



ABN 23 124 140 889

AND CONTROLLED ENTITIES

ANNUAL REPORT
For the year ended 30 June 2015

CONTENTS

<i>Company Directory</i>	3
<i>Directors' Report</i>	4
<i>Auditor's Independence Declaration</i>	15
<i>Independent Auditor's Report To The Members of Global Metals Exploration NL</i>	16
<i>Consolidated Statement of Profit or Loss and Other Comprehensive Income</i>	18
<i>Consolidated Statement of Financial Position</i>	19
<i>Consolidated Statement of Cash Flows</i>	20
<i>Consolidated Statement of Changes in Equity</i>	21
<i>Notes to the Financial Statements</i>	22
<i>Directors' Declaration</i>	50
<i>Additional Shareholder Information</i>	51
<i>Schedule of Mineral Tenements</i>	54

COMPANY DIRECTORY

NON-EXECUTIVE CHAIRMAN

Peter Wall

NON-EXECUTIVE DIRECTORS

Lia Darby

Steven Bamford

COMPANY SECRETARY

Keith Bowker

REGISTERED OFFICE

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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 2015.

1. DIRECTORS

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

Peter Wall	Non-Executive Chairman (appointed 30 April 2015)
Lia Darby	Non-Executive Director
Andrew Muir	Non-Executive Director (resigned 30 April 2015)
Steven Bamford	Non-Executive Director

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 \$579,561 (2014: \$3,870,859).

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 2014 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. Reductions in the liabilities related to this project were also successfully negotiated.

Leonora Project (Gold)

Work has been stalled while efforts to have the Company relisted on the ASX were undertaken. These tenements have not been relinquished but exploration and evaluation were impaired in a prior period.

Corporate

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 exercisable at \$0.03 and expiring 31 December 2016 have been issued in relation to fees and drawdowns on the facility. A new mandate was signed with RM Capital on 19 March 2015. This facility was approved at the AGM held on 6 May 2015. The Company also raised \$600,000 through the issue of shares and settled certain creditors through the issue of shares during the year (refer Significant Changes in the State of Affairs below)

During the financial year ended 30 June 2015, the Company has been convicted and fined a total of \$8,400 by ASIC after pleading guilty to several breaches of the Corporations Act 2001 mainly due to late lodgement of financial statements. The Company lodged the relevant financial statements that were in arrears and held the 2014 annual general meeting. The Company being up to date with reporting and statutory requirements was reinstated to official quotation on the ASX on 6 May 2015. This coincided with appointment of Peter Wall as executive chairman and the resignation of Andrew Muir from the board of directors. Lia Darby assumed the role of non-executive director.

6. FINANCIAL POSITION

The net assets of the Group have improved by \$180,955 from a deficit of \$895,298 at 30 June 2014 to a deficit of \$714,343 as at 30 June 2015.

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

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 RM Capital facility. A new mandate was signed with RM Capital on 19 March 2015. This facility was approved at the AGM held on 6 May 2015 and a further 5 convertible notes with a face value of \$10,000 each were issued as fees in this regard. At the date of this report, the convertible notes have been converted to equity.

The Company raised \$600,000 before costs through the issue of 1,200,000,000 fully paid shares at an issue price of \$0.0005 per share to sophisticated investors together with a 1 for 1 free attaching unlisted option exercisable at \$0.002 each expiring on or before 30 April 2020. 18,000,000 of the same series options were issued as fees for the raising.

The raising was facilitated in conjunction with a prospectus dated 23 June 2015. The prospectus was for an offer of 200,000 shares at an issue price of \$0.0005 per share to raise \$100 before costs.

Creditors were also issued 9,542,115 shares at a deemed price of \$0.002 each to settle liabilities along with convertible notes to the value of \$40,000 were also issued to settle creditors.

Five convertible notes each with a face value of \$10,000 were issued as fees pursuant to the \$2,500,000 convertible note facility approved at the general meeting held 6 May 2015

8. AFTER BALANCE DATE EVENTS

The Company converted issued convertible notes in full. \$720,000 of convertible notes and \$46,389 of accrued interest were converted to shares and options on the 8 September 2015. A total of 957,987,500 ordinary shares and 447,339,375 unlisted options exercisable at \$0.03 each on or before 31 December 2016 were issued on conversion.

No matters or circumstances have arisen since the end of the financial year which significantly affect 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

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

Peter Wall	Non-Executive Chairman (Appointed 30 April 2015)
Qualifications	LLB BComm MAppFin FFin
Experience	Mr Peter Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Law and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA. Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.
Directorships of other listed companies in the past 3 years	During the past three years Mr Wall has held the following Directorships on other ASX listed companies: Galicia Energy Corporation Ltd (current), Minbos Resources Limited (current), Aziana Limited (ceased 4 August 2015), Discovery Resources Limited (ceased 8 November 2013), NSL Consolidated Limited (ceased 20 December 2012).

Interest in shares and options 40,500,000 Ordinary shares and 20,250,000 unlisted options exercisable at \$0.03 on or before 31 December 2016 (all issued on conversion of 3 convertible notes 8 September 2015)

Lia Darby Non-Executive 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 2,005,394 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 (resigned 30 April 2015)

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

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

Company Secretary

As at the date of this report, Keith Bowker is Company Secretary of the Company. He was appointed on 6 May 2015. Prior to that Lia Darby performed the role of Company Secretary.

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	483,999,488
30 April 2020	\$0.002	1,218,000,000

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 market dependent and in the past, directors have agreed to write-offs of accrued wages).

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 key management personnel (directors only immediately) receive a base monthly fee of \$3,000 per month. There are currently no executives employed by the company.

