

Global

Geoscience

# **Half-Year Financial Report**

**31 DECEMBER 2008**

## CORPORATE DIRECTORY

# GLOBAL GEOSCIENCE LIMITED

ABN 76 098 564 606

### DIRECTORS

Robert Reynolds – *Non-Executive Chairman*

Bernard Rowe – *Managing Director*

Peter Nicholson – *Technical Director*

Patrick JD Elliott – *Non-Executive Director*

### SECRETARY

Joanna Morbey

### REGISTERED AND PRINCIPAL OFFICE

Suite 203, 161 Walker Street

North Sydney, NSW 2060

Telephone: +61 2 9922 5800

Facsimile: +61 2 9922 4004

E-mail: [admin@globalgeo.com.au](mailto:admin@globalgeo.com.au)

Website: [www.globalgeo.com.au](http://www.globalgeo.com.au)

### SHARE REGISTRY

Registries Limited

Level 2, 28 Margaret Street

Sydney NSW 2000

Telephone: (02) 9290 9600

### AUDITORS

Barnes Dowell James

### STOCK EXCHANGE LISTING

Listed on Australian Stock Exchange Limited

19<sup>th</sup> December 2007

ASX Code: GSC

## CONTENTS

Directors' Report.....	1
Auditor's Independence Declaration.....	3
Income Statement.....	4
Balance Sheet.....	5
Statement of Cash Flows.....	6
Statement of Changes in Equity .....	7
Notes to the Financial Statements.....	8
Directors' Declaration .....	10
Independent Review Report .....	11

## DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2008.

### DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Robert Reynolds – Non-Executive Chairman  
Peter Nicholson – Technical Director

Bernard Rowe – Managing Director  
Patrick JD Elliott – Non-Executive Director

### REVIEW AND RESULTS OF OPERATIONS

The net result of operations after applicable income tax expense for the half-year was a loss of \$143,250 (6 months to December 2007 – loss \$391,268).

#### Operational Review

During the period under review, Global Geoscience Limited (Global) continued exploration on a number of projects as outlined below.

#### Peru

Peruvian mining company Buenaventura farmed into the **Mancha Pampa** copper project in central Peru and completed a first phase of work which included geochemical sampling, geological mapping and a ground magnetic survey. Following the grant of additional tenements, Global now holds a total of 143 sq km at Mancha Pampa.

No work was undertaken on the **Los Lavanderos** porphyry copper-molybdenum project in northern Peru while the company seeks to farm out the project. No work was undertaken on the other projects in Peru.

#### Mexico

Canada based mining company Inmet Mining Corporation farmed into the **Los Graceros** porphyry project located in Sonora, northern Mexico. Inmet are part way through completing an IP (induced polarization) geophysical survey.

#### USA

Global continued to explore its 100% owned **New Morenci** porphyry copper project located in southeastern Arizona. The results of geochemical sampling and geological mapping continue to support the interpretation that the area has potential to host significant copper mineralisation. The project is located five kilometres north of the Morenci Copper Mine (6 billion tonnes at 0.4% copper).

Programs of soil geochemical sampling and trenching were completed at the **Tokop** gold project located in the Walker Lane in southern Nevada. The results of the trenching explained the two gold soil geochemical anomalies but no significant mineralisation was encountered.

An exploration permit application was lodged over a gold target at **Winchester Range** in southeastern Arizona. Surface exploration work will commence once the permit has been granted.

No work was undertaken on the Camp Verde, Dun Glen and Jersey Valley projects.

#### Australia

A new tenement was granted to Global at **Guyra** in the New England Ranges of northern New South Wales. Previous explorers identified and drill tested weakly mineralized porphyry at the Guyra project, however, the mineralization (copper-molybdenum) remains open underneath younger volcanic cover rocks.

A single hole was drilled at the **Brown Mt** base metal project in southern New South Wales, however, no significant mineralization was encountered.

No work was undertaken at the **Denham Range** copper-gold project in Queensland nor at the **Cymbric Vale** base metal projects in western New South Wales

# Directors' Report (continued)

## Canada

A new exploration tenement was granted to Global covering the **Arcadia Valley** diamond target located in southern Alberta. Global is seeking to farm out the project.

## New Opportunities

A number of other new resource opportunities were reviewed during the period.

## FINANCIAL

There was no capital raising during the period and none is anticipated for the next six months.

## SUBSEQUENT EVENTS

The directors are not aware of any significant changes in the state of affairs of the Company occurring since the end of the half-year.

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this report.

Signed at Sydney, this 13th March 2009, in accordance with a resolution of the directors.



