Great Boulder RESOURCES LIMITED

ACN 611695955

HALF YEAR REPORT

INTERIM FINANCIAL REPORT
FOR THE HALF- YEAR ENDED 31 DECEMBER 2019

CONTENTS

P +61 8 6323 7800 A PO Box 1565, Applecross 6953, Western Australia ABN 70 611 695 955 W GREATBOULDER.COM.AU

Corporate Directory

Directors
Gregory Hall (Non-Executive Chairman)
Andrew Paterson (Managing Director)
Murray Black (Non-Executive Director)
Melanie Leighton (Non-Executive Director)

Company Secretary
Melanie Ross

Principal Place of Business
First Floor, 768 Canning Highway
Applecross WA 6153
Telephone: 08 6323 7800
Facsimile: 08 9315 5004

Registered Office
First Floor 768 Canning Highway
Applecross WA 6153
Telephone: 08 6323 7800
Facsimile: 08 9315 5004

Solicitors
Jackson McDonald
Level 17, 225 St Georges Terrace
PERTH WA 6000

Auditors
RSM Australia Partners
Level 32, 2 The Esplanade
PERTH WA 6000

Share Registry
Automic Registry Services
Level 2, 267 St Georges Terrace
PERTH WA 6000
Telephone +61 8 9324 2099

Bankers
Westpac Banking Corporation
Hannan Street
Kalgoorlie WA 6430

Directors' Report

The Directors of Great Boulder Resources Ltd present their report for the half-year ended 31 December 2019.

Directors

The following persons held office as directors of Great Boulder Resources Limited at the date of this report or were directors at any time during the half-year ended 31 December 2019, unless otherwise stated:

Gregory Hall (Non-Executive Chairman)
Andrew Paterson (Managing Director)
Murray Black (Non-Executive Director)
Melanie Leighton (Non-Executive Director)

Principal Activities

The principal continuing activity of the company is mineral exploration in Western Australia.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the company during the half-year.

Review of Operations

Operating Result

The loss from continuing operations for the half-year after providing for tax amounted to $1,492,246 (2018: $494,542).

Operational Highlights

Corporate

- During the period 980,392 shares were issued to Zebina Minerals Pty Ltd as consideration for the Whiteheads Project joint venture option.
- During the period 50,863,485 shares were issued at $0.04 under a placement and rights issue to raise a total of $2 million in exploration funding.
- At the end of December 2019, the Company's issued share capital was:

Class of Securities	Issued Capital
Ordinary fully paid shares – quoted on the ASX	**133,453,994**
Unlisted Options (exercisable at $0.20 and expire 18 Nov. 2020)	34,879,893
Unlisted Options (exercisable at $0.10 and expire 30 June 2020)	6,000,000

WHITEHEADS PROJECT

In August and September 2019, the Company announced two separate transactions to acquire the Whiteheads Project north of Kalgoorlie, a 430km^2 tenement package with significant large-scale gold potential.

The first transaction is an option and joint venture agreement with privately-owned Zebina Minerals Pty Ltd, giving GBR a 12-month option to explore Whiteheads with the view to acquiring a 75% interest upon exercising the option. Consideration for the option was $100,000, and consideration for exercising the option is $400,000, with both tranches being 50% cash and 50% GBR shares.

The second transaction is an earn-in agreement with Mithril Resources Ltd [ASX: MTH] to acquire up to 80% of Mithril's Lignum Dam project adjoining the Zebina tenements. This is a staged earn-in whereby GBR can earn up to 51% by spending $400,000 on exploration within the first two years, and 80% by spending an additional $600,000 within the next two years. The agreement has a minimum expenditure of $120,000 if GBR decides not to proceed with the farm-in after the first year.

During October 2019 a small RC program was completed at three prospects at Whiteheads, with 16 holes drilled for 1,816m. The drilling was designed to test targets at Seven Leaders, Lady Betty and Whiteheads Find.

As announced on 11 December 2019, the best results from the program included:

- 16m @ 1.13g/t Au from 58m in 19SLRC006 at Seven Leaders; and
- 1m @ 7.51g/t Au from 112m in 19LBRC002 at Lady Betty.

At Whiteheads Find two RC holes drilled towards the west to intersect a lithological contact failed to pass through the contact at the designed depth. These holes will be extended during the next phase of drilling in the area.

In December 2019 a high-resolution aeromagnetic survey was conducted over two target areas using a drone. The first area covered the Seven Leaders prospect at the northern end of the Whiteheads project, and the second covered a 3km-long area from Jewellery Box to Lady Betty. This data will be used to assist with the regional structural interpretation.

Subsequent to year's end, in February 2020 the Company announced a 3.8km-long gold-in-soils anomaly defined by new auger sampling over the Arsenal Trend. The Company is continuing to define surface anomalism with ongoing auger sampling prior to drill testing with air-core drilling.