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 2015

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	% REPRESENTED BY OPTIONS
	Salary	Other	Non-Monetary	Superannuation	Retirement Benefits	Equity	Options	\$	%
Directors									
Peter Wall – Executive Chairman - Appointed 30 April 2015									
2015	6,000	-	-	-	-	-	-	6,000	-
2014	-	-	-	-	-	-	-	-	-
Lia Darby – Non Executive Director (iii) and (v)									
2015	82,419	-	-	7,545	-	-	-	89,964	-
2014	80,092	-	-	7,408	-	-	-	87,500	-
Steven Bamford – Non Executive Director – appointed 31 December 2013									
2015	3,000	-	-	-	-	-	-	3,000	-
2014	-	-	-	-	-	-	-	-	-
Andrew Muir – Non Executive Director – Appointed 31 December 2013 and resigned 30 April 2015 (vi)									
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
Carl Swensson - resigned 31 December 2013 (iv)									
2015	-	-	-	-	-	-	-	-	-
2014	10,000	14,546	-	555	-	-	-	25,101	-
Ashley Hood – Non Executive Director - resigned 31 December 2013 (i)									
2015	-	-	-	-	-	-	-	-	-
2014	15,997	12,638	-	555	-	-	-	29,190	-
Kent Hunter – Company Secretary resigned 20 February 2014(ii)									
2015	-	-	-	-	-	-	-	-	-
2014	-	126,928	-	-	-	-	-	126,928	-
Total Remuneration Key Management Personnel									
2015	91,419	-	-	7,545	-	-	-	98,964	-
2014	106,089	154,112	-	8,518	-	-	-	268,719	-

- (i) Blue Ribbon Mines Pty Ltd (formerly 26 One 72 Minerals Pty Ltd), a company of which Mr Hood is a director was paid \$7,908 (2014: \$12,638) for the provision of contract services to the Group.
- (ii) All liabilities to MinCorp Pty Ltd (formerly Mining Corporate Pty Ltd, a company of which Mr Hunter is a director) were settled by the issue of convertible notes to the value of \$40,000 (2014: \$126,928) for company secretarial and accounting services during the year prior.
- (iii) Superstructure Energy Pty Ltd (a company of which Mr Mortimer and Ms Darby are directors) was paid \$17,638 (2014: \$13,035) for consulting and office services.
- (iv) Swensson Resource Management Pty Ltd (a company which Mr Swensson is a director) was paid \$17,600 (2014: \$14,546) for consulting services performed during the prior year.
- (v) Proto Resources & Investments Ltd (a company of which Ms Darby was a director) was paid \$nil (2014: \$24,053) for management services/rent.
- (vi) As at 30 June 2015 an amount of \$25,300 is included in trade creditors as payable to Andrew Muir. As at the date of this report it still remains unpaid and is likely to be 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						
2015	Balance 1 July 2014	Granted as remuneration	Options Exercised	Net Change - Other	Outstanding at 30 June 2015*	Exercisable at 30 June 2015
Peter Wall(i)	-	-	-	-	-	-
Lia Darby	269,182	-	-	-	269,182	269,182
Andrew Muir(i)	-	-	-	-	-	-
Steven Bamford	-	-	-	-	-	-
Total	269,182	-	-	-	269,182	269,182

(i) Peter Wall was appointed and Andrew Muir resigned during the year.

2014	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	-	-	(iii)(2,422,640)	269,182	269,182
Andrew Muir	-	-	-	-	-	-
Steven Bamford	-	-	-	-	-	-
Ashley Hood(ii)	214,680	-	-	(214,680)	-	-
Carl Swensson(ii)	-	-	-	-	-	-
Kent Hunter(ii)	22,840,978	-	-	(22,840,978)	-	-
	25,747,480	-	-	(25,478,298)	269,182	269,182

Options in which Directors have a relevant interest are listed options exercisable at \$0.20 on or before 1 November 2015.

(ii) Messrs 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.

(iii) A 1 for 10 consolidation of securities was approved 27 August 2013.

Shareholdings

Number of Fully Paid Shares held by Key Management Personnel					
2015	Balance 1 July 14	Granted as remuneration	Received on exercise of options	Net Change - Other	Balance 30 June 15
Peter Wall(i)	-	-	-	-	-
Lia Darby	4,850,883	-	-	(2,845,489)	2,005,394
Andrew Muir(i)	-	-	-	-	-
Steven Bamford	-	-	-	-	-
	4,850,883	-	-	(2,845,489)	2,005,394

i. Peter Wall was appointed and Andrew Muir resigned during the course of the year

2014	Balance 1 July 13	Granted as remuneration	Received on exercise of options	Net Change - Other	Balance 30 June 14
Lia Darby	48,508,842	-	-	(iii) (43,657,959)	4,850,883
Andrew Muir	-	-	-	-	-
Steven Bamford	-	-	-	-	-
Ashley Hood(ii)	7,283,216	-	-	(7,283,216)	-
Carl Swensson(ii)	170,000	-	-	(170,000)	-
Kent Hunter(ii)	38,700,000	-	-	(38,700,000)	-
	94,662,058	-	-	(89,811,175)	4,850,883

ii. Messrs Hood, Swenson and Hunter resigned during the course of the year and the net change reflects relevant shareholding at date of resignation on a pre consolidation process.

iii. A 1 for 10 consolidation of securities was approved 27 August 2013.

