

# **GME Resources Limited**

(ABN 62 009 260 315)

## **Interim Report** 31 December 2015

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## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity (Group) for the half year ended 31 December 2015.

### Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Michael Delaney Perrott	Non-Executive Chairman
James Noel Sullivan	Executive Director
Peter Ross Sullivan	Non-Executive Director

### Review of Operations

#### Devon Gold Project

Significant progress during the period was made in relation to the stage two pit expansion at the Company's 100% owned Devon Gold Mine.

Progress over the period included the following:

- Ore Purchase Agreement executed with Saracen Gold Mines – Carosue Dam Processing Facility
- Mining and Haulage Contractor appointed
- Dewatering permits issued
- Completion of Geotechnical Studies
- Final grade control and step out drilling completed
- Final metallurgical test work completed in line with expectations
- Finalisation of Pit Design / Optimisation and Economic Evaluation Studies

The expansion of operations at the Devon Gold Mine follows on from the successful trial mining development in May 2015 that produced approximately 15,000 tonnes of high grade ore (6.2 g/t) mined from a shallow open pit.

The planned stage two operation will result in a cut back of the existing mine that will allow the open pit to be developed to a maximum depth of approximately 40 metres. The expansion is a relatively straight forward mine and haul operation with ore processing to be undertaken at Saracen Gold Mine's Carosue Dam plant site facilitated through an Ore Purchase Agreement.

Hampton Mining Services have been appointed to undertake the mining program and will provide road haulage services under the processing arrangements agreed with Saracen. Camp and messing services will be supplied by Longreach camps.

Water pump testing is currently in progress to determine water inflow rates so that suitable pumping equipment is installed to maintain dewatering of the pit and historic workings.

The final pit design which draws on the geotechnical work, metallurgical test results and the recent block model and subsequent optimisation updates will be used to complete final economic evaluation for the development. Information relating the financial modelling and mine production rates will be released in due course.

Based on the most recent mining schedule the expanded operation is expected to take between 4 and 5 months to complete.

#### NiWest Nickel Laterite Project

Metallurgical test work on the development of the flow sheet for NiWest Nickel Laterite Heap Leach-SX-EW project has been deferred. As flagged in October the Company has decided to defer the remaining stages of the program due to the sustained fall in Nickel prices over the past 12 months. Work on the flow sheet design has now ceased and reporting has been updated. The deferral of the program will not have any detrimental effect on the pregnant liquor solution ("PLS") that has been generated from the bulk column test work that is to be used for the continuous piloting stages of the program.

The Company is of the view that the re-allocation of funds from the NiWest metallurgical test program to the Devon Gold Project is prudent in the current market.

### **New Year's Gift Prospect - Linden**

During the reporting period the Company completed a first pass RC drilling program at the New Year's Gift gold prospect. The project was acquired in July 2015 and is located approximately 1,000 metres to the north of the Company's Devon Gold Mine lease at Linden.

The recent drilling program of four RC holes (i.e. NYGRC001-4) for a total of 200 metres was designed to intersect the projected mineralised lode below 20 metres. RC drill holes were nominally spaced 40 metres apart testing the zone over approximately 150 metres of strike length. The results which include significant and multiple high-grade intercepts are encouraging and warrant further investigation.

A follow up program is planned for Q3 2016 to test deeper into the structure and along strike, in particular the untested southern strike where shallow costean sampling returned an assay grading 29.2 g/t.

Exploration, evaluation and mine development expenditure of \$1,256,484 was capitalised in the half year to 31 December 2015, (December 2014: \$1,329,270).

The Company recorded a net profit (after tax) for the half year to 31 December 2015 of \$479,189 (December 2014: \$71,404).

### **Subsequent Events**

On 17 February 2016, the Company announced that it had received approval from the Department of Mines and Petroleum in relation to the Mining Proposal and Mine Closure plan for the expansion of open pit operations at the Company's 100% owned Devon Gold Mine.

