



Great Boulder

RESOURCES LIMITED

ACN 611695955

HALF YEAR REPORT

INTERIM FINANCIAL REPORT
FOR THE HALF- YEAR ENDED 31 DECEMBER 2017

CONTENTS

Corporate Directory	2
Directors' Report.....	3
Statement of Profit or Loss and Other Comprehensive Income.....	7
Statement of Financial Position.....	8
Statement of Changes in Equity	9
Statement of Cash Flows.....	10
Notes to the Financial Statements.....	11
Directors Declaration.....	14
Independent Review Report to the Members of Great Boulder Resources Ltd.....	15
Independence Declaration	17

Corporate Directory

Directors

Gregory C Hall (Non-Executive Chairman)
Stefan K Murphy (Managing Director)
Murray E Black (Non-Executive Director)
Melanie J Leighton (Non-Executive Director)

Company Secretary

John E Sendziuk

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 George's Terrace
PERTH WA 6000

Auditors

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

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153
Telephone +61 8 9315 0933

Bankers

Westpac Banking Corporation
Hannan Street
Kalgoorlie W A 6430

Directors' Report

The Directors of Great Boulder Resources Ltd present their report for the half-year ended 31 December 2017.

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 2017, unless otherwise stated:

Gregory C Hall (Non-Executive Chairman)
Stefan Murphy (Managing Director)
Murray E Black (Non-Executive Director)
Melanie J 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 \$376,979 (2016: \$407,616).

Operational Highlights

Corporate

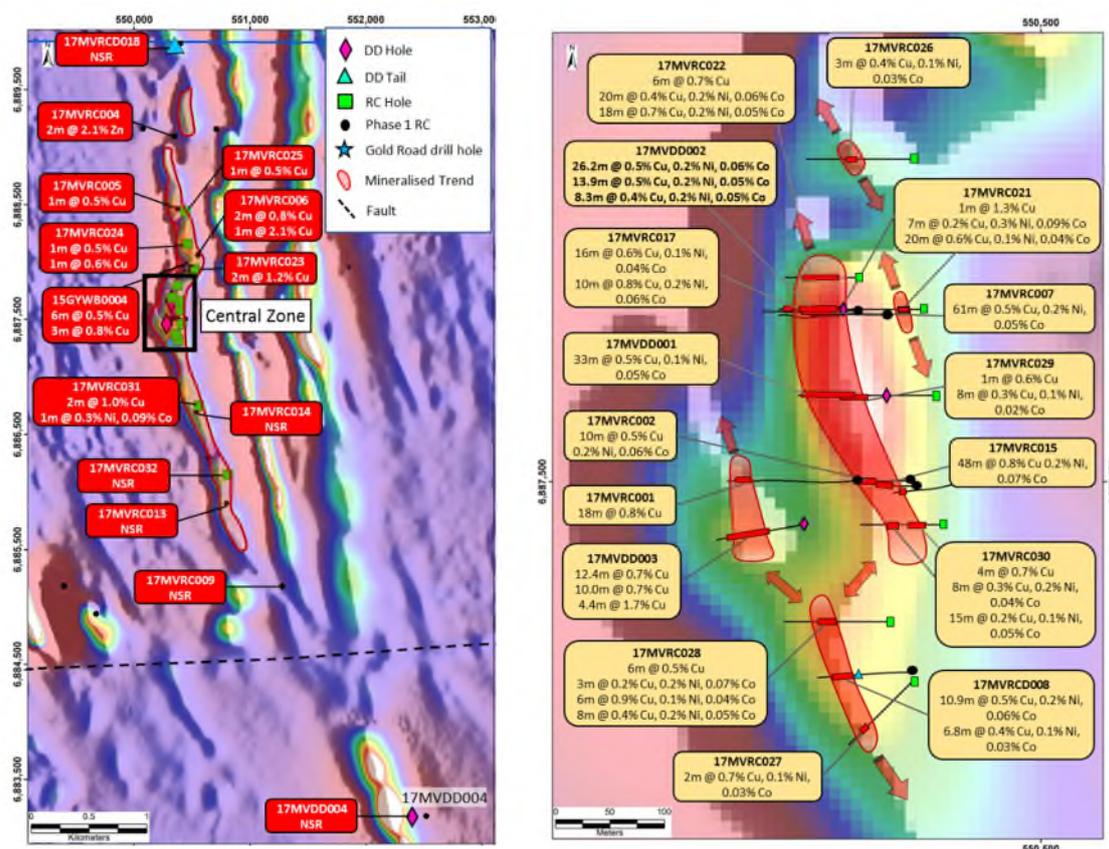
- On 7 July 2017, 11,028,132 ordinary fully paid shares and 8,483,178 unlisted options were released from escrow.
- During the period, 2,081,857 options were exercised, raising \$416,000 in new funds.
- Preliminary EIS co-funded drilling grant of \$108,000 and Research and Development refund of \$155,000 were also received during the period
- At the end of the December 2017 the Company's issued share capital was:

Class of Securities	Issued Capital
Ordinary fully paid shares	70,475,857
• Quoted on the ASX	50,191,214
• Escrowed (18 Nov. 2018)	20,284,643
Unlisted Options (exercisable at \$0.20 and expire 18 Nov. 2020)	36,004,893
Unlisted Performance Rights	2,000,000

- Post the reporting period, the Company issued a further 125,000 ordinary shares upon the exercise of unlisted options, resulting in an increase of the ordinary fully paid shares to 70,600,857.

