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ABN 91 124 752 745

Financial Statements

**For The Half-Year Ended
31 December 2012**

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Directors' Report

The Directors present the consolidated financial statements of GBM Resources Limited for the half-year ended 31 December 2012.

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>

Company Secretary

Kevin Hart

Review of Operations

The consolidated net loss after income tax for the half-year was \$292,998 (31 December 2011: \$881,045).

At the end of the half-year the Group had \$1,515,173 (30 June 2012: \$1,590,824) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at 31 December 2012 was \$14,208,995 (30 June 2012: \$13,202,731).

Exploration

Exploration expenditure incurred for the six months ended 31 December 2012 on the Company's wholly owned projects was \$707,612 (2011: \$1,505,774) and for the Farm-in projects was \$2,886,892 (2011: \$1,865,486).

During the six months ended 31 December 2012 the Company acquired 70% of the Bungalien phosphate rights from Swift Venture Corporation by the issue of 10 million shares at a deemed price of 5 cents each. An amount of \$500,000 has been capitalised in respect of this acquisition. GBM Resources Limited now owns 100% of the Bungalien phosphate assets.

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Directors' Report

Events Subsequent to the Reporting Date

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

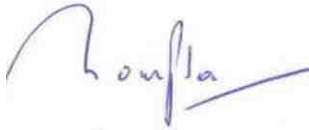
- On 23 February 2013 the Company announced that shareholder approval for the second tranche of a share placement, originally announced on 2 October 2012, had lapsed.

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 2013.



Peter Thompson
Executive Chairman

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of GBM Resources Limited for the half-year ended 31 December 2012, 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 2013



L DI GIALLONARDO
Partner, HLB Mann Judd

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GBM Resources Limited
ABN 91 124 752 745

Condensed Statement of Comprehensive Income
For the half-year ended 31 December 2012

	Note	Consolidated	
		31 December 2012 \$	31 December 2011 \$
Revenue	3	231,133	231,496
Total Revenue		231,133	231,496
Employee expenses		(177,143)	(276,664)
Share based payments expense		(23,333)	(240,500)
Depreciation and amortisation expenses		(21,260)	(22,481)
Consulting and professional expenses		(88,994)	(146,816)
Travel expenses		(67,941)	(31,429)
Exploration costs expensed		(100,692)	(236,311)
Other and administration expenses		(329,718)	(158,340)
Loss before income tax		(577,948)	(881,045)
Income tax benefit – R&D tax concession		284,950	-
Net loss for the half-year attributable to the members of the parent entity		(292,998)	(881,045)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the members of the parent entity		(292,998)	(881,045)
Loss per share			
Basic loss per share (cents)		(0.1)	(0.4)

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

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GBM Resources Limited
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Condensed Statement of Financial Position
As At 31 December 2012

		Consolidated	
		31 December 2012 \$	30 June 2012 \$
	Note		
Current assets			
Cash and cash equivalents		1,515,173	1,590,824
Trade and other receivables		20,751	411,712
Total current assets		1,535,924	2,002,536
Non-current assets			
Trade and other receivables		43,608	40,687
Property, plant and equipment		463,373	478,561
Exploration and evaluation assets		14,208,995	13,202,731
Total non-current assets		14,715,976	13,721,979
Total assets		16,251,900	15,724,515
Current liabilities			
Trade and other payables		270,239	1,435,847
Total current liabilities		270,239	1,435,847
Total liabilities		270,239	1,435,847
Net assets		15,981,661	14,288,668
Equity			
Issued capital	4	20,191,594	18,228,936
Option reserve	5	698,146	698,146
Share based payments reserve		943,971	920,638
Accumulated losses		(5,852,050)	(5,559,052)
Total equity		15,981,661	14,288,668

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

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Condensed Statement of Changes in Equity
For the half-year ended 31 December 2012