Number of Partly Paid Shares held by Key Management Personnel				
2015	Balance 1 July 14	Granted as remuneration	Net Change - Other	Balance 30 June 15
Peter Wall	-	-	-	-
Lia Darby	1,022,290	-	-	1,022,290
Andrew Muir(i)	-	-	-	-
Steven Bamford	-	-	-	-
	1,022,290	-	-	1,022,290

i. Andrew Muir resigned during the course of the year

2014	Balance 1 July 13	Granted as remuneration	Net Change - Other	Balance 30 June 14
Lia Darby	10,222,912	-	(iii) (9,200,622)	1,022,290
Andrew Muir	-	-	-	-
Steven Bamford	-	-	-	-
Ashley Hood(ii)	1,269,768	-	(1,269,768)	-
Carl Swensson(ii)	-	-	-	-
Kent Hunter(ii)	500,000	-	(500,000)	-
	11,992,680	-	(10,970,390)	1,022,290

ii. Messers Hood, Swenson and Hunter resigned during the course of the year and the net change reflects relevant shareholding at date of resignation on a pre consolidation basis.

iii. A 1 for 10 consolidation of securities was approved 27 August 2013.

Convertible Note Holdings

Peter Wall was appointed during the year and holds three convertible notes each with a face value of \$10,000. Interest accrued to date not yet paid amounts to \$2,209 as at 30 June 2015.

REMUNERATION POLICY CONSIDERATIONS

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 financial year to related parties:

Fully Paid ordinary shares – issued to related parties	2015
	(\$)
Nil	-

Fully Paid ordinary shares – issued to related parties	2014
	(\$)
	75,781

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

14. MEETINGS OF DIRECTORS

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

Director	Directors Meetings	
	Number Eligible to Attend	Number Attended
Peter Wall	1	1
Lia Darby	1	1
Andrew Muir	n/a	n/a
Steven Bamford	1	1

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 2015.

18. CORPORATE GOVERNANCE

The directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Company's Corporate Governance Statement and its compliance with ASX guidelines can be found on the Company's website at www.gmetex.com.au. The policies and compliance as stated were in place for the whole year and are current as at the date of this report.

19. 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.



Peter Wall
Chairman
Perth, 30 September 2015

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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 2015, 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
Chartered Accountants



DOUG BELL CA
Director

Dated at Perth this 30th day of September 2015

Independent Auditor's Report

To the Members of Global Metals Exploration NL

We have audited the accompanying financial report of Global Metals Exploration NL ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

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Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 of the financial report that gives a true and fair view 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.

Independence

In conducting our audit, we have complied with the independence requirements of 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 2015 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(a) in the financial report which indicates that the Consolidated Entity incurred a loss of \$579,561 during the year ended 30 June 2015. This condition, along with other matters as set forth in Note 1(a), 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 2015. 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 2015, complies with section 300A of the *Corporations Act 2001*.



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

Dated at Perth this 30th day of September 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Interest Received		732	2,942
Debt forgiveness		54,211	260,263
Revenue and other income	2	54,943	263,205
Administrative expense		(28,633)	(73,177)
Consultancy expenses		(59,013)	(143,205)
Compliance and regulatory expenses		(164,663)	(139,757)
Directors fees		-	(84,014)
Employee benefits expense	3(a)	(98,964)	(19,918)
Occupancy expenses		(12,000)	(21,763)
Share based payments	21	(46,035)	-
Depreciation and amortisation expense		(6,600)	(6,600)
Borrowing costs	3(b)	(76,474)	(97,800)
Impairment of exploration assets	13	(142,122)	(3,421,747)
Write offs (other)		-	(108,842)
Gain/(Loss) on sale of financial assets		-	(17,241)
Loss before income tax		(579,561)	(3,870,859)
Income tax expense	5	-	-
Loss from continuing operations		(579,561)	(3,870,859)
Loss for the year		(579,561)	(3,870,859)
Other comprehensive income/(loss)		-	-
Total other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) attributable to members of the parent entity		(579,561)	(3,870,859)
Basic loss per share (cents per share) from continuing operations attributable to members of the parent entity	7	(0.20)	(2.48)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	8	421,641	296,701
Trade and other receivables	9	20,110	51,965
Financial assets	10	3,770	3,770
TOTAL CURRENT ASSETS		<u>445,521</u>	<u>352,436</u>
NON CURRENT ASSETS			
Trade and other receivables	9	25,568	54,120
Plant and equipment	12	6,601	13,201
TOTAL NON CURRENT ASSETS		<u>32,169</u>	<u>67,321</u>
TOTAL ASSETS		<u>477,690</u>	<u>419,757</u>
CURRENT LIABILITIES			
Trade and other payables	14	431,891	671,398
Borrowings	15	760,142	643,657
TOTAL CURRENT LIABILITIES		1,192,033	1,315,055
TOTAL LIABILITIES		<u>1,192,033</u>	<u>1,315,055</u>
NET ASSETS		<u>(714,343)</u>	<u>(895,298)</u>
EQUITY			
Issued capital	16	19,068,789	18,354,308
Reserves	17	2,146,253	2,100,218
Accumulated losses		(21,929,385)	(21,349,824)
TOTAL EQUITY		<u>(714,343)</u>	<u>(895,298)</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

		2015 \$	2014 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(265,502)	(225,509)
Interest received		732	2,942
Payments for exploration and evaluation		(207,887)	(200,671)
<i>Net cash used in operating activities</i>	20(ii)	<u>(472,657)</u>	<u>(423,238)</u>
Cash Flows From Investing Activities			
Loans to associated entities		-	(6,808)
<i>Net cash provided by/(used in) investing activities</i>		<u>-</u>	<u>(6,808)</u>
Cash Flows from Financing Activities			
Proceeds from issue of securities		600,100	100,000
Proceeds from borrowings/convertible note	20(iii)	-	643,657
Payment for costs of issue of securities		(2,503)	(51,500)
<i>Net cash provided by financing activities</i>		<u>597,597</u>	<u>692,157</u>
Net increase in cash held		124,940	262,111
Cash and cash equivalents at beginning of the financial year		296,701	34,590
Cash and cash equivalents at end of the financial year	20(i)	<u><u>421,641</u></u>	<u><u>296,701</u></u>