Yamarna- Mt Venn

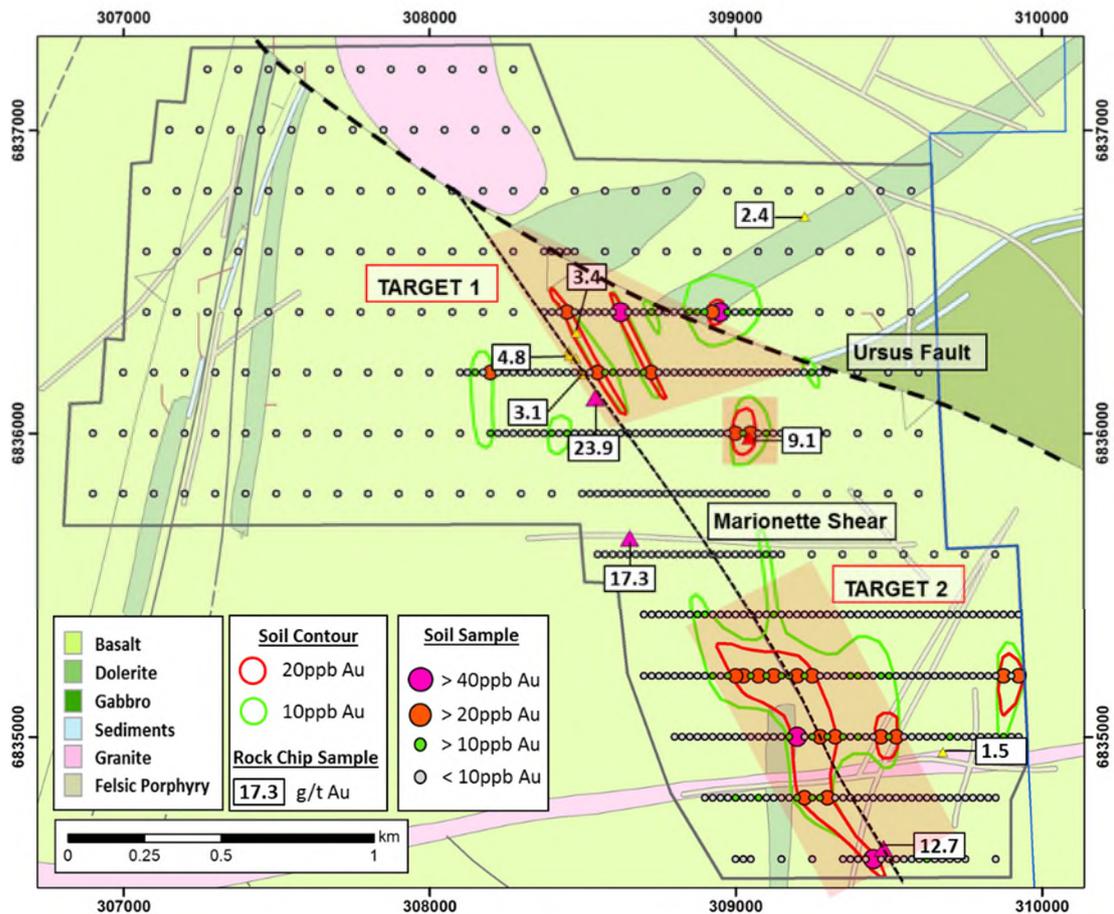
- Phase 1 RC drilling in October discovered significant copper-nickel-cobalt sulphide mineralisation at the Mt Venn prospect within the Yamarna Project, WA.
- Initial assays of up to 4.3% copper and 0.1% cobalt confirm the potential of the Mt Venn mineralised system. Wide zones of mineralisation intersected, including:
 - 48m at 0.8% Cu, 0.2% Ni, 0.07% Co from 103m downhole
 - 18m at 0.8% Cu, 0.1% Ni, 0.02% Co from 187m downhole
 - 10m at 0.8% Cu, 0.2% Ni, 0.06% Co from 90m downhole
 - 61m at 0.5% Cu, 0.2% Ni, 0.05% Co from 86m downhole
- Phase 2 RC and initial diamond drilling completed in late December
 - Diamond holes returned massive, semi-massive and stringer sulphide mineralisation over wide intersections
 - Coarse grained sulphide mineralisation with distinct copper (chalcopyrite) and nickel-cobalt (pyrrhotite) zones identified
- Assay results received post reporting period for the phase 2 RC and diamond drilling confirmed a significant copper-nickel-cobalt discovery at Mt Venn:
 - 4.4m at 1.7% Cu from 138m downhole
 - 18m at 0.7% Cu, 0.2% Ni, 0.05% Co from 92m downhole
 - 6m at 0.7% Cu, 0.1% Ni, 0.03% Co from 52m downhole
 - 26.2m at 0.5% Cu, 0.2% Ni, 0.06% Co from 12.3m downhole
 - 33m at 0.5% Cu, 0.1% Ni, 0.05% Co from 76m downhole
 - 8m at 0.3% Cu, 0.3% Ni, 0.09% Co from 25m downhole