P +61 8 6323 7800 A PO Box 1565, Applecross 6953, Western Australia ABN 70 611 695 955 W GREATBOULDER.COM.AU

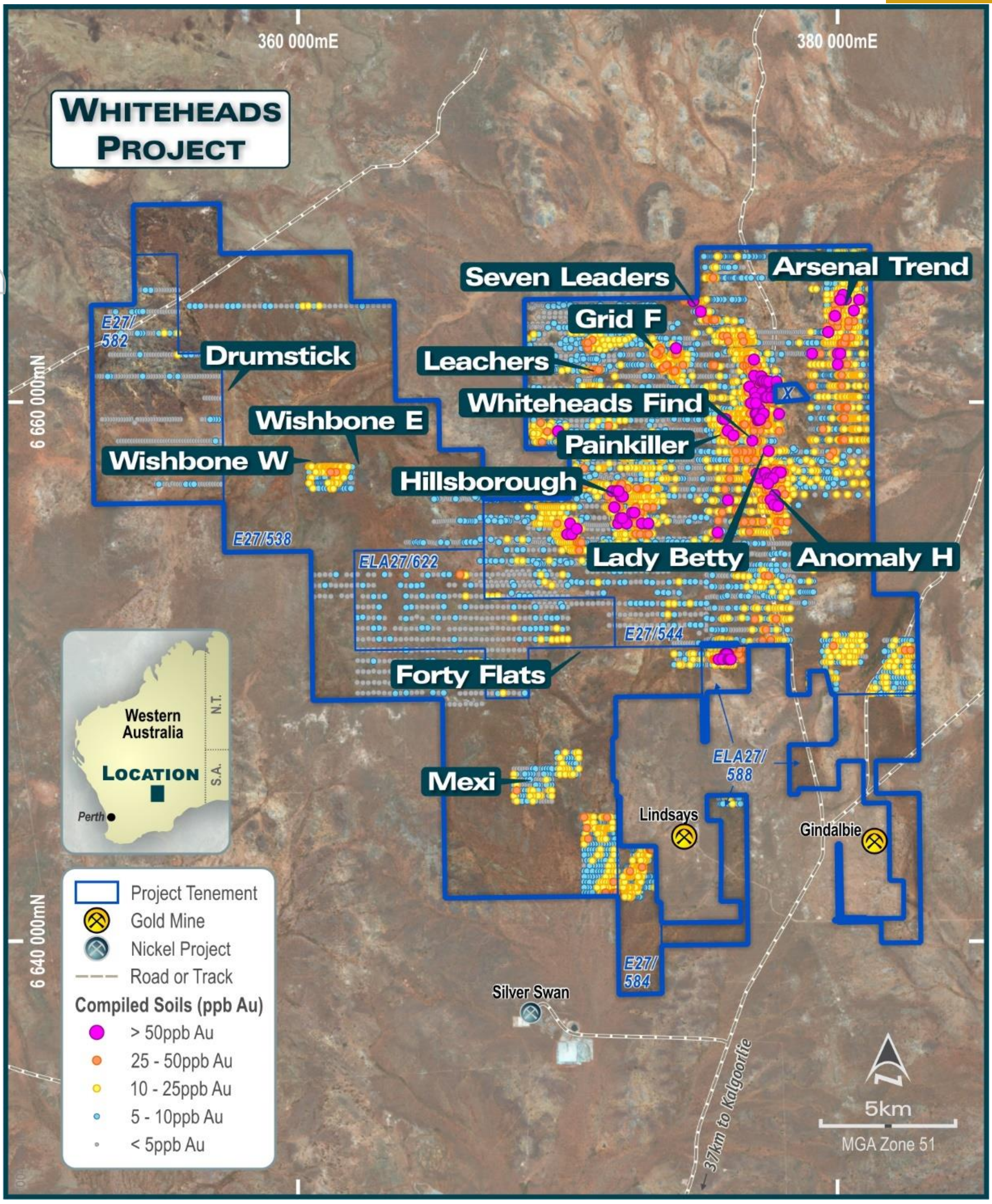

Figure 1: The Whiteheads Project with compiled auger soil values (ppb Au) over satellite imagery.

MT CARLON PROJECT

Early in the September quarter an airborne electromagnetic (EM) survey was flown over the Mt Carlon project, covering the majority of the greenstone belt within the tenement area. The survey, flown by New Resolution Geophysics, used the helicopter borne XciteTM system on 200m lines for a total of 457 line kilometres.

Subsequent interpretation of the EM data resulted in the identification of two large anomalies. As announced to the market on 1 October 2019, the western anomaly is a conductive feature approximately 3.7km long, coincident with a sub-cropping to outcropping unit of banded iron formation (BIF). This area has previously had some drill coverage, with RAB drilling in 1995 which was unlikely to effectively test the hard, outcropping BIF. Because BIF is not a conductive rock type, the anomaly may be caused by sulphide minerals within the BIF unit in a fault-bound dilational setting. This environment is prospective for gold mineralisation.

