

31 October 2013

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2013

During the three months ending 30 September 2013, Global Metals Exploration NL (**Global Metals, the Company**) focused on opportunities for financing as well on the reconstruction of its share capital, which was implemented on a 1 for 10 basis following approval at a General Meeting held on 27 August 2013.

Due to capital restraints the Company was not able to conduct drilling work during the quarter but continued with a desktop review of projects, also ensuring that tenements were kept in good standing with rents and shire rates paid as required. The focus of the Company remains on its flagship exploration project Jutson Rocks following the significant gold assays returned from wide spaced Air Core (**AC**) drilling, as announced last quarter.

### Capital Requirements – Convertible Note and Placement

On 17 April 2013 a General Meeting was called for 17 May 2013, a meeting necessary to refresh the Company's listing rule 7.1 capacity, but also to gain shareholder approval for a debt financing facility signed with RM Corporate Finance Pty Ltd (**RMCF**). This finance was to be provided via a convertible note for up to \$800,000, with \$200,000 being the initial drawdown, and the remainder to be drawn down in increments of \$50,000 (**Convertible Note**).

With the 17 May 2013 meeting adjourned, RMCF exercised their option to cancel the Convertible Note. A new financing was however entered into on similar terms (see announcement of 5 June 2013), with the total amount now being \$2,500,000 rather than \$800,000 (**New Convertible Note**). The terms were fully outlined in a new Notice of Meeting lodged with ASX on 29 July 2013, for a General Meeting held on 27 August 2013.

The New Convertible Note was approved by shareholders at the meeting with approximately \$80,000 banked per the facility to date. An additional \$100,000 was banked during the quarter by way of a private s708 placement. Together, this \$180,000 of funding provided the Company with working capital as well as some ability to clear historic debt from the balance sheet.

The Company has made significant progress to this end from 30 June 2013 to present, entering into payment arrangements with several large creditors which resulted in an issue of shares during the quarter and a significant conversion of debt to equity.

The Company would like to thank its creditors for their support during these difficult times and for their willingness to take stock in the Company in lieu of cash payments of their invoices.

### 30 June 2013 Audit

Further to the above, the Company would like to update the market as to the lodgement of its 30 June 2013 accounts and the closure of its FY13 annual audit, which is still progressing. Due to the late lodgement of its accounts, the Company was suspended from ASX on 1 October 2013. Investors should be assured that the Directors of the Company regard this situation most seriously and are doing all in their power to see the accounts lodged and the suspension lifted.

The situation leading to the suspension may be explained due to an exceedingly difficult year following two s249D meetings, which impacted greatly on the Company, necessitating significant rebuilding on a corporate front.

Principally in relation to the audit, the Company needs to resolve remaining cashflow issues, which is in train with the assistance of RMCF, drawdowns under the New Convertible Note not being enough to immediately address concerns such as payments due per aboriginal access agreements at Jutson Rocks, without which we will be unable to explore in certain areas. In combination with this all necessary changes have been made to reduce expenditure as much as possible.

It is expected that all issues will be resolved and that the Company will be out of suspension with ASX within the next 2-3 weeks. An Annual General Meeting has not yet been called as it is first necessary for the Company to lodge its annual accounts.

An update will be made in relation to the above as soon as able.

## Consolidation

In the Notice of Meeting for the 27 August 2013 General Meeting, the Directors asked the shareholders to consider a resolution for a 1 for 10 consolidation of its issued capital (**Consolidation**). The resolution was duly approved and the consolidation proceeded according to timetable, with trading on a post consolidation basis commencing on 12 September 2013.

## Exploration

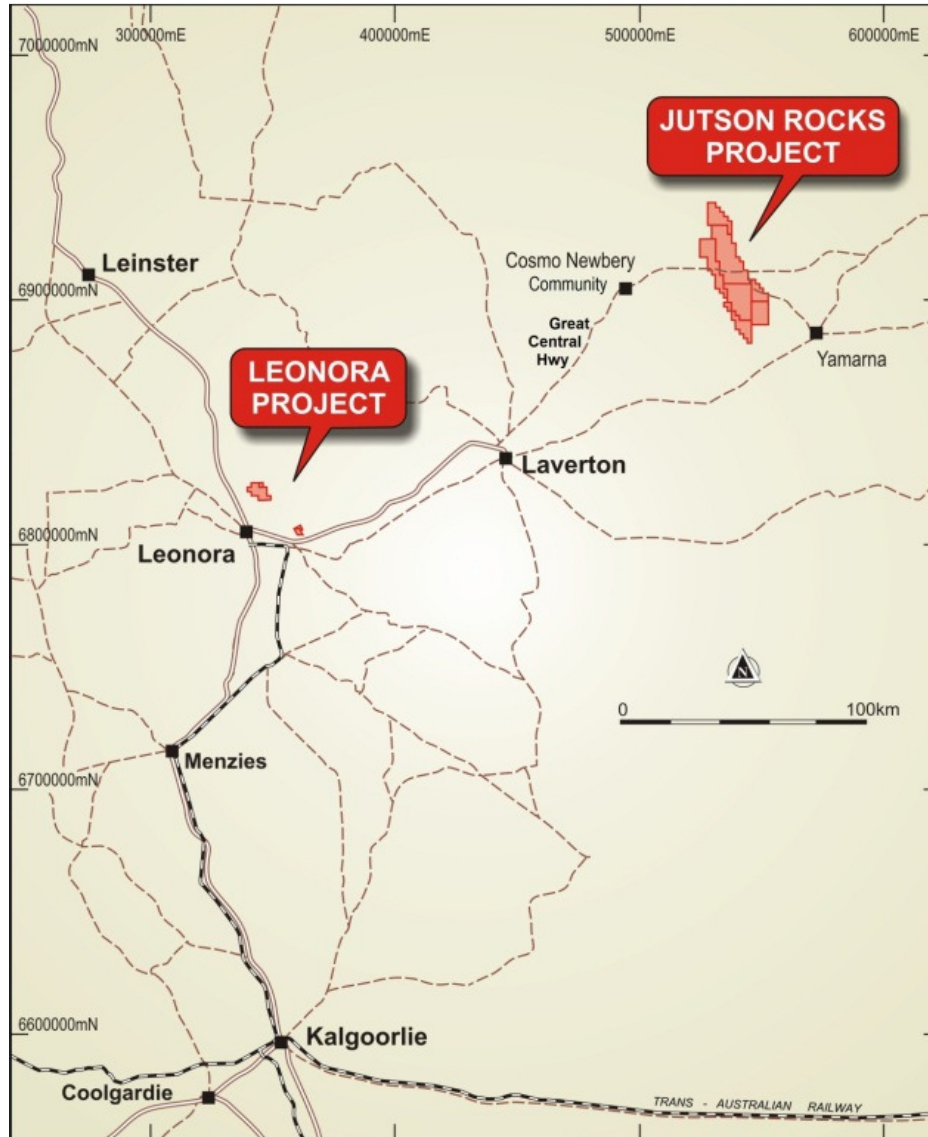
Capital restraints and the need to consolidate the Company's position in the marketplace prohibited the commencement of any new exploration programs this quarter but the Company looks forward to further work on the Jutson Rocks, Mt Venn and Messina prospects in the New Year, building on the strong base of exploration work to date.

The Company retains great belief in its projects, particularly at Jutson Rocks where the last AC gold drilling program was a great success. This first phase AC program (1,593 metres) built on previous work to reveal an approximate total strike length of 1.9km of gold anomalism occurring in the saprolite bedrock zone at the Jutson Rocks Central Prospect. The zone remains open both to the north and south, providing significant potential to increase the strike length of what is already emerging as a large gold system

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**Figure 1: Regional location map of the Jutson Rocks and Leonora Projects**

## Competent Person’s Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Carl Swensson, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Swensson is a Director of Global Metals Exploration NL and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Swensson consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.