Mt Venn Phase 1 and 2 RC and diamond drilling results over magnetic image

Tarmoola

- Surface sampling and mapping program undertaken over the eastern tenements returned extremely promising results of up to 24gpt Au from shaft spoils
- A 2km trend of high grade gold mineralisation identified along the Marionette shear zone (splay off the Ursus Fault)
- Soil sampling completed over the main mineralised trend identified two strong gold anomalies associated with the Marionette and Ursus shear zones



Tarmoola soil sampling showing gold results over geology map

Jundee South

- During the September quarter, Great Boulder completed a field mapping and surface sampling program at Jundee South, resulting in an evolved geological model and targets for hydrothermal gold mineralisation.
- Based on the updated geological model, a close spaced auger geochemistry program was designed and undertaken post the reporting period, with results still pending.

After Reporting Date Events

On 18 January 2018 the Company issued 125,000 ordinary shares upon the exercise of unlisted options at \$0.20 each.

There has been no other matter or circumstance that has arisen that has significantly affected, or may significantly affect:

- the operations of the company; or
- the result of its operations; or
- the state of affairs of the company subsequent to 31 December 2017.

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:



Stefan Murphy

MANAGING DIRECTOR
8 March 2018, Perth

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
Interest	42,981	7,554
	<hr/> 42,981	<hr/> 7,554
Depreciation	(15,498)	(225)
Corporate fees	(38,017)	(21,097)
Legal and professional	(21,133)	(60,264)
Employee benefits expense	(160,344)	(146,093)
Plant items written off	-	(11,303)
Administration expenses and rent	(156,392)	(117,737)
Project evaluation expenses	(6,148)	-
Travel costs	(8,856)	(22,631)
Share based payment	(13,572)	(35,820)
	<hr/>	<hr/>
Loss before income tax	(376,979)	(407,616)
Income tax expense	-	-
	<hr/>	<hr/>
Loss for the half year	(376,979)	(407,616)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive loss for the half year	(376,979)	(407,616)
	<hr/> <hr/>	<hr/> <hr/>
Basic and diluted loss per share (cents)	(0.55)	(0.91)

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 2017

	Note	31 December 2017 \$	30 June 2017 \$
Current Assets			
Cash and cash equivalents		3,441,035	4,256,267
Other current assets		130,948	55,264
Total current assets		3,571,983	4,311,531
Non-Current Assets			
Property, plant and equipment		83,146	39,317
Exploration and evaluation expenditure	2	2,885,033	1,719,701
Total non-current assets		2,968,179	1,759,018
Total assets		6,540,162	6,070,549
Current Liabilities			
Trade and other payables	3	489,293	72,644
Total current liabilities		489,293	72,644
Total liabilities		489,293	72,644
Net assets		6,050,869	5,997,905
Equity			
Contributed equity	4	6,889,822	6,473,451
Share based payment reserve	4	256,392	242,820
Accumulated losses		(1,095,345)	(718,366)
Total equity		6,050,869	5,997,905

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

Statement of Changes in Equity

For the Half-Year Ended 31 December 2017

	Contributed Equity	Share Based Payment Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
31 December 2017:				
Balance at 1 July 2017	6,473,451	242,820	(718,366)	5,997,905
Loss for the period	-	-	(376,979)	(376,979)
Total comprehensive income for the half-year	-	-	(376,979)	(376,979)
Shares issued during the period	416,371	-	-	416,371
Share based payments	-	13,572	-	13,572
Balance at 31 December 2017	6,889,822	256,392	(1,095,345)	6,050,869
31 December 2016:				
Balance at 1 July 2016	1,010,856	-	(20,788)	990,068
Loss for the period	-	-	(407,616)	(407,616)
Total comprehensive income for the half-year	-	-	(407,616)	(407,616)
Shares issued during the period	6,394,100	-	-	6,394,100
Cost of share issue	(931,505)	-	-	(931,505)
Share based payments	-	242,820	-	242,820
Balance at 31 December 2016	6,473,451	242,820	(428,404)	6,287,867