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

	Note	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Total \$
Balance at 1 July 2014		18,354,308	(21,349,824)	2,100,218	(895,298)
Loss for the year		-	(579,561)	-	(579,561)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss)		-	(579,561)	-	(579,561)
<i>Transactions with owners, directly recorded in equity:</i>					
Shares issued during the year		716,984	-	-	716,984
Transaction costs		(2,503)	-	-	(2,503)
Recognition of share based payments		-	-	46,035	46,035
Balance at 30 June 2015	16,17	19,068,789	(21,929,385)	2,146,253	(714,343)

	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)
<i>Transactions with owners, directly recorded in equity:</i>					
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	16,17	18,354,308	(21,349,824)	2,100,218	(895,298)

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

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 30 September 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 \$579,561 (2014: \$3,870,859) and net cash outflows from operating activities of \$472,657 (2014: \$423,238). Included within the loss was the impairment of exploration expenditure of \$142,122 (2014: \$3,421,747).

As at 30 June 2015, the Group had a working capital deficit of \$746,512 (2014: \$962,619).

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 2015 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.

- On 6 May 2015, a General Meeting of shareholders was held to approve a debt financing facility signed with RM Corporate Finance Pty Ltd, which was duly approved. The approval was for the issue of convertible notes to raise up to \$2,500,000 in aggregate.
- The shareholders also approved a capital raising of \$600,000 through the issue of 1,200,000,000 shares which was completed on 25 May 2015.
- Included in this working capital deficiency are borrowings of \$760,142 which have been converted to equity subsequent to year end (refer note 15).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to raise funds from the issue of shares and negotiations with creditors and managing cash flow 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 cash flow forecast are capital raisings of \$1m 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, 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, 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 as 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.

(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).

(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.

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.

(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.

(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.

(v) 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.

(w) *Application of New and Revised Standards*

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to AASBs and a new interpretation issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective from an accounting period on or after 1 July 2014.

The application of these amendments and interpretation does not have any material impact on the Group's consolidated financial statements.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

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 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

Note that the following new Standards and Interpretations are not applicable for the Group but are relevant for the period:

AASB 14 'Regulatory Deferral Accounts' and AASB 2014-1 'Amendments to Australian Accounting Standards – Part D: 'Consequential Amendments arising from AASB 14' is not applicable to the Group as the Group is not a first-time adopter of Australian Accounting Standards.

AASB 1056 'Superannuation Entities' is not applicable to the Group as the Group is not a superannuation entity.

AASB 2015-6 'Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities' is not applicable to the Group as the Group is a for-profit entity.

	2015 \$	2014 \$
2. REVENUE & OTHER INCOME		
Other Revenue		
Interest received	732	2,942
Debt forgiveness	54,211	260,263
	<u>54,943</u>	<u>263,205</u>
3. LOSS FOR THE YEAR		
Loss for the year includes the following expenses:		
(a) Expenses		
Employee benefits expense		
- Salaries	91,419	17,735
- Superannuation	7,545	2,183
	<u>98,964</u>	<u>19,918</u>
(b) Borrowing Costs	<u>76,474</u>	<u>97,800</u>
Borrowing cost consists of fees and interest in relation to the Funding Loan and Convertible Note Mandates entered into during the year with RM Corporate.		
4. PARENT ENTITY DISCLOSURES		
(a) Financial Position		
Assets		
Current assets	445,518	352,436
Non-current assets	32,169	67,322
Total assets	<u>477,687</u>	<u>419,758</u>
Liabilities		
Current liabilities	1,137,833	1,252,955
Total liabilities	<u>1,137,833</u>	<u>1,252,955</u>
Equity		
Issued capital	19,068,789	18,354,308
Reserves	2,146,253	2,100,218
Accumulated losses	(21,875,188)	(21,287,723)
Total Deficiency	<u>(660,146)</u>	<u>(833,197)</u>
(b) Financial Performance		
Loss for the year	(587,464)	(3,880,529)
Other comprehensive income		
Total comprehensive income/(loss)	<u>(587,464)</u>	<u>(3,880,529)</u>
(c) Contingent Liabilities of the Parent Entity		

Contingent liabilities are consistent with those of the Group (refer note 18).

	2015 \$	2014 \$
5. INCOME TAX EXPENSE		
(a) The components of the tax expense/(income) comprise:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
(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	(579,561)	(3,870,859)
Prima facie tax (benefit) on loss from ordinary activities before income tax at 30% (2014: 30%)	(173,868)	(1,161,257)
Increase in income tax due to:		
Non-deductible expenses	16,724	10,260
Effect of current year tax losses derecognised/(recognised)	238,908	420,052
Derecognition of previously recognised tax losses	-	572,163
Movement in unrecognised temporary differences	-	219,284
Current year capital losses not recognised	-	-
	<u>81,764</u>	<u>60,502</u>
Decrease in income tax expense due to:		
Movement in unrecognised temporary differences	(30,573)	-
Non-assessable income	-	-
Tax benefit of deductible equity raising costs	(51,191)	(60,502)
Effect of prior year tax losses derecognised/(recognised)	-	-
Recognition of previously unrecognised temporary differences	-	-
	<u>-</u>	<u>-</u>
Income tax attributable to entity	<u>-</u>	<u>-</u>
(c) Recognised deferred tax assets		
Tax losses	-	-
Investments	-	-
Accruals	-	-
Borrowing costs	-	-
Previously expensed blackhole costs	-	-
Plant and equipment	-	-
Total deferred tax asset	<u>-</u>	<u>-</u>
Less: set off of deferred tax liabilities	<u>-</u>	<u>-</u>
Net deferred tax asset	<u>-</u>	<u>-</u>

5. INCOME TAX EXPENSE (continued)

(d) Recognised deferred tax liabilities	2015	2014
	\$	\$
Exploration expenditure	-	-
Prepayments	-	-
Investments	-	-
Total deferred tax liabilities	-	-
(e) Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%:		
(f)		
Deferred tax assets have not been recognized in respect of the following (30%):		
Deductible temporary differences	31,736	62,309
Borrowing Costs	1,637	4,667
Blackhole Costs	62,284	100,364
Tax revenue losses	5,214,398	4,972,460
Tax capital losses	105,673	105,673
	<u>5,415,728</u>	<u>5,245,473</u>

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2015 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	29,500	35,000
	<u>29,500</u>	<u>35,000</u>

7. EARNINGS PER SHARE

	2015	2014
	\$	\$
(a) Total loss used in the calculation of basic EPS	(579,561)	(3,870,859)
	Number of	Number of
	Shares	Shares
(d) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted earnings per share:	303,504,265	(i)156,230,375
(e) Basic and diluted earnings cents per share:	(0.20)	(2.48)

8. CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Cash at bank and in hand	421,641	296,701

9. TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
Other debtors	20,110	51,965
	20,110	51,965

Non-Current

Security bonds	25,568	54,120
	25,568	54,120

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	
	\$	\$	\$	\$	\$	\$	\$
2015							
Bonds	25,568	-	-	-	-	-	25,568
ATO – GST/							
FBT/ICA	18,986	-	-	-	-	-	18,986
Other	1,124						1,124
	45,678						45,678
2014							
Bonds	54,120	-	-	-	-	-	54,120
ATO – GST/							
FBT/ICA	50,941	-	-	-	-	-	50,941
Other	1,024						1,024
	106,085	-	-	-	-	-	106,085

10. FINANCIAL ASSETS

	2015 \$	2014 \$
Current		
Financial assets at fair value through profit and loss		
- listed entities	3,770	3,770
	<u>3,770</u>	<u>3,770</u>

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).

2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets:				
<i>Financial assets at fair value through profit or loss:</i>				
- investments – held-for-trading	3,770	-	-	3,770
	<u>3,770</u>	<u>-</u>	<u>-</u>	<u>3,770</u>

2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets:				
<i>Financial assets at fair value through profit or loss:</i>				
- investments – held-for-trading	3,770	-	-	3,770
	<u>3,770</u>	<u>-</u>	<u>-</u>	<u>3,770</u>

11. CONTROLLED ENTITIES

Controlled Entities

Subsidiaries of Global Metals Exploration NL

Name	Country of Incorporation	Ownership Interest	
		2015	2014
Global Mining Group Pty Ltd	Australia	100%	100%
Messina Resources Limited	Australia	100%	100%

12. PLANT AND EQUIPMENT

	2015 \$	2014 \$
Motor vehicles		
At cost	46,000	46,000
Accumulated depreciation	(39,399)	(32,799)
Total plant & equipment	<u>6,601</u>	<u>13,201</u>

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

	2015 Motor Vehicles \$	2014 Motor Vehicles \$
Balance at the beginning of the year	13,201	19,801
Additions	-	-
Disposals	-	-
Depreciation expense	(6,600)	(6,600)
Carrying amount at the end of the year	<u>6,601</u>	<u>13,201</u>

13. EXPLORATION, EVALUATION AND DEVELOPMENT COSTS

Non-Current

Costs carried forward in respect of areas of interest in:

- Exploration and evaluation phases – at cost	<u>-</u>	<u>-</u>
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Movement

Brought forward	-	3,221,076
Purchase of exploration assets	-	-
Exploration expenditure capitalised during the year	142,122	200,671
Impairment of exploration assets	(142,122)	(3,421,747)
	<u>-</u>	<u>-</u>

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. Further, based on current mineral commodity prices, the directors 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.

14. TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Current		
Trade creditors	263,197	463,659
Accruals (ii)	155,681	207,698
Loan from associated entities (i)	41	41
Other creditors	12,972	-
	<u>431,891</u>	<u>671,398</u>
(i) Payable to Proto Resources & Investments Ltd \$41 (2014: \$41).		
(ii) Included in accruals are directors fees payable of \$62,868 (2014 : \$41,860)		

15. BORROWINGS

	2015 \$	2014 \$
Current		
Unsecured – at amortised cost		
Convertible note (i)	760,142	30,917
Loan (ii)	-	612,740
	<u>760,142</u>	<u>643,657</u>

- (i) A general meeting to be held on 17 May 2013 was adjourned and RM Capital 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. A new mandate was signed with RM Capital on 19 March 2015. This facility was approved at the AGM held on 6 May 2015 and a further 5 convertible notes with a face value of \$10,000 each were issued as fees in this regard. \$40,000 of the notes were also issued pursuant to a deed of settlement with creditors. A total of 72 notes with a face value of \$10,000 each are on issue along with accrued interest as at 30 June 2015.

- (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 pursuant to shareholder approval.

As at 30 June 2015, \$720,000 of convertible notes were on issue with accrued interest (30 June 2014: \$30,000 of convertible notes were on issue with accrued interest).

On 8 September 2015, the convertible notes and interest accrued were converted into fully paid ordinary shares at the request of the Noteholders.

16. ISSUED CAPITAL

	2015 \$	2014 \$
Fully paid ordinary shares: 1,397,091,335 (2014: 167,789,220)	18,298,696	17,584,215
Partly paid ordinary shares: 11,590,184 (2014: 11,590,184)	770,093	770,093
	<u>19,068,789</u>	<u>18,354,308</u>
Fully paid ordinary Shares		
At the beginning of the reporting period	17,584,215	17,377,318
Shares issued during the year :		
- 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
- Issued 24 September 2014 – Facility costs	97,800	-
- 25 May 2015 – 1,200,000,000 at \$0.0005 each	600,000	-
- 6 May 2015 – 9,542,115 shares to Creditors at \$0.002 each	19,084	-
- 23 June 2015 – Cleansing prospectus – 200,000 shares at \$0.0005	100	-
- Capital raising costs	(2,503)	(51,500)
At reporting date	<u>18,298,696</u>	<u>17,584,215</u>

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	<u>770,093</u>	<u>770,093</u>

	2015 No.	2014 No.
Fully paid ordinary Shares		
At the beginning of the reporting period	167,789,220	1,394,493,959
Shares issued during the year :		
-issued to private investors on 22 August 2013	-	125,000,000
Prior to 1 for 10 consolidation 27 August 2013		1,519,493,959
Consolidation on a 1 for 10 basis		151,949,298
- Issued to creditors in settlement of liabilities 28 February 2014	-	15,839,922
- Issued 24 September 2014 – Facility costs	19,560,000	-
- Placement -25 May 2015	1,200,000,000	-
- Issued 6 May 2015 - Creditors	9,542,115	-
- Issued 23 June 2015 – Cleansing prospectus	200,000	-
At reporting date	<u>1,397,091,335</u>	<u>167,789,220</u>

	2015 No.	2014 No.
Partly paid ordinary Shares*		
At the beginning of the reporting period	11,590,184	115,901,984
Consolidation on a 1 for 10 basis 27 August 2013	-	11,590,184
Calls made during the year	-	-
At reporting date	<u>11,590,184</u>	<u>11,590,184</u>

*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.

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 2015 is a deficit of \$746,512 (2014 : \$962,619 deficit) and the net increase in cash held during the year was \$124,940 (2014: \$262,111 increase).

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 2015 have either been paid out in cash or equity or are now party to payment arrangements for remaining amounts to be paid over time. In addition to this, On 8 September 2015, the convertible notes and interest accrued were converted into fully paid ordinary shares at the request of the Noteholders effectively improving the working capital deficit into a working capital surplus.

17. OPTION RESERVE	2015	2014
	\$	\$
Reserves at the beginning of the reporting period	2,100,218	2,100,218
Attaching to share based payments	46,035	-
Option Reserve at the end of the financial reporting period	<u>2,146,253</u>	<u>2,100,218</u>

17. **OPTION RESERVE (continued)**

	Number of Options
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
Granted 29 September 2014	3,600,000
Granted 22 June 2015	1,218,000,000
Forfeited	-
Cancelled	-
Exercised	-
Expired	-
Options outstanding as at 30 June 2015 :	1,289,062,072
Options exercisable as at 30 June 2015	1,289,062,072

18. **CONTINGENT LIABILITIES**

In the opinion of the directors there are no contingent liabilities as at 30 June 2015.

19. **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.

20. CASH FLOW INFORMATION

	2015 \$	2014 \$
(i) Cash is made up of the following:		
Cash at bank	421,641	296,701
(ii) Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	(579,561)	(3,870,859)
Reconciliation of cash flows from operating activities with (loss) after income tax		
Non-cash flows in loss for the year		
- Share based payments expense	46,035	-
- Debt forgiveness	-	(260,263)
- Net unrealised gain / loss on investments	-	17,241
- Exploration impairment	-	3,421,747
- Write-off other	-	108,842
- Depreciation	6,600	6,600
- Borrowing costs	76,475	97,800
- Settlement of liabilities via issue of shares	97,800	158,397
Cash flows not in loss for the year		
- Payments for exploration and evaluation	-	(138,722)
Changes in assets and liabilities		
- Decrease in receivables	60,407	272,605
- Decrease in trade and other creditors, accruals and employee entitlements	(180,413)	(236,626)
Net cash outflow from Operating Activities	(472,657)	(423,238)

(iii) Non Cash Financing and Investing Activities

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.

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 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. \$40,000 of convertible notes were also issued to settle creditors as part of a deed of settlement.

A further mandate was approved at a general meeting held 6 May 2015 to raise \$2,500,000 through the issue of convertible notes. Fees of \$50,000 being five convertible notes each with a face value of \$10,000 were approved and issued for arranging the facility.

During the year ended 30 June 2015, 9,542,115 (2014: 15,839,922) ordinary fully paid shares were issued to creditors in settlement of liabilities in lieu of cash.

21. SHARE BASED PAYMENTS

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

Fully Paid ordinary shares – issued to unrelated parties	<u>2015</u> (\$)
Issued 24 September 2014 – Facility costs	97,800
6 May 2015 – 9,542,115 shares to Creditors at \$0.002 each	19,084
3,600,000 Options granted 29 September 2014 exercisable at \$0.03each expiring 31/12/2016 – Facility costs (free attaching)	-
1,200,000,000 Options granted 22 May 2015 exercisable at \$0.002 each expiring on or before 30/04/2020 (free attaching)	-
18,000,000 Options granted 22 May 2015 exercisable at \$0.002 each expiring on or before 30/04/2020 - placement fees	46,035
Fully Paid ordinary shares – issued to unrelated parties	<u>2014</u> (\$)
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

The weighted average remaining contractual life of options outstanding at year end was 4.62 years. The weighted average exercise price of outstanding options at the end of the reporting period was 0.8 cents. The weighted average fair value of options granted during the year (that were valued) was 0.26 cents.

As at 30 June 2014 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 cents (none issued). 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 2015 are set out below.

Grant Date	Expiry Date	Exercise Price \$	Number of Options	Share price at Grant	Risk free Rate	Fair value as at the Grant date
2015						
29/9/2014	31/12/2016	0.030	3,600,000	(not quoted)	n/a	Nil (i)
22/5/2015	30/4/2020	0.002	1,200,000,000	0.003	n/a	Nil (i)
22/5/2015	30/4/2020	0.002	18,000,000	0.003	2.36%	46,035

The level of volatility anticipated for the purposes of the model was 117% for all options

(i) Free attaching options. Full value ascribed to the shares issued.

2014

Nil

22. 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:

	2015	2014
	\$	\$
Financial assets:		
Cash and cash equivalents		
AA	421,641	296,701

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.

2015		: 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	2015 Total	Weighted average effective interest rate
	\$	\$	\$	\$	\$	\$	
Financial Assets							
Cash	421,641	-	-	-	-	412,641	-
Receivables – other	-	-	-	-	20,110	20,110	-
Security Bonds	25,568	-	-	-	-	25,568	-
Listed investments	-	-	-	-	3,770	3,770	-
Total financial assets	447,209	-	-	-	23,880	471,089	
Financial Liabilities							
Trade payables and accruals	-	-	-	-	431,891	431,891	-
Convertible notes	-	-	760,142	-	-	760,142	-
Loans	-	-	-	-	-	-	-
Total financial liabilities	-	-	760,142	-	431,891	1,192,033	

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	

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.

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 2015, 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 \$	2015 \$
Increase in interest rate by 200 basis points	+8,433	(578,213)
Decrease in interest rate by 200 basis points	-8,433	(595,079)
CHANGE IN EQUITY	Change \$	2015 \$
Increase in interest rate by 200 basis points	+8,433	(712,994)
Decrease in interest rate by 200 basis points	-8,433	(729,860)

Year ended 30 June 2014

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)

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

23. 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	2015	2014
	\$	\$
Not longer than one (1) year	495,000	-
Two (2) to five (5) years	566,000	-
	<u>1,061,000</u>	<u>-</u>

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.

24. 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		
	\$	\$	\$	\$
2015				
Total compensation	91,419	7,545	-	98,964
2014				
Total compensation	260,201	8,518	-	268,719

25. 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 \$7,908 (2014: \$12,638) for the provision of contract services to the Group.
(ii)	All liabilities to MinCorp Pty Ltd (formerly Mining Corporate Pty Ltd, a company of which Mr Hunter is a director) were settled by the issue of convertible notes to the value of \$40,000 (2014: \$126,928) for company secretarial and accounting services during the year prior.
(iii)	Superstructure Energy Pty Ltd (a company of which Mr Mortimer and Ms Darby are directors) was paid \$17,638 (2014: \$13,035) for consulting and office services.
(iv)	Swensson Resource Management Pty Ltd (a company which Mr Swensson is a director) was paid \$17,600 (2014: \$14,546) for consulting services performed during the prior year.
(v)	Proto Resources & Investments Ltd (a company of which Ms Darby was a director) was paid \$nil (2014: \$24,053) for management services/rent.
(vi)	As at 30 June 2015 an amount of \$25,300 is included in trade creditors as payable to Andrew Muir for the provision of contract services to the Group during the year. As at the date of this report it still remains unpaid and is likely to be forgiven.

The following amounts were forgiven by directors and entities related to directors in FY 2015:

Nil

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	2015	2014
Proto Resources and Investments Ltd	Nil	11,000

26. EVENTS SUBSEQUENT TO REPORTING DATE

The Company converted the issued convertible notes in full. \$720,000 of convertible notes and \$46,389 of accrued interest were converted to shares and options on the 8 September 2015. A total of 957,987,500 ordinary shares and 447,339,375 unlisted options exercisable at \$0.03 each on or before 31 December 2016 were issued on conversion

Other than that mentioned above, 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.

27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 30 September 2015.

28. COMPANY DETAILS

Registered office of the Group is:

Suite 1, 56 Kings Park Road
West Perth WA 6005

Principal place of business is:

Suite 1, 56 Kings Park Road
West Perth WA 6005

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. the financial statements and notes set out on pages 18 to 49 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 2015 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.



Peter Wall
Director
Perth, 30 September 2015

ADDITIONAL SECURITIES EXCHANGE INFORMATION AS AT 26 OCTOBER 2015

Ordinary share capital

2,354,878,835 fully paid ordinary shares are held by 994 shareholders
11,590,184 partly paid ordinary shares, paid to \$0.075, are held by 137 shareholders

All issued ordinary shares carry one vote per share, however, partly paid shares do not carry rights to dividends.

Options

34,401,959 **listed** \$0.20 Options expiring 1 November 2015 are held by 247 holders
483,999,488 **unlisted** \$0.03 Options expiring 31 December 2016 are held by 110 holders ⁽ⁱ⁾
1,218,000,000 **unlisted** \$0.002 Options expiring 30 April 2020 are held by 23 holders

Unlisted Option Holders holding 20% or more:

⁽ⁱ⁾ 166,917,813 Options held in the name of Novac International Pty Ltd (34.5%) and Odina Pty Ltd (34.5%).

Options do not carry a right to vote.

Distribution of holders of equity securities

Category	Fully paid ordinary shares	Partly paid ordinary shares	Options Series 1*	Options Series 2**	Options Series 3***
1 – 1,000	105	14	50	25	-
1,001 – 5,000	198	27	50	22	-
5,001 – 10,000	115	25	13	11	-
10,001 – 100,000	348	48	76	24	-
100,001 and over	228	23	58	28	23
	994	137	247	110	23
Holding less than a marketable parcel	859	132			

*Options Series 1 – Listed \$0.20 expiring 1 November 2015

**Options Series 2 – Unlisted \$0.03 expiring 31 December 2016

***Options Series 3 – Unlisted \$0.002 expiring 30 April 2020

On-Market Buy-Back

There is no current on-market buy back.