The Eastern Zone anomaly is a 3.5km-long linear zone of IP (induced polarization) effect coincident with ultramafic rocks and a zone of elevated nickel identified in previous aircore drilling by Gold Road. This is significant because the anomaly is supported by two other prospective indicators – geochemistry and lithology – which add weight to the view that the Eastern Anomaly is a real nickel target. IP effects can be caused by chargeable clays such as montmorillonite or by disseminated sulphides, but as the area consists mainly of sub-crop to shallow residual soils with moderate weathering, and hence the presence of montmorillonite in this weathering profile is considered unlikely. The Eastern Zone also sits on the western edge of a large gravity anomaly thought to be caused by mafic rocks at depth, and the elevated nickel geochemistry and gravity high were two of the reasons for the Company's initial interest in the Mt Carlon project.

With coincident positive indicators for geology, nickel geochemistry and geophysics, this is a high priority target to test for the presence of disseminated nickel sulphides over an area of significant size.

Subsequent to the end of the year a fence of 12 drill sites has been pegged across the central part of the Eastern Zone anomaly, with drill sites cleared in preparation for drilling a 1,200m RC program to commence shortly. The initial holes will provide samples of fresh rock for multi-element analysis to determine whether the ultramafics host disseminated sulphide mineralisation, as well as the tenor of any nickel minerals within the sulphide mix.

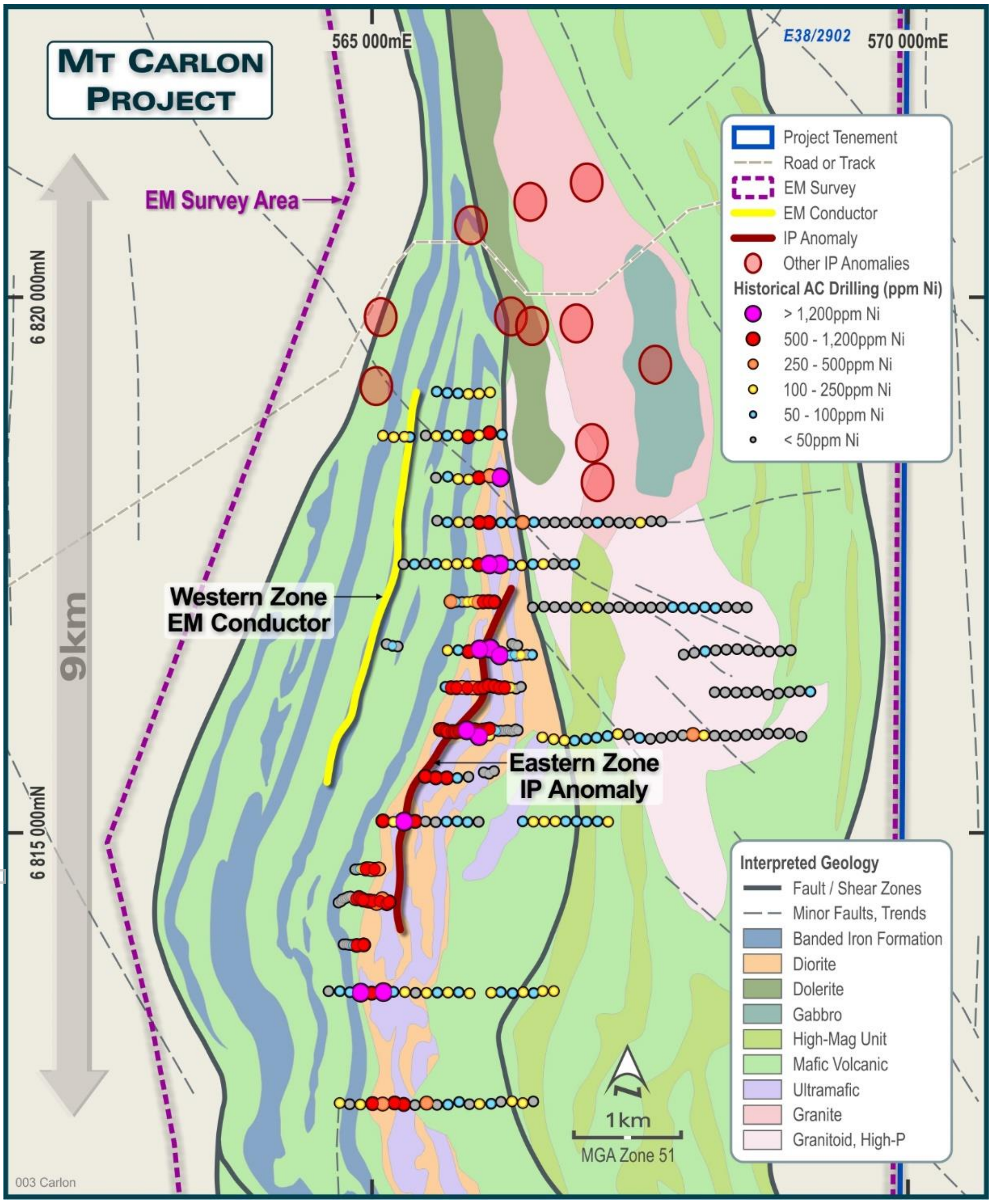

Figure 2: Anomalies from the 2019 Mt Carlon EM survey, shown over interpreted basement geology and historic air-core nickel values.