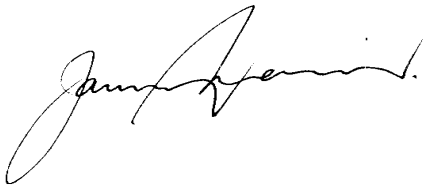
Contractors associated with the development have mobilised to the site and mining is now in progress.

On 8 March 2016 the Company executed a standby finance facility to provide working capital cover over the initial stages of the development at the Devon Gold Mine where higher strip ratios will be encountered. The Standby Facility is for \$1.5m is unsecured and has been put in place with Zeta Resources Limited on normal commercial terms.

### **Auditor's Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2015.

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



**James Sullivan**

Managing Director

Dated this 11th day of March 2016

## **Competent Person Statements**

### **NiWest Nickel Project**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Stephen Hyland of Ravensgate Resource Consultants. Mr Hyland is a fellow of The Australasian Institute of Mining and Metallurgy. Mr Hyland is a Principal Consultant with Ravensgate Minerals Industry Consultants who consults to the Company. Mr Hyland has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Hyland consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears. This Mineral Resource Estimate has not been updated to JORC 2012 on the basis that the available information has not materially changed since the last review.

The information in this announcement that relates to Processing / Engineering and related operating and capital cost estimates is based on information reviewed by Mr David Readett (B.E. Met Eng., FAusIMM, CP (Met)). Mr Readett is an independent consulting engineer working through a Company known as MWorx Pty Ltd. Mr Readett is a Chartered Professional Metallurgical Engineer and has 25 years of relevant experience in this area of work. Mr Readett consents to the inclusion in this announcement of the matters based on information provided by him and in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. Mr Gunther is a Principal Consultant with Eureka Geological Services. Mr Gunther has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gunther consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

### **Devon Trial Gold Mine**

Where the Company refers to the Devon Gold Project Mineral Resources Estimate in this report (referencing the release made to the ASX on 29 June 2015) it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate in that announcement continue to apply and have not materially changed.

### **Forward-Looking Statements**

Certain statements made in this announcement, including, without limitation, those concerning the scoping study, contain or comprise certain forward-looking statements regarding GME Resources Limited's (GME) exploration operations, economic performance and financial condition. Although GME believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. GME undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

The Company notes that an inferred resource has a lower level of confidence than an indicated or measured resource. The Company believes that based on the geological nature of its deposits and the work done over several years by its Competent Person that there is a high degree of probability that the inferred resources will upgrade to indicated resources with further exploration work.

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of GME 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  
11 March 2016**

**N G Neill  
Partner**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

		<b>Consolidated</b>	
	Notes	<b>31 Dec 2015</b>	31 Dec 2014
		\$	\$
Other income	2	<b>106,474</b>	215,263
Management and consulting expenditure		<b>(32,500)</b>	(42,500)
Depreciation and amortisation expense		<b>(4,399)</b>	(709)
Exploration write-off		-	(3,899)
Research & development claim preparation		<b>(92,373)</b>	-
Other expenses		<b>(114,016)</b>	(96,751)
<b>Profit/(loss) before income tax</b>		<b>(136,814)</b>	71,404
Income tax benefit (R&D refund)		<b>616,003</b>	-
<b>Net Profit for the half year</b>		<b>479,189</b>	71,404
Other comprehensive income		-	-
Total comprehensive result for the half year		<b>479,189</b>	71,404
		<b>0.10</b>	0.02
Basic profit per share (cents)		<b>0.10</b>	0.02
Diluted profit per share (cents)		<b>0.10</b>	0.02

