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ABN 91 124 752 745

Financial Statements

**For The Half-Year Ended
31 December 2015**

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Directors' Report

The Directors present the consolidated financial statements of GBM Resources Limited for the half-year ended 31 December 2015.

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>
Hun Seng Tan	<i>(Non-Executive Director)</i>
Frank Cannavo	<i>(Non-Executive Director – resigned 25 November 2015)</i>
Chiau Woei Lim	<i>(Non-Executive Director – resigned 30 July 2015)</i>

Company Secretary

Kevin Hart

Review of Operations

The consolidated net loss after income tax for the half-year was \$408,988 (31 December 2014: \$1,134,612), which includes exploration costs expensed and written off of \$135,568 (31 December 2014: \$58,318), and the Company's share of the net losses of its associate Angka Alamjaya Sdn Bhd of nil (2014: \$630,691)

At the end of the half-year the Group had \$1,278,738 (30 June 2015: \$1,107,721) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at 31 December 2015 was \$10,739,544 (30 June 2015: \$10,355,613).

Exploration

Exploration expenditure incurred for the six months ended 31 December 2015 on the Company's wholly owned projects was \$519,499 (31 December 2014: \$341,552) and for the Farm-in projects was \$1,112,479 (31 December 2014: \$1,167,824).

Significant Changes in the State of Affairs of the Group

There have been no significant changes in the state of affairs of the Group during or since the period ended 31 December 2015.

Directors' Report

Events Subsequent to the Reporting Date

Other than the matter stated below, 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 19 January 2016 the Group completed the issue of 51,919,250 ordinary fully paid shares at 1.5 cents per share pursuant to its non-renounceable entitlement issue which closed on 17 December 2015, to raise \$778,789 before issue costs;
- On 17 February 2016 the Group issued 2,187,500 ordinary fully paid shares at 1.6 cents per Share, to acquire the Moonmera Copper-Molybdenum prospect in Central Queensland.

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 2016.



Peter Thompson
Executive Chairman

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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 2015, 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 2016**



**L Di Giallonardo
Partner**

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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 2015

	Note	Consolidated	
		31 December 2015 \$	31 December 2014 \$
Revenue	3	260,571	159,836
Employee expenses		(148,849)	(223,611)
Impairment expense – land held for re-sale		-	(58,499)
Project costs expensed	8	(52,305)	-
Depreciation and amortisation expenses	9	(21,839)	(15,288)
Consulting and professional expenses		(93,595)	(129,647)
Travel expenses		(50,289)	(50,449)
Share of net loss of associate	6	-	(630,691)
Exploration costs expensed and written off	12	(135,568)	(58,318)
Other and administration expenses		(167,114)	(127,945)
Loss before income tax		(408,988)	(1,134,612)
Income tax benefit		-	-
Net loss for the half-year attributable to the members of the parent entity		(408,988)	(1,134,612)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the members of the parent entity		(408,988)	(1,134,612)
Loss per share			
Basic loss per share (cents)		(0.1)	(0.3)

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

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GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Financial Position
As At 31 December 2015

		Consolidated	
		31 December 2015 \$	30 June 2015 \$
	Note		
Current assets			
Cash and cash equivalents		1,278,738	1,107,721
Trade and other receivables		12,301	123,655
Total current assets		1,291,039	1,231,376
Non-current assets			
Trade and other receivables		412,242	411,857
Property, plant and equipment	9	183,332	205,171
Exploration and evaluation assets		10,739,544	10,355,613
Total non-current assets		11,335,118	10,972,641
Total assets		12,626,157	12,204,017
Current liabilities			
Trade and other payables		838,421	616,596
Total current liabilities		838,421	616,596
Non-current liabilities			
Provision for rehabilitation		396,054	396,054
Total non-current liabilities		396,054	396,054
Total liabilities		1,234,475	1,012,650
Net assets		11,391,682	11,191,367
Equity			
Issued capital	4	27,981,402	27,372,099
Option reserve		323,733	323,733
Share based payments reserve		400,000	400,000
Accumulated losses		(17,313,453)	(16,904,465)
Total equity		11,391,682	11,191,367

The above condensed consolidated 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 2015

	Consolidated				Total \$
	Issued capital \$	Accumulated losses \$	Option reserve \$	Share based payments reserve \$	
At 1 July 2014	23,927,441	(12,359,214)	323,733	400,000	12,291,960
Total comprehensive result for the half-year:					
Loss for the half-year	-	(1,134,612)	-	-	(1,134,612)
Shares issued (net of costs)	1,790,174	-	-	-	1,790,174
At 31 December 2014	25,717,615	(13,493,826)	323,733	400,000	12,947,522
At 1 July 2015	27,372,099	(16,904,465)	323,733	400,000	11,191,367
Total comprehensive result for the half-year:					
Loss for the half-year	-	(408,988)	-	-	(408,988)
Shares issued (net of costs)	609,303	-	-	-	609,303
At 31 December 2015	27,981,402	(17,313,453)	323,733	400,000	11,391,682

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

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GBM Resources Limited
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Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2015

	Consolidated	
	31 December 2015 \$	31 December 2014 \$
Cash flows from operating activities		
Other income and recharges	36,858	-
Option exclusivity fee	100,000	-
Interest received	6,471	11,414
JV management fee income	116,858	147,930
Payments to suppliers and employees	(436,264)	(562,180)
Net cash used in operating activities	(176,077)	(402,836)
Cash flows from investing activities		
Refundable payments received	500,000	-
Proceeds on redemption of bonds and security deposits	-	14,595
Payments for bonds and security deposits	-	(23,640)
Payments for purchase of equity investments	-	(50,000)
Payments made on behalf of associate	-	(266,409)
Proceeds received on reimbursement by associate	57,779	200,020
Funds provided by JV partner under farm-in agreement	973,812	1,232,753
Payments for exploration and evaluation, including joint venture spend	(1,793,800)	(1,799,088)
Payments for plant and equipment	-	(954)
Net cash used in investing activities	(262,209)	(692,723)
Cash flows from financing activities		
Proceeds from issue of securities	615,947	2,000,000
Payments for transaction costs relating to share issues	(6,644)	(209,826)
Net cash from financing activities	609,303	1,790,174
Net increase in cash held	171,017	694,615
Cash at the beginning of the period	1,107,721	527,372
Cash at the end of the period	1,278,738	1,221,987

The above condensed consolidated 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 2015**

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures that the financial statements comply with International Financial Reporting Standard IAS 134: Interim Financial Reporting.

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 2015 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. 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.

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

The consolidated half-year financial statements were approved by the Board of Directors on 14th March 2016.

Going Concern Basis for Preparation of Financial Statements

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 31 December 2015 the Group has cash assets of \$1,278,738, and total current liabilities at that date amounting to \$838,421. The loss for the six month period to 31 December 2015 was \$408,988 of which \$135,568 related to the write off of exploration costs. Operating cash outflows for the six months to 31 December 2015 were \$176,077.

During the six months to 31 December 2015 the Company successfully raised \$615,947 (before costs) pursuant to a non-renounceable entitlement offer (Entitlement Issue). The issue of all of the Entitlement Issue shortfall shares was completed subsequent to 31 December 2015, raising a further \$778,788 (before costs of the offer). The Group will be required to raise additional funds in order to meet its budgeted expenditure.

The Group's operations in Mt Isa North Queensland, pursuant to the farm-in arrangement with Pan Pacific and Mitsui are fully funded until 31 March 2016 at which point Pan Pacific and Mitsui will have earned a 51% joint venture interest in the farm-in assets.

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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2015

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

The Group continues to engage with potential partners to fund the advance of the Mt Coolon gold project, Mt Morgans copper-gold project and the Milo IOCG project, and the Group retains a 26.7% interest in its Associate Angka Alamjaya Sdn Bhd that is currently in the process of listing on the Singapore Securities Exchange.

In addition the Group has implemented a number of cost reduction strategies which include the ongoing reduction of remuneration payable to the Executive Directors until such time as the Board considers that sufficient cash resources are available.

The Directors will continue to manage the Group's activities with due regard to current and future funding requirements. The directors reasonably expect that the Company will be able to raise sufficient capital to fund the Group's exploration and working capital requirements, and that the Group will be able to settle debts as and when they become due and payable. On this basis the Directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Company be unable to raise the required funding, there is a material uncertainty that may cast significant doubt on whether the company will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 2 Segment information

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

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 activity is mineral exploration and resource development within Australia, and in addition in the comparative period, mineral exploration and resource development in Malaysia (via the investment in an associate).

The reportable segments (stated in Australian \$), are represented as follows:

2015

For the six month period ended 31 December 2015 the only reportable segment was mineral exploration in Australia. For the six month period ended 31 December 2014 the Group's reportable segments also included mineral exploration and resource development in Malaysia (via the investment in an associate). Whilst the Group still holds the investment, the Group's share of past losses from this associate has reduced the Group's investment in that associate to \$nil, and as a result, there is no segment disclosure to be made in respect of this investment for the current period.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 2 Segment information (Continued)

2014

6 months ended 31 December 2014	Australia	Malaysia	Consolidated
	\$	\$	\$
Revenue			
Joint venture management fee	147,930	-	147,930
Total segment revenue	147,930	-	147,930
Segment net reporting loss after tax			
Interest revenue	11,906	-	11,906
Share of loss of associates and joint ventures	-	(630,691)	(630,691)
Depreciation	(15,288)	-	(15,288)
Exploration expenditure written off and expensed	(58,318)	-	(58,318)
Income tax benefit	-	-	-
Segment assets at 31 December 2014	13,149,130	-	13,149,130
Capital expenditure during the period	954	-	954
Segment liabilities at 31 December 2014	(201,608)	-	(201,608)
Segment non-current assets at 31 December 2014	11,045,277	-	11,045,277

Note 3 Revenue

	Consolidated	
	31 December 2015 \$	31 December 2014 \$
Other income and recharges	36,857	-
Option exclusivity fee ¹	100,000	-
Interest income	6,856	11,906
Joint venture management fee income	116,858	147,930
	260,571	159,836

¹Amounts received during the period in respect of a period of exclusivity in relation to discussions regarding potential investment in certain exploration prospects.