Winchester Project

There was no fieldwork conducted at Winchester during the reporting period.

+61 8 6323 7800 PO Box 1565, Applecross 6953, Western Australia ABN 70 611 695 955 GREATBOULDER.COM.AU

The Company was successful in applying for a Western Australian Government grant for EIS co-funded drilling at Winchester in the coming year. This will provide up to $150,000 in additional funding for drilling at Winchester, with RC and diamond drilling planned to test the down-plunge extent of copper-nickel sulphide mineralisation identified in earlier drilling. This program will commence as soon as a combination RC-diamond rig is available.

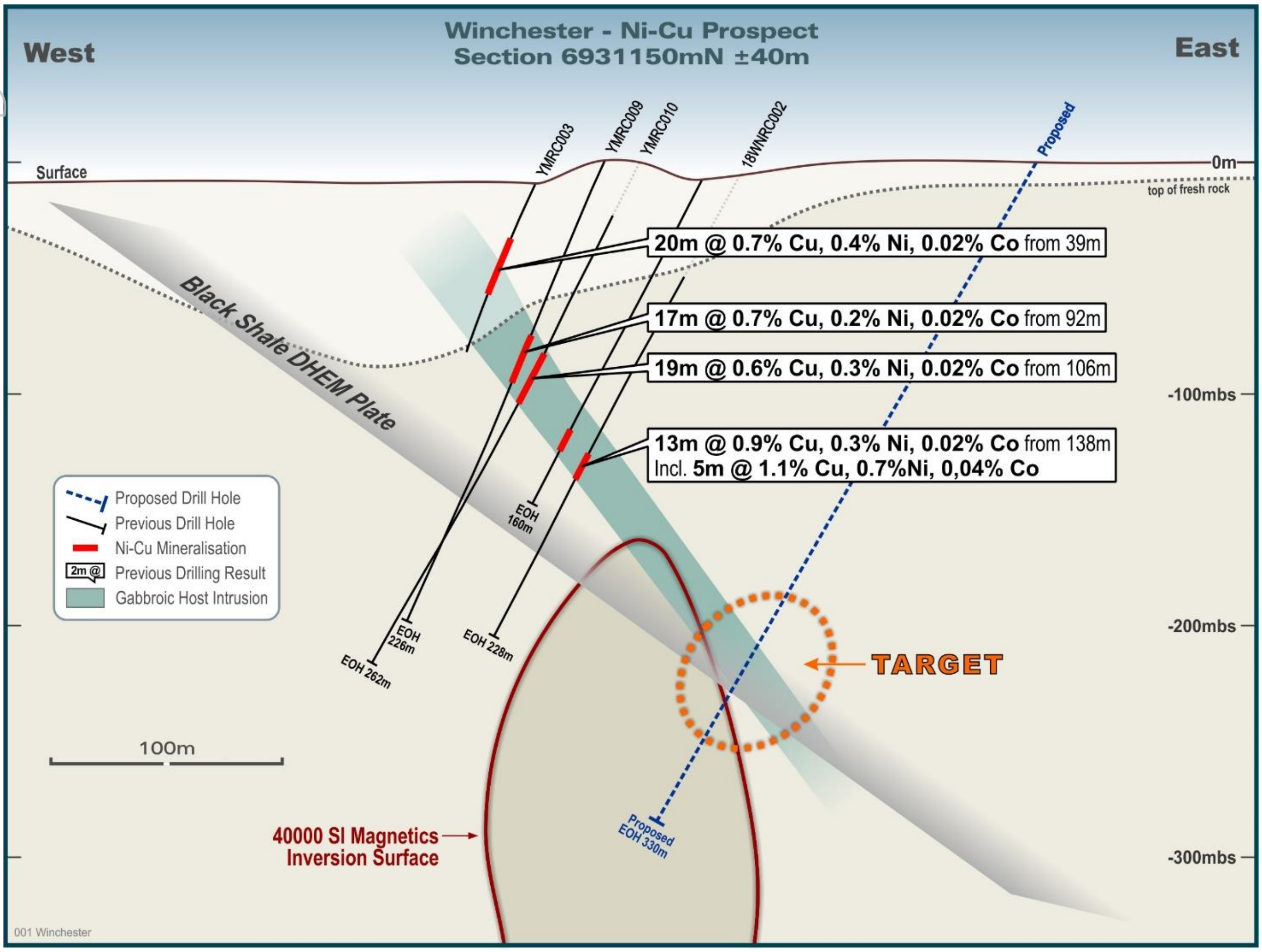

Figure 3: Cross-section of the Winchester prospect drilling target, to be tested with EIS co-funding.

