



**Global Metals Exploration NL**

**ABN 23 124 140 889**

**and its controlled entities**

**Half year report for the half-year ended**

**31 December 2015**

## Corporate directory

### Board of Directors

Mr Peter Wall	Non-Executive Chairman
Mr Steven Bamford	Non-Executive Director
Mr Keith Bowker	Non-Executive Director

### Company Secretary

Mr Keith Bowker

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### Postal Address

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### Auditors

Bentleys  
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Perth, Western Australia 6000

### Share Registry

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West Perth, Western Australia 6005

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### Stock Exchange

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152-158 St Georges Terrace  
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### ASX Code

GXN

GXNCA

# Half year report for the half-year ended 31 December 2015

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## Directors' report

The directors of Global Metals Exploration NL ("Global Metals" or "the Company") submit herewith the financial report of Global Metals Exploration NL and its subsidiaries ("the Group") for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Names of Directors

The names of Directors who held office during or since the end of the half-year are:

Mr Peter Wall  
Mr Steven Bamford  
Mr Keith Bowker  
Ms Lia Darby

The above named directors held office during and since the end of the half-year except for:

Mr Keith Bowker – appointed 26 October 2015  
Ms Lia Darby – resigned 26 October 2015

### Review of operations

During the half-year, Mr Keith Bowker was appointed as non-executive director following the resignation of Ms Lia Darby.

The Company raised \$134,092 during the half-year via a placement to sophisticated investors. Funds raised were used for working capital purposes.

The board of directors of the Company has undertaken a strategic review of the financial and operational position of the Company and is continuing to evaluate investment opportunities for the Company.

### Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



Mr Peter Wall  
**Non-Executive Chairman**  
Perth, 15 March 2016

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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 review of the financial statements of Global Metals Exploration NL for the half year ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



**BENTLEYS**  
**Chartered Accountants**



**DOUG BELL CA**  
**Director**

Dated at Perth this 15<sup>th</sup> day of March 2016

## Independent Auditor's Review Report

### To the Members of Global Metals Exploration NL

We have reviewed the accompanying half-year financial report of Global Metals Exploration NL ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

### Directors Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

# Independent Auditor's Review Report

## To the Members of Global Metals Exploration NL (Continued)

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### Independence

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

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Global Metals Exploration NL and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

### Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that the Consolidated Entity incurred a loss of \$123,704 during the half-year ended 31 December 2015. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

**BENTLEYS**  
Chartered Accountants

**DOUG BELL CA**  
Director

Dated at Perth this 15<sup>th</sup> day of March 2016

## Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Peter Wall', with a horizontal line extending from the end of the signature.

Mr Peter Wall  
**Non-Executive Chairman**  
Perth, 15 March 2016

## Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2015

	Note	Consolidated	
		Half-year ended	
		31 Dec 2015	31 Dec 2014
		\$	\$
Revenue from continuing operations	4	1,446	362
Other income	4	25,761	-
<b>Total revenue and other income</b>		<b>27,207</b>	<b>362</b>
Administration expenses		(13,242)	(5,989)
Borrowing costs		-	(12,600)
Compliance and regulatory expenses		(28,929)	(39,733)
Consultancy costs		(43,307)	(20,836)
Depreciation		(3,300)	(3,300)
Employee benefits expenses		(27,449)	(50,394)
Exploration expenditure written off	5	(30,914)	(31,686)
Fair value loss on financial assets		(3,770)	-
Occupancy costs		-	(12,000)
<b>Loss before income tax</b>		<b>(123,704)</b>	<b>(176,176)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(123,704)</b>	<b>(176,176)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
<b>Other comprehensive income for the period, net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(123,704)</b>	<b>(176,176)</b>
<b>Loss attributable to:</b>			
Owners of Global Metals Exploration NL		<b>(123,704)</b>	<b>(176,176)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Global Metals Exploration NL		<b>(123,704)</b>	<b>(176,176)</b>
<b>Loss per share:</b>			
Basic and diluted (cents per share)		0.006	0.100

Condensed notes to the consolidated financial statements are included on pages 10 to 14.

## Condensed consolidated statement of financial position as at 31 December 2015

	Note	Consolidated	
		31 Dec 2015	30 Jun 2015
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		129,429	421,641
Trade and other receivables		28,643	20,110
Financial assets		-	3,770
<b>Total current assets</b>		<b>158,072</b>	<b>445,521</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	5	-	-
Trade and other receivables		25,568	25,568
Property, plant and equipment		3,301	6,601
<b>Total non-current assets</b>		<b>28,869</b>	<b>32,169</b>
<b>Total assets</b>		<b>186,941</b>	<b>477,690</b>
<b>Current liabilities</b>			
Trade and other payables		153,872	431,891
Borrowings	6	-	760,142
<b>Total current liabilities</b>		<b>153,872</b>	<b>1,192,033</b>
<b>Total liabilities</b>		<b>153,872</b>	<b>1,192,033</b>
<b>Net assets/(liabilities)</b>		<b>33,069</b>	<b>(714,343)</b>
<b>Equity</b>			
Issued capital	7	19,939,905	19,068,789
Reserves		2,146,253	2,146,253
Accumulated losses		(22,053,089)	(21,929,385)
<b>Total equity/(deficiency)</b>		<b>33,069</b>	<b>(714,343)</b>

Condensed notes to the consolidated financial statements are included on pages 10 to 14.

## Condensed consolidated statement of changes in equity for the half-year ended 31 December 2015

	Issued Capital \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2014</b>	<b>18,354,308</b>	<b>2,100,218</b>	<b>(21,349,824)</b>	<b>(895,298)</b>
Loss for the period	-	-	(176,176)	(176,176)
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(176,176)</b>	<b>(176,176)</b>
Issue of ordinary shares	97,800	-	-	97,800
Transaction costs	(2,503)	-	-	(2,503)
<b>Balance at 31 December 2014</b>	<b>18,449,605</b>	<b>2,100,218</b>	<b>(21,526,000)</b>	<b>(976,177)</b>
<b>Balance at 1 July 2015</b>	<b>19,068,789</b>	<b>2,146,253</b>	<b>(21,929,385)</b>	<b>(714,343)</b>
Loss for the period	-	-	(123,704)	(123,704)
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(123,704)</b>	<b>(123,704)</b>
Issue of ordinary shares	900,481	-	-	900,481
Share issue costs	(29,365)	-	-	(29,365)
<b>Balance at 31 December 2015</b>	<b>19,939,905</b>	<b>2,146,253</b>	<b>(22,053,089)</b>	<b>33,069</b>

Condensed notes to the consolidated financial statements are included on pages 10 to 14.

## Condensed consolidated statement of cash flows for the half-year ended 31 December 2015

	Consolidated	
	Half-year ended	
	31 Dec 2015	31 Dec 2014
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(367,471)	(222,839)
Payments for exploration and evaluation	(30,914)	(31,686)
Interest received	1,446	362
Net cash used in operating activities	(396,939)	(254,163)
<b>Cash flows from financing activities</b>		
Proceeds from equity instruments of the Company	134,092	-
Payment for share issue costs	(29,365)	(2,503)
Net cash provided by /(used in) financing activities	104,727	(2,503)
<b>Net decrease in cash and cash equivalents</b>	<b>(292,212)</b>	<b>(256,666)</b>
Cash and cash equivalents at the beginning of the period	421,641	296,701
<b>Cash and cash equivalents at the end of the period</b>	<b>129,429</b>	<b>40,035</b>

Condensed notes to the consolidated financial statements are included on pages 10 to 14.

# Condensed notes to the consolidated financial statements for the half-year ended 31 December 2015

## 1. Significant accounting policies

### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Company for the year ended 30 June 2015 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 15 March 2016.

### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2015 annual financial report for the financial year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the consolidated entity from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the consolidated entity.

### Going concern basis

The condensed consolidated financial statements have 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 normal course of business.

For the half-year ending 31 December 2015, the Group incurred a loss after tax of 123,704 (31 December 2015: \$176,176) and a net cash outflow from operations of \$396,939 (31 December 2014: \$254,163). At 31 December 2015, the Group had net current assets of \$4,200 (30 June 2015: net current liabilities \$746,512). These conditions indicate there is a material uncertainty as to whether the Group can continue as a going concern for a period of at least 12 months from the date of this financial report.

**Going concern basis (cont'd)**

Based on the Group's existing cash resources of \$129,429 (30 June 2015: \$421,641), the ability to modify expenditure outlays, if required, and to source additional funds, the directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered appropriate for the Group's 31 December 2015 half-year consolidated financial statements.

The board of directors is aware, having prepared a cash flow forecast, of the Group's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months. In the event that the Group is not able 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 perhaps at amounts different to those stated in its financial statements.

**Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

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

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'

Impact of the application of AASB 2015-3 'Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality'

Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations.

The adoption of the amending Standard does not have any impact on the disclosure or the amounts recognised in the Group's consolidated financial statements.

**2. Segment information**

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia only. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Group has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Group as a whole and are set out in the condensed consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and set out in the condensed consolidated statement of financial position.

**3. Dividends**

No dividends were paid or declared for the half-year ended 31 December 2015 and the directors have not recommended the payment of a dividend.

#### 4. Revenue and other income

	31 Dec 2015	31 Dec 2014
	\$	\$
<b>Revenue from continuing operations</b>		
Interest income	1,446	362
<b>Other income</b>		
Debt forgiveness	25,761	-

#### 5. Exploration and evaluation expenditure

	31 Dec 2015	30 June 2015
	\$	\$
Carrying value at beginning of the period	-	-
Expenditure incurred during the period	30,914	142,122
Impairment of exploration and evaluation expenditure	(30,914)	(142,122)
Carrying value at end of the period	-	-

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 believe 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. For more information on the accounting policies, refer to the 2015 annual financial report.

#### 6. Borrowings

	31 Dec 2015	30 June 2015
	\$	\$
<b>Convertible notes</b>		
Opening balance at beginning of period (i)	760,142	720,000
Interest accrued (ii)	6,247	40,142
Conversion of convertible notes (iii)	(766,389)	-
Carrying value at end of the period	-	760,142

- (i) This represents a total of 72 convertible notes with a face value of \$10,000 each with accrued interest as at 30 June 2015.
- (ii) Interest of 4% per annum is charged on the loan balance.
- (iii) On 8 September 2015, the Company issued 957,987,500 fully paid ordinary shares at a deemed issue price of \$0.0008 each in conversion of the convertible notes and accrued interest.

## 7. Issued capital

2,690,110,660 fully paid ordinary shares  
(30 June 2015: 1,397,091,335)  
11,590,184 partly paid ordinary shares  
(30 June 2015: 11,590,184)

31 Dec 2015	30 Jun 2015
\$	\$
19,169,812	18,298,696
770,093	770,093
<b>19,939,905</b>	<b>19,068,789</b>

### Fully paid ordinary shares

	31 Dec 2015		30 Jun 2015	
	No.	\$	No.	\$
Balance at beginning of period	1,397,091,335	18,298,696	167,789,220	17,584,215
Adjustment (vi)	(200,000)	(100)	-	-
Issue of shares (i)	957,987,500	766,389	-	-
Share Placement (ii)	335,231,825	134,092	-	-
Issue of shares (iii)	-	-	19,560,000	97,800
Issue of shares (iv)	-	-	9,542,115	19,084
Share Placement (v)	-	-	1,200,000,000	600,000
Issue of shares (vi)	-	-	200,000	100
Share issue costs	-	(29,265)	-	(2,503)
	<b>2,690,110,660</b>	<b>19,169,812</b>	<b>1,397,091,335</b>	<b>18,298,696</b>

(i) Issue of fully paid ordinary shares on 8 September 2015 at a deemed issue price of \$0.0008 each following conversion of \$720,000 of convertible notes and \$46,389 of interest accrued on the convertible notes as at conversion date.

(ii) Issue of fully paid ordinary shares on 22 December 2015 at \$0.0004 each pursuant to a placement to sophisticated and institutional investors of the Company.

(iii) Issue of fully paid ordinary shares on 24 September 2014 at \$0.005 each in respect of sign on fees for debt financing agreement.

(iv) Issue of fully paid ordinary shares on 22 June 2015 at \$0.002 each to creditors for services rendered.

(v) Issue of fully paid ordinary shares on 23 June 2015 at \$0.0005 each pursuant to a placement to sophisticated and institutional investors of the Company.

(vi) Proposed issue of fully paid ordinary shares on 23 June 2015 at \$0.0005 each pursuant to a Prospectus. Shares were not issued as the Company did not proceed with the offer.

### Partly paid ordinary shares\*

	31 Dec 2015		30 Jun 2015	
	No.	\$	No.	\$
Balance at beginning of period	11,590,184	770,093	11,590,184	770,093
Movements	-	-	-	-
Balance at end of the period	<b>11,590,184</b>	<b>770,093</b>	<b>11,590,184</b>	<b>770,093</b>

\*The partly paid ordinary shares are paid to \$0.075, with \$0.825 unpaid per partly paid share.

**8. Key management personnel**

An amount of \$43,607 was paid to Ms Lia Darby during the half-year ended 31 December 2015. This comprised of \$28,607 for outstanding wages as Managing Director up to 31 May 2015 and \$15,000 for non-executive director fees for the period June 2015 to October 2015 at a rate of \$3,000 per month.

Messrs Peter Wall, Steven Bamford and Keith Bowker are paid a remuneration of \$3,000 per month (excluding GST) for their services as non-executive directors. As at 31 December 2015, Mr Steven Bamford has accrued fees of \$12,876.

Remuneration policies of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For further details, please refer to the 30 June 2015 annual financial report.

**9. Subsequent events**

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.