	Consolidated				
	Issued capital \$	Accumulated losses \$	Option reserve \$	Share based payments reserve \$	Total \$
At 1 July 2011	16,950,744	(4,362,241)	698,146	642,071	13,928,720
Total comprehensive result for the half-year:					
Loss for the half-year	-	(881,045)	-	-	(881,045)
Movement in share based payments reserve in respect of performance rights vesting	-	-	-	60,500	60,500
Transfer from share based payment reserve to issued capital on exercise of performance rights	99,000	-	-	(99,000)	-
Options issued in lieu of corporate services	-	-	-	180,000	180,000
At 31 December 2011	17,049,744	(5,243,286)	698,146	783,571	13,288,175
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	1,962,658	-	-	-	1,962,658
At 31 December 2012	20,191,594	(5,852,050)	698,146	943,971	15,981,661

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

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Condensed Statement of Cash Flows
For the half-year ended 31 December 2012

	Note	Consolidated	
		31 December 2012 \$	31 December 2011 \$
Cash flows from operating activities			
Interest received		30,155	83,112
Research and development tax concession refund		543,642	-
JV management fee income		198,057	147,146
Payments to suppliers and employees		(598,862)	(605,046)
Net cash from/(used in) operating activities		172,992	(374,788)
Cash flows from investing activities			
Funds provided by JV partner under Farm-in agreement		2,656,323	1,226,213
Payments for exploration and evaluation, including joint venture spend		(4,334,850)	(4,121,276)
Payments for plant and equipment		(32,784)	(41,059)
Net cash used in investing activities		(1,711,311)	(2,936,122)
Cash flows from financing activities			
Proceeds from issue of securities		1,544,200	-
Payments for transaction costs relating to share issues		(81,532)	-
Net cash from financing activities		1,462,668	-
Net decrease in cash held		(75,651)	(3,310,910)
Cash at the beginning of the period		1,590,824	5,198,177
Cash at the end of the period		1,515,173	1,887,267

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

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2012 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 2012 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.

The financial statements have been prepared on the going concern basis.

Adoption of new and revised accounting standards

In the half-year ended 31 December 2012, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2012. It has been determined by the Directors that, there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and therefore no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

The consolidated half-year financial statements were approved by the Board of Directors on 14th March 2013.

Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012

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 wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

Note 3 Revenue

	Consolidated	
	31 December 2012 \$	31 December 2011 \$
Interest income	33,076	84,350
Joint venture management fee income	198,057	147,146
	231,133	231,496

Note 4 Issued capital

Issued capital - Shares	31 December 2012 #	31 December 2011 #	31 December 2012 \$	31 December 2011 \$
	At the beginning of the period	236,181,003	219,793,503	18,228,936
Shares issued on the exercise of vested performance rights	-	1,100,000	-	99,000
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	-
Costs related to share issues	-	-	(81,542)	-
At the end of the period	277,065,003	181,193,504	20,191,594	13,047,509

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012

Note 5 Options

	31 December 2012 #	31 December 2011 #	Option Capital ¹	
			31 December 2012 \$	31 December 2011 \$
At the beginning of the period	129,493,124	113,793,124	698,146	698,146
Options issued in lieu of corporate services	-	10,000,000	-	-
	129,493,124	123,793,124	698,146	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.

During the prior period the Company issued 10,000,000 listed options, exercisable at 20 cents each on or before 30 June 2013, in lieu of payment for corporate services fees of \$180,000.

Note 6 Performance Rights

	31 December 2012 #	31 December 2011 #
Performance rights on issue at the beginning of the period	350,000	1,100,000
Less: Vested performance share rights exercised	-	(1,100,000)
	350,000	-

On 31 December 2012, 350,000 performance share rights, previously issued to employees of the Company, vested and became eligible for exercise. The rights have not been exercised into shares by employees as at 31 December 2012.

Note 7 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2012.

**Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012**

Note 8 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 9 Events occurring after the balance date

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

- On 23 February 2013 the Company announced that shareholder approval for the second tranche of a share placement, originally announced on 2 October 2012, had lapsed.

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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 13 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
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2012 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.

Signed at Perth this 14th day of March 2013.



Peter Thompson
Executive Chairman

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GBM Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GBM Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2012, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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*.

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Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2012 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial report.

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

L Di Giallonardo

L DI GIALLONARDO
Partner

Perth, Western Australia
14 March 2013

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