Tarmoola Project

During November 2019 three RC holes were drilled at the Sturt Meadows prospect for a total of 443m, testing targets previously defined by aircore drilling and reprocessing of EM data.

Hole 19SMRC001 was designed to test basement lithologies beneath a deep palaeochannel where nickel sulphide clasts of the mineral vaesite were intersected in basal sands during aircore drilling earlier in the year, as announced to the market on 8 July 2019. Difficult drilling conditions prevented this hole reaching target depth, and it was abandoned at 115m.

Holes 19SMRC002 and 19SMRC003 tested two conceptual targets based upon EM modelling. In both cases the conductors were found to be barren sulphides (pyrite and pyrrhotite) in carbonaceous shales. No significant assays were found in either hole.

Subsequent to this program, in December 2019 the palaeochannel target was successfully drilled using an aircore rig. The hole passed through the base of transported material at 121m before ending in fresh granodiorite at 129m. No vaesite clasts were observed in the channel material and there were no significant assays in the basement samples.

Subsequent to the end of the reporting period the Company reviewed the results achieved from exploration on gold and nickel targets at Tarmoola as part of an annual technical review of all its projects. The Company has decided to withdraw from the Tarmoola farm-in and joint venture agreement with Eastern Goldfields Mining Company Pty Ltd and return the project to EGMC.

Yamarna Project

During the December quarter a small auger program was conducted at the northern end of Mt Venn, testing surface geochemistry around an unusual base metal occurrence drilled in 2017. RC hole 17MVRC004 intersected 2m @ 2.13% Zn, 3.56g/t Ag and 0.39% Pb from 58m. As this hole was drilled shortly before the discovery of the main Mt Venn Cu-Ni sulphide mineralization further south the zinc intersection was never followed up at the time.

Petrographic analysis of the zinc intersection by Dr Anthony Crawford in late 2017 indicated that the sulphide minerals consisted of red-orange sphalerite intergrown with subordinate galena and chalcopyrite, which contrasts to the typical Mt Venn sulphide assemblage of pyrrhotite and chalcopyrite. The same report also concluded that the sulphides may reflect “proximity to a significant structure that provided access to Zn+Pb-carrying hydrothermal fluids unrelated to the host mafic sill” (Crawford, 2017). This observation matches the interpreted geology in the area, and it would explain how VMS-style Zn-Pb-Ag sulphide minerals were remobilised into a gabbronorite host rock.

The auger program defined a small but discrete copper anomaly with a peak value of 638ppm Cu in a thin soil horizon where Ag, Zn and Pb are typically depleted (Figure 4). Both the soil anomaly and the zinc intersection are located close to two conductor plates modelled from previous down-hole EM data. The zinc sulphides are located close to a regional structure offsetting the contact between felsic volcanics to the west and the mafic-ultramafic sequence to the east.

If the base metal sulphides are remobilised from a nearby source within the felsic volcanics they may be related to a VMS-style depositional setting. The prospect requires further drilling and ground EM surveys to determine its potential.

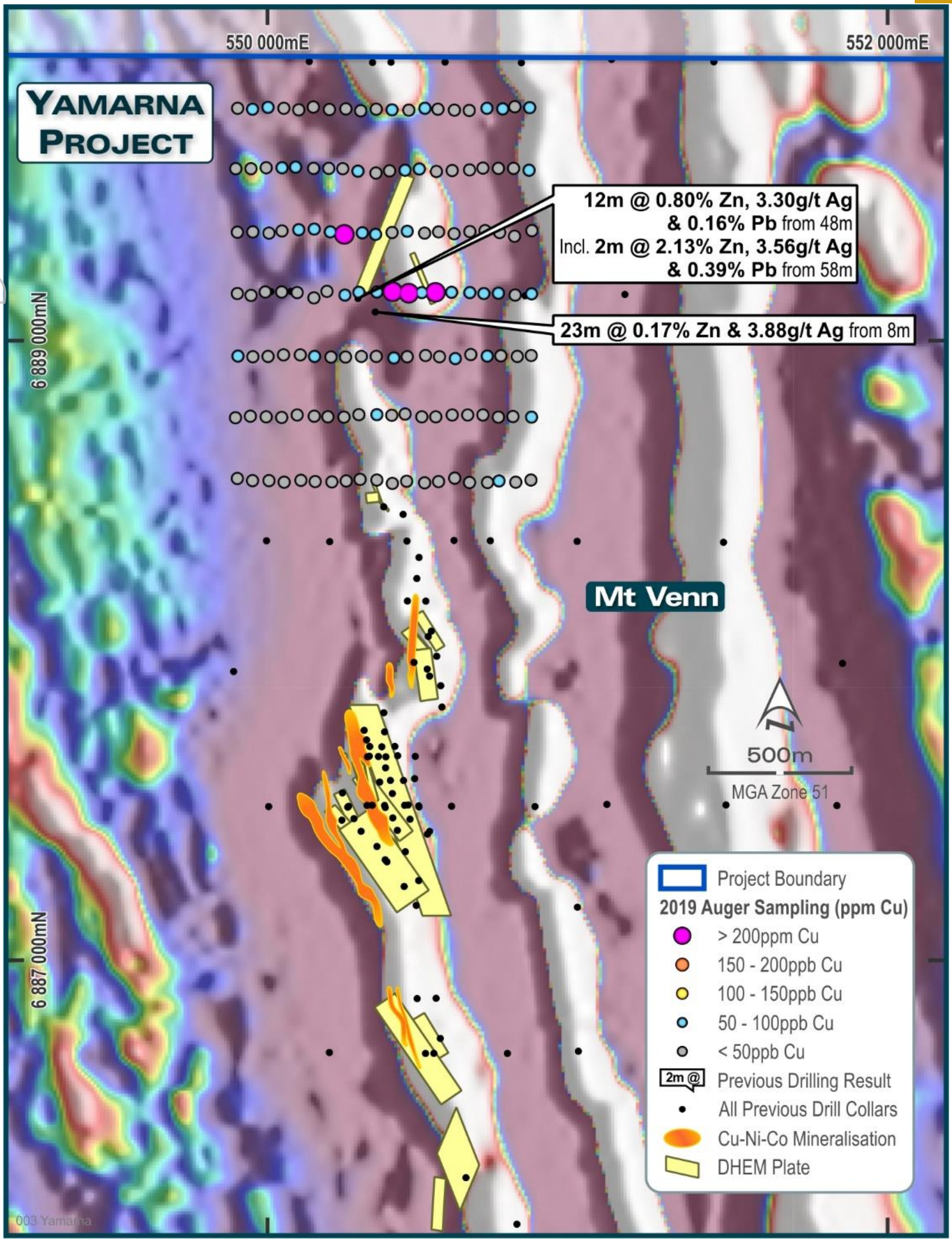

Figure 4: Mt Venn auger sampling (ppm Cu) with previous down-hole EM plates (yellow oblongs) over regional magnetics.

After Reporting Date Events

On 20 February 2020 the Company announced it had entered into an option agreement to acquire a 75% interest in the Mt Jewell nickel-sulphide project near Kalgoorlie. The Company has paid an initial option fee of $10,000 to the vendor. During the 12-month option period, GBR has a minimum expenditure commitment of $20,000. Upon exercising the option, GBR will acquire a 75% interest in the tenement by paying the vendor $100,000 payable in cash or scrip at the Company's election. If GBR defines a mineral resource of 100,000t @ 1% Ni at a sufficient level of confidence for JORC Inferred compliance or greater, the Company will make an additional payment of $100,000 to the vendor payable in cash or scrip at the Company's election.

Other than the above, there are no matters or circumstances that have arisen since 31 December 2019 that have significantly affected or may significantly affect the operations, the results of those operations, or the state of affairs of the company.

Auditors' Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from RSM Australia Partners, the company's auditors, which has been included as part of these financial statements.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed for on behalf of the board by:

Andrew Paterson

MANAGING DIRECTOR
12 March 2020, Perth

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2019

	Note	31 December 2019 $	31 December 2018 $
Interest		1,019	13,085
		1,019	13,085
Depreciation		(15,485)	(19,257)
Corporate fees		(21,469)	(46,343)
Legal and professional		(64,274)	(57,525)
Employee benefits expense		(114,591)	(138,645)
Administration expenses and rent		(106,157)	(156,729)
Project evaluation expenses		(12,702)	(10,963)
Travel costs		(9,006)	(20,585)
Impairment expenses	**2**	(1,037,560)	(14,402)
Share based payment		(112,021)	(43,178)
Loss before income tax		(1,492,246)	(494,542)
Income tax expense		-	-
Loss for the half year		(1,492,246)	(494,542)
Other comprehensive income		-	-
Total comprehensive loss for the half year		**(1,492,246)**	**(494,542)**
Basic and diluted loss per share (cents)		(1.39)	(0.62)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 $	30 June 2019 $
Current Assets			
Cash and cash equivalents		1,848,362	655,012
Other current assets		111,135	16,321
Total current assets		1,959,497	671,333
Non-Current Assets			
Property, plant and equipment		167,343	179,429
Exploration and evaluation expenditure	2	5,184,094	5,588,496
Total non-current assets		5,351,437	5,767,925
Total assets		7,310,934	6,439,258
Current Liabilities			
Trade and other payables		367,587	72,595
Provisions		3,991	7,497
Total current liabilities		371,578	80,092
Total liabilities		371,578	80,092
Net assets		6,939,356	6,359,166
Equity			
Contributed equity	3	11,486,579	9,526,164
Share based payment reserve		323,975	211,954
Accumulated losses		(4,871,198)	(3,378,952)
Total equity		6,939,356	6,359,166