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

		<b>Consolidated</b>	
	Notes	<b>31 Dec 2015</b>	30 June 2015
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		<b>840,100</b>	1,792,890
Trade and other receivables	3	<b>75,139</b>	263,457
Prepayments		<b>28,232</b>	31,706
<b>Total Current Assets</b>		<b>943,471</b>	2,088,053
<b>Non-Current Assets</b>			
Trade and other receivables	3	<b>17,189</b>	17,175
Plant and equipment		<b>573</b>	1,282
Intangible assets		<b>7,381</b>	11,072
Mine development expenditure	4	<b>473,124</b>	-
Deferred exploration and evaluation expenditure	5	<b>25,602,884</b>	24,819,524
<b>Total Non-Current Assets</b>		<b>26,101,151</b>	24,849,053
<b>Total Assets</b>		<b>27,044,622</b>	26,937,106
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	<b>279,304</b>	650,977
<b>Total Current Liabilities</b>		<b>279,304</b>	650,977
<b>Total Liabilities</b>		<b>279,304</b>	650,977
<b>Net Assets</b>		<b>26,765,318</b>	26,286,129
<b>Equity</b>			
Issued capital	7	<b>53,203,031</b>	53,203,031
Reserves		<b>973,537</b>	973,537
Accumulated losses		<b>(27,411,250)</b>	(27,890,439)
<b>Total Equity</b>		<b>26,765,318</b>	26,286,129

The accompanying notes form part of these financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	<b>CONSOLIDATED</b>			
	Issued Capital	Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	52,557,101	973,537	(18,467,587)	35,063,051
Profit for the period	-	-	71,404	71,404
<b>Total comprehensive result for the period</b>	-	-	71,404	71,404
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	687,821	-	-	687,821
Share issue costs	(41,891)	-	-	(41,891)
<b>Balance at 31 December 2014</b>	53,203,031	973,537	(18,396,183)	35,780,385
<b>Balance at 1 July 2015</b>	53,203,031	973,537	(27,890,439)	26,286,129
Profit for the period	-	-	479,189	479,189
<b>Total comprehensive result for the period</b>	-	-	479,189	479,189
<b>Balance at 31 December 2015</b>	53,203,031	973,537	(27,411,250)	26,765,318

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(254,235)	(117,792)
Exploration and evaluation expenditure	(972,725)	(988,703)
Payment for mine development	(438,734)	-
Payment for mining operations	(9,559)	-
Interest received	6,460	15,119
Research and development refund	616,003	-
Facilitation fee received	100,000	-
Net cash inflow/(outflow) from operating activities	<u>(952,790)</u>	<u>(1,091,376)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	-	687,821
Payment for costs of issue of shares	-	(34,391)
Net cash inflow/(outflow) from financing activities	<u>-</u>	<u>653,430</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	-	(18,453)
Bonds (paid)/returned	-	(3,000)
Net cash inflow/(outflow) from investing activities	<u>-</u>	<u>(21,453)</u>
Net increase/(decrease) in cash and cash equivalents	<b>(952,790)</b>	<b>(459,399)</b>
Cash and cash equivalents held at the start of the period	<b>1,792,890</b>	<b>1,543,752</b>
<b>Cash and cash equivalents held at the end of the period</b>	<b><u>840,100</u></b>	<b><u>1,084,353</u></b>

The accompanying notes form part of these financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

The half-year condensed consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The condensed half-year statements do not include full disclosures of the type normally included in the annual financial statements. Therefore, they cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2015 and any public announcements made by GME Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

### (b) Basis of preparation

The half-year statements have been prepared on a historical cost basis. The Company is domiciled in Australia and all amounts are presented in Australian dollars unless otherwise noted.

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

### (c) Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim accounting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 year.

### (d) Significant accounting judgements and key estimates

The preparation of half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### (e) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group recorded an operating profit of \$479,189, and a cash outflow from operating activities of \$952,790 for the half-year ended 31 December 2015 and at balance date, had net current assets of \$664,167.

The Board considers that the Group is a going concern and recognises that additional funding is required to ensure that the Group can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this financial report.

As a result, and as noted in Note 12, the Company has entered into an interim funding arrangement to ensure it has sufficient working capital whilst it undertakes the stage two development of the Devon Gold Mine.

In addition, funding can be derived from sources including:

- Development of resource assets;
- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; or
- The sale of assets.

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the Group will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. Should the Group be unable to obtain sufficient funding 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 and at the amounts stated in the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

### NOTE 2: PROFIT FROM ORDINARY ACTIVITIES

#### Consolidated

	31 Dec 2015	31 Dec 2014
	\$	\$

The following revenue items are relevant in explaining the financial performance for the half-year:

#### (a) Revenue

Royalty income	-	100,000
Facilitation fee	100,000	100,000
Interest received	6,474	15,263
	106,474	215,263

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

**NOTE 3: TRADE AND OTHER RECEIVABLES**

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
GST receivable	<b>74,578</b>	262,896
Other debtors	<b>561</b>	561
	<b>75,139</b>	263,457
<b>Non current</b>		
Bonds	<b>17,189</b>	17,175

**NOTE 4: MINE DEVELOPMENT EXPENDITURE**

**Mine development Stage - at cost**

Mine development expenditure	<b>473,124</b>	-
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**NOTE 5: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

Balance at beginning of the period	<b>24,819,524</b>	33,594,943
Direct expenditure	<b>783,360</b>	2,325,246
	<b>25,602,884</b>	35,920,189
Recoupment of exploration and evaluation expenditure capitalised to date from trial mining operations	-	(1,342,749)
Less expenditure written off	-	(572,316)
Less impairment of exploration and evaluation expenditure	-	(9,185,600)
<b>Total deferred exploration and evaluation expenditure</b>	<b>25,602,884</b>	24,819,524

The ultimate recoupment of the above deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas at amounts sufficient to recover the expenditure.

**NOTE 6: TRADE AND OTHER PAYABLES**

Trade payables and accruals	<b>279,304</b>	650,977
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**NOTE 7: ISSUED CAPITAL**

*Ordinary shares*

Issued and fully paid	<b>53,203,031</b>	53,203,031
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<b>No.</b>	<b>\$</b>
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*Movements in ordinary shares on issue*

At 1 July 2015	<b>461,596,374</b>	<b>53,203,031</b>
At 31 December 2015	<b>461,596,374</b>	<b>53,203,031</b>

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

### **NOTE 8: DIVIDENDS**

No dividends were paid or declared during the period.

### **NOTE 9: SEGMENT REPORTING**

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of GME Resources Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one business and geographical segment being the resources sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

### **NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

### **NOTE 11: FINANCIAL INSTRUMENTS**

The Directors consider that the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

### **NOTE 12: EVENTS AFTER BALANCE DATE**

On 17 February 2016, the Company announced that it had received approval from the Department of Mines and Petroleum in relation to the Mining Proposal and Mine Closure plan for the expansion of open pit operations at the Company's 100% owned Devon Gold Mine.

Contractors associated with the development have mobilised to the site and mining is now in progress.

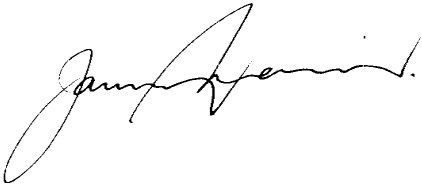
On 8 March 2016 the Company executed a standby finance facility to provide working capital cover over the initial stages of development at the Devon Gold Mine where higher strip ratios will be encountered. The Standby Facility is for \$1.5m, is unsecured and has been put in place with Zeta Resources Limited on normal commercial terms.

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 12 are in accordance with the Corporations Act 2001 including:
  - a. Complying with the Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. 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 then ended.
2. In the directors' opinion 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 signed in accordance with a resolution of the Board of Directors, made pursuant to s303(5) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'James Sullivan', written in a cursive style.

**James Sullivan**

Director

Dated this 11th day of March 2016

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of GME Resources Limited

### **Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of GME Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of 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 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*.



*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 GME 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 modifying our conclusion, we draw attention to Note 1(e) to the financial report which indicates that the Group is dependent on obtaining sufficient funding to enable it to continue as a going concern.

Should the Group be unable to obtain sufficient funding, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.



**HLB Mann Judd**  
**Chartered Accountants**



**N G Neill**  
**Partner**

**Perth, Western Australia**  
**11 March 2016**