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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 4 Issued capital

Issued capital - Shares	31 December 2015 #	31 December 2014 #	31 December 2015 \$	31 December 2014 \$
At the beginning of the period	557,894,121	385,194,121	27,372,099	23,927,441
Share placement	-	100,000,000	-	2,000,000
Entitlement issue ¹	41,063,104	-	615,947	-
Costs related to share issues	-	-	(6,644)	(209,826)
At the end of the period	598,957,225	485,194,121	27,981,402	25,717,615

¹During the period the Company issued 41,063,104 ordinary fully paid shares at 1.5 cents per share pursuant to a non-renounceable entitlement issue which closed on 17 December 2015. On 19 January 2016 the Company completed the issue of the shortfall securities by the issue of a further 51,919,250 shares. A total of \$1,394,735, before costs, was raised pursuant to the entitlement issue.

Note 5 Options

	31 December 2015 #	31 December 2014 #
At the beginning of the period	177,746,562	134,746,562
Options issued pursuant to a share placement as attaching securities ¹	-	43,000,000
	177,746,562	177,746,562

¹ During the comparative period the Company issued 43,000,000 options, exercisable at 3.5 cents each on or before 30 June 2016 in respect of securities attaching to a share placement.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 6 Investments accounted for using the Equity Method

a) Details of associated companies

Name	Country of Incorporation	Shares	Ownership interest		Carrying amount of investment	
			31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
			%	%	\$	\$
Angka Alamjaya Sdn Bhd (AASB)	Malaysia	Ord	26.7%	26.7%	-	-

GBM Resources Limited has no contractual or other obligation to fund the operations of AASB, and therefore recognises its share of the losses of AASB to the extent of its initial investment in AASB only.

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

	Consolidated	
	31 December 2015 \$	31 December 2014 \$
Balance at the beginning of the financial period	-	630,691
Share of AASB loss after tax for the financial period	-	(630,691)
Balance at the end of the financial period	-	-

Note 7 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2015.

Note 8 Related party transactions

During the financial period, the Group incurred costs of nil (2014: \$266,409) on behalf of its associate, AASB, and received reimbursements amounting to \$57,779 (2014: \$200,020), in relation to those costs incurred.

During the period the Group recognised a write off expense of \$52,305 (2014: nil) in respect of previously considered recoverable project costs from AASB.

There are no amounts owing to the Group by AASB as at 31 December 2015 (30 June 2015: \$101,816).

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 9 Property, plant and equipment

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

	Consolidated	
	31 December 2015	31 December 2014
	\$	\$
Net book value of property, plant and equipment at 1 July	205,171	100,033
Depreciation charge	(21,839)	(15,288)
Other additions/disposals	-	954
Net book value of property, plant and equipment at 31 December	183,332	85,699

Note 10 Contingencies and commitments

(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.

(iii) Exploration commitments

There has been no material change in exploration commitments since the last annual reporting date.

Note 11 Events occurring after the balance date

Other than the matter stated below, 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 19 January 2016 the Group completed the issue of 51,919,250 ordinary fully paid shares at 1.5 cents per share pursuant to its non-renounceable entitlement issue which closed on 17 December 2015, to raise \$778,789 before issue costs:
- On 17 February 2016 the Group issued 2,187,500 ordinary fully paid shares at 1.6 cents per Share, to acquire the Moonmera Copper-Molybdenum prospect in Central Queensland.

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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 12 Exploration costs expensed and written off

	Consolidated	
	31 December 2015	31 December 2014
	\$	\$
Exploration costs expensed when incurred	88,291	44,938
Previously capitalised exploration costs written off ¹	47,277	13,380
Total exploration costs included in the Statement of Profit or Loss and Other Comprehensive Income for the period	135,568	58,318

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.

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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 16 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 2015 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 2016.



Peter Thompson
Executive Chairman

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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 statement of financial position as at 31 December 2015, 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 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 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 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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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 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 the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 to the financial statements which indicates that the ability of the Group to continue as a going concern is dependent 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 not be able to raise the required funding, there is a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
14 March 2016**

L Di Giallonardo

**L Di Giallonardo
Partner**