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

P +61 8 6323 7800 A PO Box 1565, Applecross 6953, Western Australia ABN 70 611 695 955 W GREATBOULDER.COM.AU

Statement of Changes in Equity

For the Half-Year Ended 31 December 2019

	Contributed Equity	Option Reserve	Accumulated Losses	Total Equity
	$	$	$	$
31 December 2019:				
Balance at 1 July 2019	9,526,164	211,954	(3,378,952)	6,359,166
Loss for the period	-	-	(1,492,246)	(1,492,246)
Total comprehensive income for the half-year	-	-	(1,492,246)	(1,492,246)
Shares issued during the period	2,084,539	-	-	2,084,539
Share issue costs	(124,124)	-	-	(124,124)
Share based payments	-	112,021	-	112,021
Balance at 31 December 2019	11,486,579	323,975	(4,871,198)	6,939,356
31 December 2018:				
Balance at 1 July 2018	9,268,048	290,768	(2,090,536)	7,468,280
Loss for the period	-	-	(494,542)	(494,542)
Total comprehensive income for the half-year	-	-	(494,542)	(494,542)
Shares issued during the period	50,000	-	-	50,000
Share issue costs	(1,884)	-	-	(1,884)
Share based payments	-	43,178	-	43,178
Expiry of performance rights	-	(29,600)	29,600	-
Balance at 31 December 2018	9,316,164	304,346	(2,555,478)	7,065,032

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

+61 8 6323 7800 PO Box 1565, Applecross 6953, Western Australia ABN 70 611 695 955 GREATBOULDER.COM.AU

Statement of Cash Flows

For the Half Year Ended 31 December 2019

	31 December 2019	31 December 2018
	$	$
Cash Flows From Operating Activities		
Payments to suppliers and employees	(380,770)	(358,708)
Interest received	1,019	23,268
Net cash (used in) operating activities	**(379,751)**	**(335,440)**
Cash Flows From Investing Activities		
Payments for exploration and evaluation expenditure	(800,722)	(2,869,869)
Receipts from Joint Venture partners	1,620	554,660
Proceeds from grants received for exploration and evaluations expenditure	465,187	806,157
Payment for plant and equipment	(3,399)	(129,015)
Net cash (used in) investing activities	**(337,314)**	**(1,638,067)**
Cash Flows From Financing Activities		
Proceeds from issue of shares	2,034,539	50,000
Share issue costs	(124,124)	(1,884)
Net cash provided by financing activities	**1,910,415**	**48,116**
Net increase/(decrease) in cash held	1,193,350	(1,925,391)
Cash and cash equivalents at the beginning of the half-year	655,012	3,693,878
Cash and cash equivalents at the end of the half-year	**1,848,362**	**1,768,487**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

+61 8 6323 7800 PO Box 1565, Applecross 6953, Western Australia ABN 70 611 695 955 GREATBOULDER.COM.AU

Notes to the Financial Statements

For the half-year ended 31 December 2019

1. Summary of Significant Accounting Policies

a. Basis of Preparation

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Great Boulder Resources Limited during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

New or amended Accounting Standards and Interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the entity:

AASB 16 Leases

The entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019 $
Operating lease commitments as at 1 July 2019 (AASB 117)	37,167
Short-term leases not recognised as a right-of-use asset (AASB 16)	(37,167)
Right-of-use assets (AASB 16)	-
Lease liabilities (AASB 16)	-
Reduction in opening retained profits as at 1 July 2019	-

1. Summary of Significant Accounting Policies

a. Basis of Preparation (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	31 December 2019 $	30 June 2019 $
2. Exploration and evaluation expenditure		
Opening balance	5,588,496	3,876,500
Mining tenements purchased at cost	100,000	210,000
Capitalised mineral exploration and evaluation expenditure (net) during the period	533,158	2,149,398
Impairment of exploration and evaluation costs (i)	(1,037,560)	(647,402)
Closing balance	**5,184,094**	**5,588,496**

i. As the Company has withdrawn from the Tarmoola Joint Venture, the capitalised mineral exploration and evaluation expenditure in relation to this areas of interest has been impaired.