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

Statement of Cash Flows

For the Half Year Ended 31 December 2017

	31 December 2017	31 December 2016
	\$	\$
Cash Flows From Operating Activities		
Payments to suppliers and employees	(416,323)	(464,822)
Interest received	49,855	7,554
	<u>(366,468)</u>	<u>(457,268)</u>
Cash Flows From Investing Activities		
Payments for exploration and evaluation expenditure	(1,064,125)	(647,359)
Proceeds from grants received for exploration and evaluations expenditure	263,400	-
Payment for plant and equipment	(64,410)	(35,422)
	<u>(865,135)</u>	<u>(682,781)</u>
Cash Flows From Financing Activities		
Proceeds from issue of shares	416,371	5,669,595
Share issue costs	-	(313,044)
	<u>416,371</u>	<u>5,356,551</u>
Net increase / (decrease) in cash held	(815,232)	4,216,503
Cash and cash equivalents at the beginning of the half-year	4,256,267	1,333,698
Cash and cash equivalents at the end of the half-year	<u>3,441,035</u>	<u>5,550,201</u>

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

Notes to the Financial Statements

For the half-year ended 31 December 2017

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 2017 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 and Revised Accounting Standards

In the half-year ended 31 December 2017, the company 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 annual reporting period beginning on or after 1 July 2017. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the entity's accounting policies.

	31 December 2017 \$	30 June 2017 \$
2. Exploration and evaluation expenditure		
Opening balance	1,719,701	109,260
Capitalised mineral exploration and evaluation expenditure (net) during the period	1,165,332	1,610,441
Closing balance	2,885,033	1,719,701

Notes to the Financial Statements

For the half-year ended 31 December 2017

	31 December 2017 \$	30 June 2017 \$					
3. Trade and other payables							
Trade payables	469,599	44,604					
Accruals	19,694	28,040					
Total trade and other payables	489,293	72,644					
	31 December 2017 \$	30 June 2017 \$					
4. Issued capital							
(a) Issued capital							
Ordinary shares – fully paid	70,475,857	68,394,000					
	Number	\$					
(b) Movement in ordinary share capital							
Balance at beginning of period	68,394,000	6,473,451					
Shares issued on exercise of options	2,081,857	416,371					
Balance at end of period	70,475,857	6,889,822					
(c) Options over ordinary share capital							
	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		
Grant date	Expiry date	Expiry price (\$)					
13/05/2016	17/11/2020	0.20	26,500,000	-	-	-	26,500,000
7/07/2016	17/11/2020	0.20	9,086,750	-	(2,081,857)	-	7,004,893
6/09/2016	17/11.2020	0.20	2,500,000	-	-	-	2,500,000
			38,086,750	-	(2,081,857)	-	36,004,893

(d) Performance rights over ordinary share capital

During the period the Company granted 2,000,000 performance rights to Stefan Murphy in two tranches that vest on the achievement of specified performance hurdles. The performance rights have been valued using an appropriate option pricing model with an aggregate value of \$209,600. The expense recognized during the period of \$13,572 is based on management's estimate of achieving the specified performance milestone over the vesting period.

Notes to the Financial Statements

For the half-year ended 31 December 2017

5. Contingent Liabilities

The directors are not aware of any new contingent liabilities or assets as at 31 December 2017. There has been no change in contingent liabilities or assets since the last annual reporting date.

6. Events Subsequent To Reporting Date

On 18 January 2018 the Company issued 125,000 ordinary shares upon the exercise of unlisted options at \$0.20 each.

There are no other matters or circumstances that have arisen since 31 December 2017 that have significantly affected or may significantly affect the operations, the results of those operations, or the state of affairs of the company.

7. Dividends

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

8. 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

9. Related Parties

A company in which Mr Black is a director, Blue Spec Drilling Pty Ltd, invoiced the company \$575,506 (ex. GST) for drilling services (June 2017: \$479,688). An amount of \$294,196 (ex. GST) was owing as at 31 December 2017 (June 2017: \$nil).

During the period the company issued Stefan Murphy (Managing Director) 2,000,000 performance rights following approval by shareholders at the company's annual general meeting on 24 October 2017. Refer to Note 4.

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 2017 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:



Stefan Murphy
MANAGING DIRECTOR
8th March 2018



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

www.rsm.com.au

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

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 2017, 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 2017 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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

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 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 *Corporations Regulations 2001*.

Perth, WA
Dated: 8 March 2018

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner



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

www.rsm.com.au

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 2017, 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

A Whyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 8 March 2018

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent
itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation