**For The Half-Year Ended
31 December 2014**

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Directors' Report

The Directors present the consolidated financial statements of GBM Resources Limited for the half-year ended 31 December 2014.

Directors

The following persons were directors of GBM Resources Limited during the whole of the half-year and up to the date of this report, unless stated otherwise:

Peter Thompson	<i>(Executive Chairman)</i>
Neil Norris	<i>(Executive Director)</i>
Chiau Woei Lim	<i>(Non-Executive Director)</i>
Frank Cannavo	<i>(Executive Director – appointed 5 August 2014)</i>
Cameron Switzer	<i>(Non-Executive Director – resigned 5 August 2014)</i>
Guan Huat Sunny Loh	<i>(Non-Executive Director – resigned 5 August 2014)</i>

Company Secretary

Kevin Hart

Review of Operations

The consolidated net loss after income tax for the half-year was \$1,134,612 (31 December 2013: \$5,993,265), which includes exploration costs expensed and written off of \$58,318 (31 December 2013: \$3,437,306), and the Company's share of the net losses of its associate Angka Alamjaya Sdn Bhd of \$630,691 (2013: \$1,893,521 – re-stated)

At the end of the half-year the Group had \$1,221,987 (30 June 2014: \$527,372) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at 31 December 2014 was \$10,919,104 (30 June 2014: \$10,569,552).

Exploration

Exploration expenditure incurred for the six months ended 31 December 2014 on the Company's wholly owned projects was \$341,552 (31 December 2013: \$221,708) and for the Farm-in projects was \$1,167,824 (31 December 2013: \$1,182,882).

Significant Changes in the State of Affairs of the Group

During the half-year ended 31 December 2014 the Company issued 100 million shares, which amounted to approximately 26% of the issued capital of the Company, at 2 cents per share pursuant to a share placement.

Other than the above, there have been no significant changes in the state of affairs of the Group during or since the period ended 31 December 2014.

Directors' Report

Events Subsequent to the Reporting Date

Other than the matters stated below, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

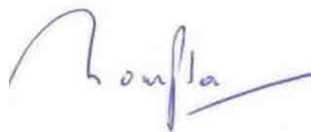
- On the 9th February 2015 the Company advised that it had signed an agreement to acquire the Mt Coolon Gold Project in Queensland from Drummond Gold Limited. Consideration for the proposed acquisition is \$850,000 cash plus 50 million ordinary fully paid shares. The acquisition is subject to the approval of Drummond Gold Limited's shareholders.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

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

DATED at Perth this 16th day of March 2015.



Peter Thompson
Executive Chairman

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of GBM Resources Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



**Perth, Western Australia
16 March 2015**

**L Di Giallonardo
Partner**

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2014

	Note	Consolidated	
		31 December 2014 \$	31 December 2013 \$
Revenue	3	159,836	193,940
Total Revenue		159,836	193,940
Employee expenses		(223,611)	(162,552)
Impairment expense – land held for re-sale	10	(58,499)	-
Share based payments expense	9	-	(400,000)
Depreciation and amortisation expenses	11	(15,288)	(18,402)
Consulting and professional expenses		(129,647)	(101,048)
Travel expenses		(50,449)	(106,057)
Share of net loss of associates	7	(630,691)	(1,893,521)
Exploration costs expensed and written off	14	(58,318)	(3,437,306)
Other and administration expenses		(127,945)	(215,594)
Loss before income tax		(1,134,612)	(6,140,540)
Income tax benefit – R&D tax concession		-	147,275
Net loss for the half-year attributable to the members of the parent entity		(1,134,612)	(5,993,265)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the members of the parent entity		(1,134,612)	(5,993,265)
Loss per share			
Basic loss per share (cents)		(0.3)	(1.6)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Financial Position
As At 31 December 2014

		Consolidated	
		31 December 2014 \$	30 June 2014 \$
	Note		
Current assets			
Cash and cash equivalents		1,221,987	527,372
Trade and other receivables		631,866	570,943
Land held for sale	10	250,000	308,499
Total current assets		2,103,853	1,406,814
Non-current assets			
Trade and other receivables		40,474	30,936
Investments accounted for using the equity method	7	-	630,691
Property, plant and equipment	11	85,699	100,033
Exploration and evaluation assets		10,919,104	10,569,552
Total non-current assets		11,045,277	11,331,212
Total assets		13,149,130	12,738,026
Current liabilities			
Trade and other payables		201,608	446,066
Total current liabilities		201,608	446,066
Total liabilities		201,608	446,066
Net assets		12,947,522	12,291,960
Equity			
Issued capital	4	25,717,615	23,927,441
Option reserve		323,733	323,733
Share based payments reserve	9	400,000	400,000
Accumulated losses		(13,493,826)	(12,359,214)
Total equity		12,947,522	12,291,960

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

GBM Resources Limited
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Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2014

	Consolidated				
	Issued capital \$	Accumulated losses \$	Option reserve \$	Share based payments reserve \$	Total \$
At 1 July 2013	21,118,244	(5,678,978)	-	-	15,439,266
Total comprehensive result for the half-year:					
Loss for the half-year	-	(5,993,265)	-	-	(5,993,265)
Movement in share based payments reserve in respect of options issued as consideration for services	-	-	-	400,000	400,000
Options issued	-	-	323,733	-	323,733
Shares issued (net of costs)	2,809,197	-	-	-	2,809,197
At 31 December 2013	23,927,441	(11,672,243)	323,733	400,000	12,978,931
At 1 July 2014	23,927,441	(12,359,214)	323,733	400,000	12,291,960
Total comprehensive result for the half-year:					
Loss for the half-year	-	(1,134,612)	-	-	(1,134,612)
Shares issued (net of costs)	1,790,174	-	-	-	1,790,174
At 31 December 2014	25,717,615	(13,493,826)	323,733	400,000	12,947,522

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

GBM Resources Limited
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Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2014

	Consolidated	
	31	31
	December	December
	2014	2013
	\$	\$
Cash flows from operating activities		
Interest received	11,414	15,470
JV management fee income	147,930	177,039
Payments to suppliers and employees	(562,180)	(605,935)
Net cash used in operating activities	(402,836)	(413,426)
Cash flows from investing activities		
Proceeds on redemption of bonds and security deposits	14,595	-
Payments for bonds and security deposits	(23,640)	-
Payments for purchase of equity investments	(50,000)	(7,980)
Payments made on behalf of associate	(266,409)	(588,827)
Proceeds received on reimbursement by associate	200,020	101,747
Funds provided by JV partner under farm-in agreement	1,232,753	1,475,323
Payments for exploration and evaluation, including joint venture spend	(1,799,088)	(1,362,269)
Payments for plant and equipment	(954)	-
Net cash used in investing activities	(692,723)	(382,006)
Cash flows from financing activities		
Proceeds from issue of securities	2,000,000	323,733
Payments for transaction costs relating to share issues	(209,826)	(121,980)
Net cash from financing activities	1,790,174	201,753
Net increase/(decrease) in cash held	694,615	(593,679)
Cash at the beginning of the period	527,372	1,521,888
Cash at the end of the period	1,221,987	928,209

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures that the financial statements comply with International Financial Reporting Standard IAS 134: Interim Financial Reporting.

The financial report has been prepared on the historical cost basis.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made by GBM Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies, accounting judgements, key estimates and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

The consolidated half-year financial statements were approved by the Board of Directors on 13th March 2015.

Going Concern Basis for Preparation of Financial Statements

The Group reported a loss after tax of \$1,134,612 for the six months ended 31 December 2014 which includes a write off of previously capitalised exploration costs of \$13,380 and the Group's share of the loss for the period of its Associate Angka Alamjaya Sdn Bhd amounting to \$630,691.

Cash assets at 31 December 2014 were \$1,221,987 of which \$34,977 was in respect of funds advanced by a farm-in partner of the Group that was unspent at the balance date, and trade payables were \$12,302.

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

As at the date of this report, no firm funding facilities are in place. If there are delays in sourcing equity funding for planned activities over the next 12 months, the Group has plans in place to scale back its activities and budgeted expenditure until adequate funding is obtained. In the opinion of the Directors, the cash outflows relating to the scaled back activities can be met from the existing cash resources.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 1 Basis of preparation of half-year report (continued)

Going Concern Basis for Preparation of Financial Statements (continued)

The Directors continue to manage the Group's activities with due regard to current and future funding requirements. On this basis, the Directors believe the financial statements should be prepared on a going concern basis. Should the Group be unable to obtain the funds necessary as outlined above, there is a material uncertainty that may cast significant doubt as to whether or not the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

Note 2 Segment information

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's activity is mineral exploration and resource development within Australia, and mineral exploration and resource development in Malaysia (via the investment in an associate).