	31 December 2019 $	30 June 2019 $
3. Issued capital		
(a) Issued capital		
Ordinary shares – fully paid	11,486,579	9,526,164

	Number	$
(b) Movement in ordinary share capital		
Balance at beginning of period	81,610,117	9,526,164
Shares issued on 9 September 2019 under option agreement	980,392	50,000
Placement 9 September 2019	17,500,000	700,000
Shares issued under rights issue 2 October 2019	10,935,588	437,424
Shares issued under rights issue shortfall 17 October 2019	22,427,897	897,115
Share issue costs	-	(124,124)
Balance at end of period	**133,453,994**	**11,486,579**

3. Issued capital (continued)

(c) Options over ordinary share capital

Expiry date	Expiry price ($)	Balance at start of the period	Number issued during the period	Number exercised during the period	Number expired during the period	Balance at end of the period
17/11/2020	0.20	34,629,893	-	-	-	34,629,893
18/03/2022	0.20	250,000	-	-	-	250,000
30/06/2022	0.10	-	4,000,000	-	-	4,000,000
30/06/2022	Note 1	-	2,000,000	-	-	2,000,000
		34,879,893	6,000,000	-	-	40,879,893

Note 1 – Exercise price is equal to 150% of the VWAP of fully paid ordinary shares traded on ASX over the five business days prior to 30 June 2020 on which shares are traded ASX.

On 21 November 2019, shareholders approved the issue of 6,000,000 options to Andrew Paterson as follows:

- Tranche 1 – 4,000,000 options
  - Vesting date is date of issue (2 December 2019)
  - Exercise price is $0.10 per option
  - The options have been valued using a Black Scholes pricing model with an aggregate value of $94,400 and an expense has been recognised during the period of this amount.
- Tranche 2 – 2,000,000 options
  - Vesting date is 30 June 2020 subject to Mr Paterson being an employee at that date
  - Exercise price is equal to 150% of the VWAP of fully paid ordinary shares traded on ASX over the five business days prior to 30 June 2020 on which shares are traded ASX
  - The options have been valued using a Black Scholes pricing model with an aggregate value of $51,800 and an expense of $9,333 has been recognized during the period.
  - Commencing from date of shareholder approval, the share based payment expense is recognised on a straight-line basis over the vesting period.

4. Contingent Liabilities

The directors are not aware of any new contingent liabilities or assets as at 31 December 2019. There has been no change in contingent liabilities or assets since the last annual reporting date.

5. Events Subsequent To Reporting Date

On 20 February 2020 the Company announced it had entered into an option agreement to acquire a 75% interest in the Mt Jewell nickel-sulphide project near Kalgoorlie. The Company has paid an initial option fee of $10,000 to the vendor. During the 12-month option period, GBR has a minimum expenditure commitment of $20,000. Upon exercising the option, GBR will acquire a 75% interest in the tenement by paying the vendor $100,000 payable in cash or scrip at the Company's election. If GBR defines a mineral resource of 100,000t @ 1% Ni at a sufficient level of confidence for JORC Inferred compliance or greater, the Company will make an additional payment of $100,000 to the vendor payable in cash or scrip at the Company's election.

Other than the above, there are no matters or circumstances that have arisen since 31 December 2019 that have significantly affected or may significantly affect the operations, the results of those operations, or the state of affairs of the company.

6. Dividends

No dividends have been paid or proposed to be paid during the half-year.

7. Segment Information

The company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The company operates as a single segment which is mineral exploration in Western Australia.

8. Related Parties

Eastern Mining Goldfields Pty Ltd, a company controlled by Mr Black, was invoiced $47,875 (ex. GST) for its 25% share of the Yamarna Joint Venture costs for the half year (30 June 2019: $727,081). An amount of $43,216 (ex. GST) was receivable as at 31 December 2019 (30 June 2019: payable of $4,960).

A company in which Mr Black is a director, Blue Spec Drilling Pty Ltd, invoiced the company $123,379 (ex. GST) for drilling services (30 June 2019: $1,105,629). No amounts were owing as at 31 December 2019 (30 June 2019: $nil).

During the period the company granted Andrew Paterson (Managing Director) 6,000,000 options following approval by shareholders at the company's annual general meeting on 21 November 2019. Refer to Note 4.

P +61 8 6323 7800 A PO Box 1565, Applecross 6953, Western Australia ABN 70 611 695 955 W GREATBOULDER.COM.AU

Directors' Declaration

In the opinion of the directors:

a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and

c) 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 Board of Directors made pursuant to s303 (5) of the Corporations Act 2001.

Signed for on behalf of the board by:

Andrew Paterson
MANAGING DIRECTOR
12 March 2020

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Great Boulder Resources Limited for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM
RSM AUSTRALIA PARTNERS

AWhyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 12 March 2020

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GREAT BOULDER RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Great Boulder Resources Limited which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 company's financial position as at 31 December 2019 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 Great Boulder Resources Limited, 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*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Great Boulder Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Great Boulder Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the company's financial position as at 31 December 2019 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*.

RSM
RSM AUSTRALIA PARTNERS

AWhyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 12 March 2020