

GME Resources Limited

(ABN 62 009 260 315)

Interim Report **31 December 2017**

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CORPORATE DIRECTORY

DIRECTORS

Chairman

Peter Ross SULLIVAN BE, MBA

Managing Director

James Noel SULLIVAN FAICD

Director

Peter Ernest HUSTON B. Juris, LLB (Hons), B.Com, LLM

COMPANY SECRETARY

Mark Pitts B.Bus FCA

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Fremantle WA 6160

Telephone: (08) 9336 3388

Facsimile: (08) 9315 5475

Web Site: www.gmeresources.com.au

AUDITORS

HLB Mann Judd

Chartered Accountants

Level 4, 130 Stirling Street

Perth WA 6000

SHARE REGISTRY

Computershare Registry Services Pty Ltd

Level 11

172 St George's Terrace

Perth WA 6000

GPO Box D182

Perth WA 6840

Telephone: (08) 9323 2000

Facsimile: (08) 9323 2033

SECURITIES EXCHANGE LISTING

The Company's shares are quoted on the Official List of Australian Securities Exchange Limited Ticker code: GME

STATE OF REGISTRATION

Western Australia

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity (Group) for the half year ended 31 December 2017.

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.

Peter Ross Sullivan	Non-Executive Chairman
James Noel Sullivan	Executive Director
Peter Ernest Huston	Non-Executive Director

Review of Operations

NiWest Nickel Laterite Project

The Company successfully completed the final step in the continuous piloting metallurgical testwork and progressed the Pre-Feasibility Study (PFS) on the 100%-owned NiWest Nickel-Cobalt Project in Western Australia ("NiWest" or "NiWest Project") during the period.

Completion of the pilot plant testing of the various stages in the proposed hydrometallurgical plant has proven all key components of the proposed heap leach, acid neutralisation Fe/Al removal, direct solvent extraction (NiWest Process) and nickel sulphate crystallisation flowsheet.

These results, together with previously completed heap leach column testing and the success of the historical large-scale heap leaching conducted at Glencore's adjacent Murrin Murrin Project, highlight the potential opportunity to advance the NiWest project within the context of the rapidly growing Li-ion battery minerals market.

The PFS on NiWest will present the outcome of the technical investigations, pilot plant tests, operating and capital cost estimates and future work required to progress the project.

Past feasibility studies have focussed on various processing routes, including high pressure acid leach (HPAL), atmospheric leach (AL) and heap leaching (HL). Recent advances in heap leaching, notably in the large copper deposits in South America, have led to a resurgence in the evaluation of heap leaching in pursuit of a low technical risk and low capital cost alternative to the more-risky and capital intensive HPAL and AL options.

Technical evaluation and metallurgical testwork on the NiWest Project has more recently focussed on developing a simple, cost effective and flexible flowsheet to deliver high-purity nickel and cobalt products to service the rapidly growing Electric Vehicle (EV) battery minerals market.

To that end, the PFS that commenced in July 2017 is based on an on/off heap leach and NiWest Direct Solvent Extraction (NiWest DSX) flowsheet. The PFS is now scheduled for completion later in 2018 (previously March 2018 quarter). This delay is a function of longer than anticipated completion timeframes on two external workstreams.

On 8 November 2017, GME announced the appointment of Mr Len Jubber as Project Advisor to support the completion of the PFS on the NiWest Project.

Mr Jubber has 30 years of experience in the mining industry. In his previous role as Managing Director of Bannerman Resources Limited he oversaw the completion of a Definitive Feasibility Study on the large scale Etango open pit and heap leach project.

DIRECTORS' REPORT

Mineral Resource

A review of the resource model is currently underway, with the aim of focussing on higher grade nickel and cobalt areas of the deposit. These areas will be targeted in the mine planning set to follow completion of the updated resource model.

The resource modelling review includes:

- Compiling a cobalt model to better reflect the mineralisation, as the cobalt in the current model is defined only within the nickel domain.
- Investigating the domaining approach to the nickel and cobalt mineralisation to better reflect the higher-grade zones of the deposit.

Ore Reserve & Mine Planning

The PFS will be based on an inaugural Ore Reserve estimate, which in turn will be based on an updated Mineral Resource model. Mine planning will focus on the Mt Kilkenny, Eucalyptus and Hepi resource areas, with the proposed processing plant to be located at Mt Kilkenny.

Metallurgical Development

On 9 October 2017, GME announced that it had produced high purity nickel products including nickel sulphate, nickel carbonate and nickel cathode. As a result, the Company has now successfully tested all stages of the proposed flowsheet, namely heap leach, acid neutralisation and Fe/Al removal, direct solvent extraction (DSX) and Ni/Co production.

Similar testwork to produce marketable purified cobalt products is underway.

Importantly, the proposed NiWest DSX flowsheet will enable treating the NiWest neutralised pregnant liquor solution (PLS) to generate pure nickel/cobalt electrolytes that in turn can be treated to deliver a range of high purity nickel and cobalt end products, namely sulphates, metal cathode, carbonates and chlorides.

Processing & Refining

The PFS will determine the capital and operating costs (+/- 30%) for the NiWest Project based on the process flowsheet incorporating the following steps:

- Crushing & Agglomeration
- Staged Heap Leaching
- Single Stage Acid Neutralisation and Fe/Al Removal
- NiWest Solvent Extraction Process
- Ni Sulphate Crystallisation and Co sulphide precipitation.

Infrastructure

It is proposed that the operation will include an acid plant to produce sulphuric acid for the heap leach operations as well as by-product power for the processing plant.

Water will be sourced via a 2.0GL water extraction permit at Mt Kilkenny and from dewatering of the open pits.

Power will be sourced from the acid plant and back-up power will be provided by way of diesel generators.

Marketing & Sales

GME is targeting production of premium nickel and cobalt sulphate products from the NiWest Project to directly supply the rapidly growing lithium-ion battery market. The Heap leach and NiWest DSX flowsheet flexibility to tailor final nickel and cobalt products to the specific requirements of Li-ion battery manufacturers.

DIRECTORS' REPORT

Gold Projects

A site visit to the respective gold tenements was undertaken in accordance with the environmental monitoring obligations. The Devon Gold Mine remains on Care and Maintenance. Rehabilitation of the site has been completed and will now be monitored as per the Mine Closure Plan.

Results from Operations

The Company recorded a net loss (after tax) for the half year to 31 December 2017 of \$180,208 (December 2016: Profit \$2,064,550).

Exploration and evaluation expenditure of \$1,156,761 was capitalised in the half year to 31 December 2017, (year ended 30 June 2017: \$2,318,919).

Subsequent Events

The Group received an R&D refund of \$613,196 in February 2018.

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Auditor's Independence 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 6 and forms part of this directors' report for the half-year ended 31 December 2017.

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

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

James Sullivan

Managing Director

Dated this 13th day of March 2018

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 Mark Gunther, a consultant to the Company. Mr Gunther is a Principal Consultant with Eureka Geological Services. Mr Gunther is a fellow of The Australasian Institute of Mining and Metallurgy. 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 2004 Edition of the "Australasian Code for Reporting of 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. 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 report 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.

Gold Projects

The information in this report that relates to Mining and Exploration Results is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. 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.

Forward-Looking Statements

Certain statements made in this report, 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 2017, 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
13 March 2018**

**M R Ohm
Partner**

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HLB Mann Judd (WA Partnership) is a member of  HLB International, a world-wide organisation of accounting firms and business advisers

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

		Consolidated	
	Notes	31 Dec 2017	31 Dec 2016
		\$	\$
Continuing Operations			
Revenue			
Sale of ore from gold mining operation		-	5,200,259
Mining and processing costs		-	(2,930,391)
Royalty expense		-	(80,234)
Gross profit		-	2,189,634
Other income	2	104,543	108,140
Management and consulting expenditure		(42,000)	(32,500)
Depreciation and amortisation expense		(1,074)	(1,035)
Exploration write-off		-	(20,000)
Other expenses		(241,677)	(179,689)
Profit/(loss) before income tax		(180,208)	2,064,550
Income tax expense		-	-
Net profit/(loss) for the half year		(180,208)	2,064,550
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half year		(180,208)	2,064,550
Basic earnings/(loss) per share (cents)		(0.04)	0.45
Diluted earnings/(loss) per share (cents)		(0.04)	0.45

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

		Consolidated	
	Notes	31 Dec 2017	30 June 2017
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		889,883	2,226,722
Trade and other receivables		101,240	70,274
Prepayments		57,384	129,384
Total Current Assets		1,048,507	2,426,380
Non-Current Assets			
Trade and other receivables	3	17,286	17,286
Plant and equipment		3,664	4,148
Intangible assets		1,624	2,214
Deferred exploration and evaluation expenditure	4	29,607,756	28,450,995
Mine development asset	5	-	-
Total Non-Current Assets		29,630,330	28,474,643
Total Assets		30,678,837	30,901,023
Liabilities			
Current Liabilities			
Trade and other payables	6	312,362	354,340
Total Current Liabilities		312,362	354,340
Total Liabilities		312,362	354,340
Net Assets		30,366,475	30,546,683
Equity			
Issued capital	7	53,370,931	53,370,931
Accumulated losses		(23,004,456)	(22,824,248)
Total Equity		30,366,475	30,546,683

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Consolidated		
	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance at 1 July 2016	53,203,031	(24,603,995)	28,599,036
Profit for the period	-	2,064,550	2,064,550
Total comprehensive income for the period	-	2,064,550	2,064,550
Balance at 31 December 2016	53,203,031	(22,539,445)	30,663,586
Balance at 1 July 2017	53,370,931	(22,824,248)	30,546,683
Loss for the period	-	(180,208)	(180,208)
Total comprehensive loss for the period	-	(180,208)	(180,208)
Balance at 31 December 2017	53,370,931	(23,004,456)	30,366,475

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
Cash flows from operating activities		
Proceeds from gold sales	-	5,720,285
Payments to suppliers and employees	(260,669)	(257,278)
Exploration and evaluation expenditure	(1,180,713)	(832,304)
Payment for mining operations	-	(2,569,784)
Interest received	4,543	8,140
Facilitation fee received	100,000	100,000
Net cash inflow/(outflow) from operating activities	(1,336,839)	2,169,059
Cash flows from investing activities		
Purchase of non-current assets	-	(2,844)
Net cash inflow/(outflow) from investing activities	-	(2,844)
Cash flows from financing activities		
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(1,336,839)	2,166,215
Cash and cash equivalents held at the start of the period	2,226,722	1,529,217
Cash and cash equivalents held at the end of the period	889,883	3,695,432

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been 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 interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Company is a for-profit entity. The interim financial statements were authorised for issue on 13th March 2018.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it 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 interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2017 and any public announcements made by GME Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

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

The interim financial statements have been prepared on a historical cost basis. Cost is based on fair value of the consideration given in exchange for assets.

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

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2017

In the period ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2017. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

(c) 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 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(d) 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 loss of \$180,208, and a cash outflow from operating activities of \$1,336,839 for the period ended 31 December 2017 and at balance date, had net current assets of \$736,145.

The directors have reviewed the Group's financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds by way of issuing equity to continue its exploration program as forecast. The directors reasonably expect that the Group will be able to raise additional funds as required to meet future costs associated with its operating and exploration activities for at least the next 12 months but is able to curtail expenditure if required. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Group be unable to raise the additional funds required, there is a material uncertainty that may cast significant doubt as to whether the Group 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.

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.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

NOTE 2: LOSS/PROFIT FROM ORDINARY ACTIVITIES

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
The following revenue items are relevant in explaining the financial performance for the half-year:		
(a) Other income		
Facilitation fee	100,000	100,000
Interest received	4,543	8,140
	104,543	108,140

NOTE 3: TRADE AND OTHER RECEIVABLES

	Consolidated	
	Half year ended 31 Dec 2017	Year ended 30 June 2017
	\$	\$
Current		
GST refundable	82,277	67,986
Other	18,963	2,288
	101,240	70,274
Non-current		
Bonds	17,286	17,286

NOTE 4: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Balance at beginning of the period	28,450,995	26,423,143
Direct expenditure	1,156,761	2,318,919
	29,607,756	28,742,062
Less expenditure written off	-	(291,067)
Total deferred exploration and evaluation expenditure	29,607,756	28,450,995

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 5: MINE DEVELOPMENT ASSET

Balance at the beginning of the year	-	1,452,671
Expensed	-	(1,452,671)
	-	-

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

NOTE 6: TRADE AND OTHER PAYABLES

	Consolidated	
	Half year ended 31 Dec 2017	Year ended 30 June 2017
	\$	\$
Trade payables and accruals	312,362	354,340
	312,362	354,340

NOTE 7: ISSUED CAPITAL

<i>Ordinary shares</i>		
	53,370,931	53,370,931
	No.	\$
Issued and fully paid		
<i>Movements in ordinary shares on issue</i>		
At 1 July 2017	463,596,374	53,370,931
At 31 December 2017	463,596,374	53,370,931

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 methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period. 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

The Group received an R&D refund of \$613,196 in February 2018.

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 14 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 2017 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', with a large, stylized initial 'J'.

James Sullivan

Director

Dated this 13th day of March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GME Resources Limited

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

We have reviewed the accompanying interim financial report of GME Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the 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, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim 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 2017 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*.

Material uncertainty related to going concern

We draw attention to Note 1(d) in the interim financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the interim 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim 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 interim 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 2017 and its

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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 an interim 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*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 March 2018



M R Ohm
Partner