Substantial shareholders

Name	Fully paid ordinary shares
Odina Pty Ltd <The O.P.M. Investments A/C>	333,835,625
Novac International Pty Ltd <Nine-Eleven Investment A/C>	333,835,625
Pershing Australia Nominees Pty Ltd <DJ Carmichael Account>	330,932,450
Casuarina Capital Pte Ltd	200,000,000

20 Largest Shareholders – Fully paid ordinary shares

Name	Number of Shares Held	% of Issued Capital
Odina Pty Ltd <The O.P.M. Investments A/C>	333,835,625	14.18
Novac International Pty Ltd <Nine-Eleven Investment A/C>	333,835,625	14.18
Pershing Australia Nominees Pty Ltd <DJ Carmichael Account>	330,932,450	14.05
Casuarina Capital Pte Ltd	200,000,000	8.49
Amber Plus Pty Ltd	68,000,000	2.89
Redcode Pty Ltd	68,000,000	2.89
Africa Coal Pty Ltd	68,000,000	2.89
Ms Simone Lee Webster	68,000,000	2.89
Orequest Pty Ltd <Portfolio A/C>	67,541,250	2.87
Barralong Capital Pty Ltd	66,746,250	2.83
Mr Roger Blake & Mrs Erica Lynette Blake	64,624,165	2.74
Reliant Resources Pty Ltd <Goodwin Enterprises Fam A/C>	50,000,000	2.12
BT Global Holdings Pty Ltd <BT Unit A/C>	46,904,375	1.99
Pheakes Pty Ltd <Senate A/C>	40,500,000	1.72
Mrs Faye Suzanne Read	32,000,000	1.36
Redate Pte Ltd	26,110,000	1.11
Orequest Pty Ltd <Long Term A/C>	25,000,000	1.06
Lolly Pop Investments Pty Ltd	25,000,000	1.06
Wildest Pty Ltd	23,654,375	1.00
Archfield Holdings Pty Ltd	20,000,000	0.85
	1,959,794,115	83.22

20 Largest Shareholders – Partly paid ordinary shares

Name	Number of Shares Held	% of Issued Capital
SA Capital Funds Management Limited <SACFM No 1 A/C>	2,700,000	23.30
Tornado Nominees Pty Ltd <Angus Middleton S/F A/C>	1,122,326	9.68
Proto Resources & Investments Ltd	646,762	5.58
Mr Andrew Kenneth Bruce Mortimer	591,290	5.10
Melanto Pty Ltd <The Melanto A/C>	500,000	4.31
Mr George Phillip Kay	392,500	3.39
Petard Pty Ltd	381,250	3.29
Mr Peter Gebhardt & Mrs Carlene Gebhardt <Petard Super Fund A/C>	325,000	2.80
Union Pacific Investments Pty Limited	269,980	2.33
Mr Barry John Rooney	255,000	2.20
Mr Andrew Kenneth Bruce Mortimer	237,250	2.05
Premar Capital Nominees Pty Ltd	200,000	1.73
Mr Allan Harvey Moffatt & Mrs Suzanne Maureen Moffatt <Moffatt Super Fund A/C>	199,556	1.72
William Geoffrey Kroon	190,750	1.65
Mr Andrew Thomas Jones	180,000	1.55
Monclar Pty Ltd	155,000	1.34
B & M Jackson Pty Limited <Jackson S/F A/C>	150,000	1.29
Fundamental Cents Pty Ltd	150,000	1.29
Middleton Nominees (SA) Pty Ltd <The Middleton Family A/C>	130,000	1.12
Dr Arnis Lidums	130,000	1.12
	8,906,664	76.85

20 Largest Optionholders – Listed Option Holders (exercisable at \$0.20, expiring 1 November 2015)

Name	Number of Options Held	% of Issued Capital
Mr Peter Andrew Proksa	3,800,000	11.05
4 Australia Pty Ltd <Sciano A/C>	2,613,333	7.60
Mr Enrique W Arregui	2,000,000	5.81
Mr Anthony Szelocei	1,500,000	4.36
Mr Michelle Santi & Mrs Maria Teresa Santi <The M Santi Super Fund A/C>	1,135,554	3.30
Goffacan Pty Ltd	1,100,000	3.20
Mr Andrew Thomas Jones	1,060,000	3.08
Mrs Ayako Flanders	1,050,000	3.05
Zerimar Enterprises Pty Ltd	748,649	2.18
Mr Peter Gebhardt & Mrs Carlene Gebhardt <Petard Super Fund A/C>	715,850	2.08
Mr Jason Eric Constable & Mrs Catherine Constable	700,000	2.03
Mr Zhonpeng Huang	622,855	1.81
GE & CA Cooper Pty Ltd <Cooper Family S/F A/C>	532,600	1.55
Mr George Phillip Kay	514,195	1.49
Mr John Henderson Manson & Mrs Karen Ann-Marie Manson <Mayflower A/C>	500,000	1.45
Troca Enterprises Pty Ltd <Coulson Super A/C>	500,000	1.45
Dead Knick Pty Ltd	500,000	1.45
Mr Graham Reginald Creasey	500,000	1.45
Mr Michael Alan Nichols	500,000	1.45
Mr Mario Dall'Est	500,000	1.45
	21,093,036	61.31

Restricted Securities

The Company has no restricted securities.

SCHEDULE OF MINERAL TENEMENTS
AS AT 22 SEPTEMBER 2015

<i>Project</i>	<i>Tenement</i>	<i>Interest held by Global Metals Exploration NL</i>
Jutson Rocks	E38/1541	70%
Jutson Rocks	E38/1540	70%
Leonora	M37/1202	100% (Messina Resources)
Leonora	E37/0893	100% (Messina Resources)

P Prospecting Licence
E Exploration Licence
M Mining Licence