The reportable segments (stated in Australian \$), are represented as follows:

6 months ended 31 December 2014	Australia	Malaysia	Consolidated
	\$	\$	\$
Revenue			
Joint venture management fee	147,930	-	147,930
Total segment revenue	147,930	-	147,930
Segment net reporting loss after tax	(503,921)	(630,691)	(1,134,612)
Interest revenue	11,906	-	11,906
Share of loss of associates and joint ventures	-	(630,691)	(630,691)
Depreciation	(15,288)	-	(15,288)
Exploration expenditure written off and expensed	(58,318)	-	(58,318)
Income tax benefit	-	-	-
Segment assets	13,149,130	-	13,149,130
Capital expenditure during the period	954	-	954
Segment liabilities	(201,608)	-	(201,608)
Segment non-current assets	11,045,277	-	11,045,277

GBM Resources Limited
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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 2 Segment information (Continued)

6 months ended 31 December 2013	Australia	Malaysia	Consolidated
	\$	\$	\$
Revenue			
Joint venture management fee	177,039	-	177,039
Total segment revenue	177,039	-	177,039
Segment net reporting loss after tax			
	(4,099,744)	(1,893,521)	(5,993,265)
Interest revenue	16,901	-	16,901
Share of loss of associates and joint ventures	-	(1,893,521)	(1,893,521)
Depreciation	(18,402)	-	(18,402)
Exploration expenditure written off and expensed	(3,437,306)	-	(3,437,306)
Income tax benefit	147,275	-	147,275
Segment assets	12,800,450	945,636	13,746,086
Capital expenditure during the period		-	
Segment liabilities	(767,155)	-	(767,155)
Segment non-current assets	10,691,059	945,636	11,636,695

Note 3 Revenue

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
Interest income	11,906	16,901
Joint venture management fee income	147,930	177,039
	159,836	193,940

GBM Resources Limited
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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 4 Issued capital

Issued capital - Shares	31 December 2014 #	31 December 2013 #	31 December 2014 \$	31 December 2013 \$
At the beginning of the period	385,194,121	327,415,003	23,927,441	21,118,244
Share placement	100,000,000	-	2,000,000	-
Shares issued to acquire an interest in Angka Alamjaya Sdn Bhd	-	57,779,118	-	2,831,177
Costs related to share issues	-	-	(209,826)	(21,980)
At the end of the period	485,194,121	385,194,121	25,717,615	23,927,441

Note 5 Options

	31 December 2014 #	31 December 2013 #
At the beginning of the period	134,746,562	-
Options issued in lieu of corporate services ¹	-	20,000,000
Options issued pursuant to a priority entitlement offer ²	-	64,746,562
Options issued pursuant to a share placement as attaching securities ^{3,4}	43,000,000	50,000,000
	177,746,562	134,746,562

¹ During the comparative period the Company issued 20,000,000 listed options, exercisable at 3.5 cents each on or before 30 June 2016, in lieu of payment for corporate services fees of \$400,000, (refer Note 9).

¹ During the comparative period the Company issued 64,746,562 options, exercisable at 3.5 cents each on or before 30 June 2016 pursuant to a priority entitlement offer of options.

³ During the comparative period the Company issued 50,000,000 options, exercisable at 3.5 cents each on or before 30 June 2016 in respect of securities attaching to a share placement.

⁴ During the current period the Company issued 43,000,000 options, exercisable at 3.5 cents each on or before 30 June 2016 in respect of securities attaching to a share placement.

Note 6 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2014.

GBM Resources Limited
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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 7 Investments accounted for using the Equity Method

a) Carrying value of investments

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
Associated companies	-	630,691

b) Details of associated companies

Name	Country of Incorporation	Shares	Ownership interest		Carrying amount of investment	
			31 Dec 2014	30 Jun 2014	31 Dec 2014	30 Jun 2014
			%	%	\$	\$
Angka Alamjaya Sdn Bhd (AASB)	Malaysia	Ord	36%	40%	-	630,691

During the comparative period the Company acquired a 40% interest in the ordinary share capital of Angka Alamjaya Sdn Bhd (AASB), a Malaysian company that holds the mining concession for the Lubuk Mandi Gold Project in Malaysia. Consideration for the acquisition was 57,779,118 fully paid GBM Resources Ltd shares at a fair value of 4.9 cents per share.

During the current period, AASB issued further shares, which has resulted in GBM's interest in its issued capital to be reduced to 36%.

GBM Resources Limited has no contractual or other obligation to fund the operations of AASB, and therefore recognises its share of the losses of AASB to the extent of its initial investment in AASB only.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 7 Investments accounted for using the Equity Method (continued)

c) Movements during the period in equity accounted investments in associated companies

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
Balance at the beginning of the financial period	630,691	-
Initial investment in AASB during the period – issue of 57,779,118 ordinary fully paid shares @ 4.9 cents per share	-	2,831,177
Share of AASB loss after tax for the financial period	(630,691)	(1,893,521) ²
Other movements for the financial period ¹	-	7,980
Balance at the end of the financial period	-	945,636

¹ Other costs for the comparative financial period relate to costs associated with the acquisition of the initial 40% interest in the share capital of Angka Alamjaya Sdn Bhd (AASB).

² The share of the associate's loss for the 6 months ended 31 December 2013 has been re-stated in these financial statements (refer Note 15 for details)

Note 8 Related party transactions

During the financial period, the Group incurred costs of \$266,409 (2013: \$789,094) on behalf of its associate, AASB, and received reimbursements amounting to \$200,020 (2013: \$101,747), in relation to those costs incurred.

Amounts owing to the Group by AASB as at 31 December 2014 were \$571,262 (2013: \$687,347).

Mr Chiau Woei Lim, a director of GBM Resources Limited, is Managing Director and a major shareholder of AASB.

Note 9 Share based payments

There were no share based payments during the current period.

During the comparative financial period the Company issued 20,000,000 listed options exercisable at 3.5 cents each and expiring 30 June 2016 to Alvito Capital Inc as consideration for promotional and corporate advisory services provided. The fair value of the consideration provided was \$400,000.

This amount is included in the share based payments reserve as at 31 December 2014.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 10 Land held for sale

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Balance as at 1 July	308,499	-
Transferred from non-current assets – property, plant and equipment (Note 11)	-	308,499
Impairment charge	(58,499)	-
Carrying value of asset held for sale at 31 December	250,000	308,499

During the comparative financial period the Board made the decision to dispose of the freehold land held at its Malmsbury Gold Project in Victoria. The carrying value of \$308,499 was reclassified from non-current assets (property, plant and equipment) to current assets. An agent for the sale was appointed in January 2014.

During the current financial period the Company has recognised an impairment charge of \$58,499 against the carrying value of the land held for sale to reflect the current estimate of its recoverable value less costs to dispose.

Note 11 Property, plant and equipment

The movement in property, plant and equipment for the financial period is as follows:

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Net book value of property, plant and equipment at 1 July	100,033	444,971
Transferred to current assets – land held for sale (Note 10)	-	(308,499)
Depreciation charge	(15,288)	(18,402)
Other additions/disposals	954	-
Net book value of property, plant and equipment at 31 December	85,699	118,070

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 12 Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

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

Note 13 Events occurring after the balance date

Other than the matters stated below, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On the 9th February 2015 the Company advised that it had signed an agreement to acquire the Mt Coolon Gold Project in Queensland from Drummond Gold Limited. Consideration for the proposed acquisition is \$850,000 cash plus 50 million ordinary fully paid shares. The acquisition is subject to the approval of Drummond Gold Limited's shareholders.

Note 14 Exploration costs expensed and written off

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Exploration costs expensed when incurred	44,938	76,114
Previously capitalised exploration costs written off ¹	13,380	3,361,192
Total exploration costs included in the Statement of Profit or Loss and Other Comprehensive Income for the period	58,318	3,437,306

¹ Write downs in the carrying values of previously capitalised exploration costs relate to amounts that management consider unlikely to be recoverable or otherwise realisable in the current economic conditions.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2014

Note 15 Prior period adjustment – Investment in Associate

The share of the net loss of, and carrying value of the investment in, the Company's associate, which is accounted for using the equity method (refer Note 7) has been re-stated in these financial statements for the comparative period ended 31 December 2013.

The amounts re-stated are as follows:

	Original Comparative Amount	Re-stated Comparative Amounts
Share of net associate loss for the 6 months ended 31 December 2013	\$(85,689)	\$(1,893,521)
Carrying value of investment in associate as at 30 June 2014	\$2,438,523	\$630,691
Accumulated losses at 30 June 2014	\$(10,551,382)	\$(12,359,214)

The amounts stated in the interim financial statements for the 6 months ended 31 December 2013 were prepared on the basis of financial information provided by the Company's associate, Angka Alamjaya Sdn Bhd (AASB).

Audited financial statements for AASB for the period ended 31 December 2013 were signed on 21 January 2015. The Company noted a material difference between the original financial information provided by AASB and that presented in the audited financial statements, and has accordingly reflected a correction to the comparative amounts in the current financial statements. The difference in the share of loss to be recognised is as a result of a change in accounting treatment of a number of significant items plus the identification of additional expenses incurred prior to the 31 December 2013.

Directors' Declaration

The Directors of GBM Resources Limited ("the Company") declare that:

- (a) the half-year financial statements and notes set out on pages 6 to 18 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations 2001, and other mandatory reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors, made pursuant to s303(5) of the Corporations Act 2001.

Signed at Perth this 16th day of March 2015.



Peter Thompson
Executive Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GBM Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GBM Resources Limited which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss & other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year report, which indicates that the ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets. Should the Group be unable to obtain the funds necessary, there is a material uncertainty that may cast significant doubt as to whether or not the Group will be able to continue as a going concern, and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo

L Di Giallonardo
Partner

Perth, Western Australia
16 March 2015