



ABN 91 124 752 745

Financial Statements

**For The Half-Year Ended
31 December 2013**

Contents

	Page
Directors' Report	3-4
Auditor's Independence Declaration	5
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Consolidated Condensed Financial Statements	10-17
Directors' Declaration	18
Independent Auditor's Review Report	19-20

Directors' Report

The Directors present the consolidated financial statements of GBM Resources Limited for the half-year ended 31 December 2013.

Directors

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

Peter Thompson	<i>(Executive Chairman)</i>
Neil Norris	<i>(Executive Director)</i>
Cameron Switzer	<i>(Non-Executive Director)</i>
Guan Huat Sunny Loh	<i>(Non-Executive Director)</i>
Chiau Woei Lim	<i>(Non-Executive Director, appointed 2 September 2013)</i>

Company Secretary

Kevin Hart

Review of Operations

The consolidated net loss after income tax for the half-year was \$4,185,433 (31 December 2012: \$292,998), which includes exploration costs expensed and written off of \$3,437,306 (31 December 2012: \$100,692).

At the end of the half-year the Group had \$928,209 (30 June 2013: \$1,521,888) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at 31 December 2013 was \$10,527,950 (30 June 2013: \$13,740,089).

Exploration

Exploration expenditure incurred for the six months ended 31 December 2013 on the Company's wholly owned projects was \$165,646 (31 December 2012: \$707,612) and for the Farm-in projects was \$1,182,882 (31 December 2012: \$2,886,892).

Significant Changes in the State of Affairs of the Group

During the half-year ended 31 December 2013 the Company acquired a 40% interest in Angka Alamjaya Sdn Bhd (AASB), a Malaysian company which holds the mining concession for the Lubuk Mandi Gold Project in Malaysia, by the issue of 57,779,118 ordinary fully paid shares.

As part of the acquisition the Group entered into a joint venture agreement with AASB to assess and commence recommissioning of the Lubuk Mandi Gold Mine.

Other than the above, there have been no significant changes in the state of affairs of the Group during or since the period ended 31 December 2013.

Directors' Report

Events Subsequent to the Reporting Date

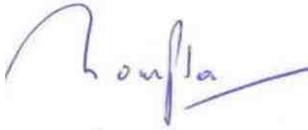
There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations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

Auditor's Independence Declaration

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

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

DATED at Perth this 14th day of March 2014.

A handwritten signature in blue ink, appearing to read 'P Thompson', with a long horizontal flourish extending to the right.

Peter Thompson
Executive Chairman

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of GBM Resources Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
14 March 2014

L Di Giallonardo
Partner

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2013

	Note	Consolidated	
		31 December 2013 \$	31 December 2012 \$
Revenue	3	193,940	231,133
Total Revenue		193,940	231,133
Employee expenses		(162,552)	(177,143)
Share based payments expense	9	(400,000)	(23,333)
Depreciation and amortisation expenses		(18,402)	(21,260)
Consulting and professional expenses		(101,048)	(88,994)
Travel expenses		(106,057)	(67,941)
Share of net profit/(loss) of associates	7	(85,689)	-
Exploration costs expensed and written off	14	(3,437,306)	(100,692)
Other and administration expenses		(215,594)	(329,718)
Loss before income tax		(4,332,708)	(577,948)
Income tax benefit – R&D tax concession		147,275	284,950
Net loss for the half-year attributable to the members of the parent entity		(4,185,433)	(292,998)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the members of the parent entity		(4,185,433)	(292,998)
Loss per share			
Basic loss per share (cents)		(1.1)	(0.1)

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

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Financial Position
As At 31 December 2013

		Consolidated	
		31 December 2013 \$	30 June 2013 \$
	Note		
Current assets			
Cash and cash equivalents		928,209	1,521,888
Trade and other receivables		872,683	134,795
Land held for sale	10	308,499	-
Total current assets		2,109,391	1,656,683
Non-current assets			
Trade and other receivables		45,039	43,608
Investments accounted for using the equity method	7	2,753,468	-
Property, plant and equipment	11	118,070	444,971
Exploration and evaluation assets		10,527,950	13,740,089
Total non-current assets		13,444,527	14,228,668
Total assets		15,553,918	15,885,351
Current liabilities			
Trade and other payables		767,155	446,085
Total current liabilities		767,155	446,085
Total liabilities		767,155	446,085
Net assets		14,786,763	15,439,266
Equity			
Issued capital	4	23,927,441	21,118,244
Option reserve	5	323,733	-
Share based payments reserve	9	400,000	-
Accumulated losses		(9,864,411)	(5,678,978)
Total equity		14,786,763	15,439,266

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

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2013

	Consolidated				
	Issued capital \$	Accumulated losses \$	Option reserve \$	Share based payments reserve \$	Total \$
At 1 July 2012	18,228,936	(5,559,052)	698,146	920,638	14,288,668
Total comprehensive result for the half-year:					
Loss for the half-year	-	(292,998)	-	-	(292,998)
Movement in share based payments reserve in respect of performance rights vesting	-	-	-	23,333	23,333
Shares issued (net of costs)	1,962,658	-	-	-	1,962,658
At 31 December 2012	20,191,594	(5,852,050)	698,146	943,971	15,981,661
At 1 July 2013	21,118,244	(5,678,978)	-	-	15,439,266
Total comprehensive result for the half-year:					
Loss for the half-year	-	(4,185,433)	-	-	(4,185,433)
Movement in share based payments reserve in respect of options issued as consideration for services	-	-	-	400,000	400,000
Options issued	-	-	323,733	-	323,733
Shares issued (net of costs)	2,809,197	-	-	-	2,809,197
At 31 December 2013	23,927,441	(9,864,411)	323,733	400,000	14,786,763

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

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2013

	Consolidated	
	31	31
	December	December
	2013	2012
	\$	\$
Cash flows from operating activities		
Interest received	15,470	30,155
Research and development tax concession refund	-	543,642
JV management fee income	177,039	198,057
Payments to suppliers and employees	(605,935)	(598,862)
	(413,426)	172,992
Cash flows from investing activities		
Payments for purchase of equity investments	(7,980)	-
Payments made on behalf of associate	(588,827)	-
Proceeds received on reimbursement by associate	101,747	-
Funds provided by JV partner under farm-in agreement	1,475,323	2,656,323
Payments for exploration and evaluation, including joint venture spend	(1,362,269)	(4,334,850)
Payments for plant and equipment	-	(32,784)
	(382,006)	(1,711,311)
Cash flows from financing activities		
Proceeds from issue of securities	323,733	1,544,200
Payments for transaction costs relating to share issues	(121,980)	(81,532)
	201,753	1,462,668
Net decrease in cash held	(593,679)	(75,651)
Cash at the beginning of the period	1,521,888	1,590,824
Cash at the end of the period	928,209	1,515,173

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

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the Corporations Act 2001.

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

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2013 and any public announcements made by GBM Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies, accounting judgements, key estimates and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements, except for the adoption of the accounting policy below in relation to investments in associated entities following the Company's acquisition of Angka Alamjaya Sdn Bhd. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

Going Concern Basis for Preparation of Financial Statements

The Group reported a loss after tax of \$4,185,433 for the six months ended 31 December 2013 which includes a write off of previously capitalised exploration costs of \$3,361,192 and the Group's share of the loss for the period of its Associate Angka Alamjaya Sdn Bhd amounting to \$85,689.

Cash assets at 31 December 2013 were \$928,209 of which \$197,312 was in respect of funds advanced by a farm-in partner of the Group that was unspent at the balance sheet date, and trade payables were \$357,403.

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

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

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

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

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

Investment in Associated Entities

The Group's investment in its associate is accounted for using the equity method of accounting in the consolidated financial statements, after initially being recognised at cost. The associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. Goodwill included in the carrying amount of the investment in an associate is not tested separately; rather the entire carrying amount of the investment is tested for impairment as a single asset. If an impairment is recognised, the amount is not allocated to the goodwill of the associate.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivable and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The balance dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with AASB 139. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Group entity transacts with its associate, profits and losses resulting from those transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The consolidated half-year financial statements were approved by the Board of Directors on 14th March 2014.

GBM Resources Limited
ABN 91 124 752 745

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 2 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The group's sole activity is mineral exploration and resource development in Australia, therefore it has aggregated all operating segments into the one reportable business segment, being mineral exploration, and is represented by the primary statements forming this financial report.

Note 3 Revenue

	Consolidated	
	31 December 2013 \$	31 December 2012 \$
Interest income	16,901	33,076
Joint venture management fee income	177,039	198,057
	193,940	231,133

Note 4 Issued capital

	31 December 2013 #	31 December 2012 #	31 December 2013 \$	31 December 2012 \$
Issued capital - Shares				
At the beginning of the period	327,415,003	236,181,003	21,118,244	18,228,936
Share purchase plan – shares	-	10,884,000	-	544,200
Share placement	-	20,000,000	-	1,000,000
Shares issued to acquire Bungalien phosphate rights	-	10,000,000	-	500,000
Shares issued to acquire an interest in Angka Alamjaya Sdn Bhd	57,779,118	-	2,831,177	-
Costs related to share issues	-	-	(21,980)	(81,542)
At the end of the period	385,194,121	277,065,003	23,927,441	20,191,594

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 5 Options

	31 December 2013 #	31 December 2012 #	Option Capital ¹	
			31 December 2013 \$	31 December 2012 \$
At the beginning of the period	-	129,493,124	-	698,146
Options issued in lieu of corporate services ²	20,000,000	-	-	-
Options issued pursuant to a priority entitlement offer ³	64,746,562	-	323,733	-
Options issued pursuant to a share placement as attaching securities ⁴	50,000,000	-	-	-
	134,746,562	129,493,124	323,733	698,146

¹ Option capital relates to subscriptions received by the Company for the issue of listed options. Fair value expenses in relation to options issued in lieu of payment for goods or services are recognised in the Share Based Payments Reserve.

² During the period the Company issued 20,000,000 listed options, exercisable at 3.5 cents each on or before 30 June 2016, in lieu of payment for corporate services fees of \$400,000, (refer Note 9).

³ During the period the Company issued 64,746,562 options, exercisable at 3.5 cents each on or before 30 June 2016 pursuant to a priority entitlement offer of options.

⁴ During the period the Company issued 50,000,000 options, exercisable at 3.5 cents each on or before 30 June 2016 in respect of securities attaching to a share placement completed in June 2013.

Note 6 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2013.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 7 Investments accounted for using the Equity Method

a) Carrying value of investments

	Consolidated	
	31 December 2013 \$	30 June 2013 \$
Associated companies	2,753,468	-

b) Details of associated companies

Name	Country of Incorporation	Shares	Ownership interest		Carrying amount of investment	
			31 Dec 2013 %	30 Jun 2013 %	31 Dec 2013 \$	30 Jun 2013 \$
Angka Alamjaya Sdn Bhd (AASB)	Malaysia	Ord	40%	Nil	2,753,468	Nil

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

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

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

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

	Consolidated	
	31 December 2013 \$	31 December 2012 \$
Balance at the beginning of the financial period	-	-
Initial investment in AASB during the period – issue of 57,779,118 ordinary fully paid shares @ 4.9 cents per share	2,831,177	-
Share of AASB loss after tax for the financial period	(85,689)	-
Other movements for the financial period ¹	7,980	-
Balance at the end of the financial period	2,753,468	-

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

Note 8 Related party transactions

During the financial period, the Group incurred costs of \$789,094 on behalf of its Associate, AASB, and received reimbursements amounting to \$101,747, in relation to those costs incurred.

Amounts owing to the Group by AASB as at 31 December 2013 were \$687,347.

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

Note 9 Share based payments

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

This amount is included in the share based payments reserve as at 31 December 2013.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 10 Land held for sale

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

Note 11 Property, plant and equipment

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

	Consolidated	
	31 December 2013	31 December 2012
	\$	\$
Net book value of property, plant and equipment at 1 July	444,971	478,561
Transferred to current assets – land held for sale (Note 10)	(308,499)	-
Depreciation charge	(18,402)	(21,260)
Other additions/disposals	-	6,072
Net book value of property, plant and equipment at 31 December	118,070	463,373

Note 12 Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

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

Note 13 Events occurring after the balance date

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

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 14 Exploration costs expensed and written off

	Consolidated	
	31 December 2013	31 December 2012
	\$	\$
Exploration costs expensed when incurred	76,114	100,692
Previously capitalised exploration costs written off ¹	3,361,192	-
Total exploration costs included in the Statement of Profit or Loss and Other Comprehensive Income for the period	3,437,306	100,692

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

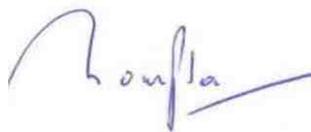
Directors' Declaration

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

- (a) the half-year financial statements and notes set out on pages 6 to 17 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations 2001, and other mandatory reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 14th day of March 2014.



Peter Thompson
Executive Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GBM Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GBM Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2013, 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, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

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

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

L Di Giallonardo

**L Di Giallonardo
Partner**

**Perth, Western Australia
14 March 2014**