**ROBERT REYNOLDS**  
Chairman

# BARNES DOWELL JAMES

Incorporating P J Hennessy & Co

---

CHARTERED ACCOUNTANTS

AJD:ED

27 February, 2009

The Directors  
Global Geoscience Ltd  
Suite 203  
161 Walker Street  
NORTH SYDNEY NSW 2060

**Partners**

C H Barnes FCA  
A J Dowell CA  
M W James CA  
B Kolevski (Affiliate ICAA)  
M Galouzis CA

**Associate**

M A Nakkam CA

**Consultant**

P J Hennessy FCA

**North Sydney**

Level 13, 122 Arthur St  
North Sydney NSW 2060

**Manly**

Level 5, 22 Central Ave  
Manly National Building  
Manly NSW 2095

**Correspondence**

PO Box 1664  
North Sydney NSW 2059

**Telephone**

(02) 9956 8500

**Facsimile**

(02) 9929 7428

**Email:**

bdj@bdj.com.au

Dear Board of Directors,

## GLOBAL GEOSCIENCE LIMITED

We declare that to the best of our knowledge and belief, during the half year ended 31 December, 2008 there have been:

- i. No contraventions of auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully,  
BARNES DOWELL JAMES  
Chartered Accountants



.....  
Anthony Dowell  
Partner



Liability limited by a scheme approved under Professional Standards Legislation

Website: [www.bdj.com.au](http://www.bdj.com.au)

# INCOME STATEMENT

Half-year ended 31 December 2008

	Note	Six Months to 31.12.08 \$	Six months to 31.12.07 \$
REVENUE FROM ORDINARY ACTIVITIES	2	92,496	31,586
Accountancy fees		(14,586)	(28,575)
Audit fees		(12,000)	-
Administration expenses		(26,618)	(24,993)
Consultancy fees		(16,645)	(59,283)
Depreciation expense		(2,115)	(1,018)
Directors' fees		(42,667)	(2,284)
Employee expenses		(38,620)	-
Exploration expenditure previously written off now capitalised		-	92,884
Goodwill written off		-	(173,328)
Legal fees		(9,027)	(17,809)
Occupancy expenses		(15,000)	(8,160)
Option based payment	5	(40,000)	(200,000)
Share registry and ASX costs		(18,468)	(288)
<b>LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>		<b>(143,250)</b>	<b>(391,268)</b>
<b>INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE</b>		<b>(143,250)</b>	<b>(391,268)</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS ATTRIBUTABLE TO MEMBERS OF GLOBAL GEOSCIENCE LTD</b>		<b>(143,250)</b>	<b>(391,268)</b>
Basic loss per share (cents per share)		.04	.12
Diluted loss per share (cents per share)		.04	.12

## BALANCE SHEET

at 31 December 2008

	Note	31 Dec 08 \$	30 Jun 08 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,561,737	2,654,338
Receivables	3	49,971	55,867
TOTAL CURRENT ASSETS		<u>1,611,708</u>	<u>2,710,205</u>
<b>NON-CURRENT ASSETS</b>			
Tenement security deposits		27,950	12,950
Plant and Equipment		13,901	11,057
Deferred exploration and evaluation expenditure	4	2,246,209	1,333,662
Formation expenses		19,651	19,651
TOTAL NON-CURRENT ASSETS		<u>2,307,711</u>	<u>1,377,320</u>
TOTAL ASSETS		<u>3,919,419</u>	<u>4,087,525</u>
<b>CURRENT LIABILITIES</b>			
Payables		39,865	104,721
TOTAL CURRENT LIABILITIES		<u>39,865</u>	<u>104,721</u>
TOTAL LIABILITIES		<u>39,865</u>	<u>104,721</u>
NET ASSETS		<u>3,879,554</u>	<u>3,982,804</u>
<b>EQUITY</b>			
Issued capital	5	5,165,063	5,165,063
Reserve		440,000	400,000
Accumulated losses		(1,725,509)	(1,582,259)
TOTAL EQUITY		<u>3,879,554</u>	<u>3,982,804</u>

## STATEMENT OF CASH FLOWS

Half-year ended 31 December 2008

	Six months to 31.12.08	Six months to 31.12.07
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payment to suppliers and employees	(255,132)	(180,699)
Other income	10,000	25,000
Interest received	51,967	6,584
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	<u>(193,165)</u>	<u>(149,115)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of plant and equipment	(4,959)	(7,130)
Expenditure on mining interests (exploration)	<u>(894,477)</u>	<u>(163,124)</u>
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	<u>(899,436)</u>	<u>(170,254)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	4,027,745
Equity raising expenses	-	(546,825)
Repayment of borrowings	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>3,480,920</u>
NET INCREASE (DECREASE) IN CASH HELD	<b>(1,092,601)</b>	3,161,551
Add opening cash brought forward	<b>2,654,338</b>	53,455
CLOSING CASH CARRIED FORWARD	<b><u>1,561,737</u></b>	<b><u>3,215,006</u></b>



## STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 December 2008

	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Share Based Option Reserve \$</b>	<b>Total Equity \$</b>
<b>AT 1 JULY 2008</b>	5,165,063	(1,582,259)	400,000	3,982,804
Loss for the period	-	(143,250)	-	(143,250)
Share based payment - option	-	-	40,000	40,000
Issue of share capital, net of transaction costs	-	-	-	-
<b>AT 31 DECEMBER 2008</b>	<b>5,165,063</b>	<b>(1,725,509)</b>	<b>440,000</b>	<b>3,879,554</b>
<b>AT 1 JULY 2007</b>	907,782	(938,856)	-	(31,074)
Loss for the period	-	(391,268)	-	(391,268)
Share based payment - option	-	-	400,000	400,000
Issue of share capital, net of transaction costs	4,041,334	-	-	4,041,334
<b>AT 31 DECEMBER 2007</b>	<b>4,949,116</b>	<b>(1,330,124)</b>	<b>400,000</b>	<b>4,018,992</b>

# NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 December 2008

## 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Global Geoscience Ltd as at 30 June 2008.

It is also recommended that the half-year financial report be considered together with any public announcements made by Global Geoscience Ltd during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### (a) Statement of Compliance

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis and available-for-sale financial assets that have been measured at fair value.

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

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Global Geoscience Ltd (GSC or the "Company") and its subsidiaries ("the Group") as at 31 December each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

### (c) Significant Accounting Policies

The half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008.

## 2. REVENUE FROM ORDINARY ACTIVITIES

	31 Dec 08	31 Dec 07
	\$	\$
Exploration costs recovered	14,688	-
Interest received – other persons/corporations	77,808	6,584
Total Revenue from Ordinary Activities	<u>92,496</u>	<u>6,584</u>

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

### 3. RECEIVABLES – CURRENT

	31 Dec 08	30 June 08
	\$	\$
Other receivables	<u>49,971</u>	<u>55,867</u>

### 4. NON-CURRENT ASSETS

#### Deferred exploration and evaluation expenditure

	31 Dec 08	30 June 08
Costs brought forward	1,333,662	1,333,662
Costs incurred during the half-year	912,547	-
Expenditure written off during the half-year	-	-
Costs carried forward	<u>2,246,209</u>	<u>1,333,662</u>

### 5. ISSUED CAPITAL

#### Share capital

Opening Issued capital 1 July	4,929,338	907,782
Options exercised – 3 August 2007	-	299,057
Takeover of overseas entities – 16 August 2007	-	792,618
Seed Capital – 10 September 2007	-	500,000
IPO – 16,500,000 shares at \$0.20 per share – 28 November 2007	-	3,300,000
Cost of IPO Issue	-	(870,119)
31,430,000 Ordinary shares	<u>4,929,338</u>	<u>4,929,338</u>
23,572,500 options, exercise price \$0.25, expiry date of 31 August 2012	<u>235,725</u>	<u>235,725</u>
<b>Total Issued Capital as at 31<sup>st</sup> December 2008</b>	<u><b>5,165,063</b></u>	<u><b>5,165,063</b></u>

On 1<sup>st</sup> July 2008, the following options were issued:

Employee options      500,000, exercise price \$0.25, expiry date 31 August 2012

### 6. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no change in any contingent liabilities or contingent assets.

### 7. SEGMENT INFORMATION

The Company operates predominantly in the five geographical areas, being Australia, Peru, Mexico, United States of America and Canada. The Company's business is mineral exploration and evaluation.

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

### 8. SUBSEQUENT EVENTS

No event has occurred subsequent to 31 December 2008 requiring disclosure in, or amendment to, these financial statements, other than announcements made to the Australian Securities Exchange.

## DIRECTORS DECLARATION

In accordance with a resolution of the directors of Global Geoscience Ltd, I state that:

In the opinion of the directors:

- a) the financial statements and notes of the Company:
  - i) give a true and fair view of the Company's financial position as at 31 December 2008 and the performance for the half-year ended on that date; and
  - ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**ROBERT REYNOLDS**  
Chairman

Sydney, 13<sup>th</sup> March 2009

# BARNES DOWELL JAMES

Incorporating P J Hennessy & Co

---

## CHARTERED ACCOUNTANTS

### Partners

C H Barnes FCA  
A J Dowell CA  
M W James CA  
B Kolevski (Affiliate ICAA)  
M Galouzis CA

### Associate

M A Nakkan CA

### Consultant

P J Hennessy FCA

### North Sydney

Level 13, 122 Arthur St  
North Sydney NSW 2060

### Manly

Level 5, 22 Central Ave  
Manly National Building  
Manly NSW 2095

### Correspondence

PO Box 1664  
North Sydney NSW 2059

### Telephone

(02) 9956 8500

### Facsimile

(02) 9929 7428

### Email:

bdj@bdj.com.au

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GLOBAL GEOSCIENCE LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Global Geoscience Limited and Controlled Entities (the consolidated entity) which comprises the balance sheet as at 31 December, 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditors' 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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December, 2008 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 Global Geoscience Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the half year financial report.



# BARNES DOWELL JAMES

Incorporating P J Hennessy & Co

---

CHARTERED ACCOUNTANTS

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*, provided to the directors of Global Geoscience Limited and Controlled Entities on 27 February, 2009, would be in the same terms if provided to the directors as at the date 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 Global Geoscience Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- A. giving a true and fair view of the consolidated entity's financial position as at 31 December, 2008 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.

BARNES DOWELL JAMES



.....  
Anthony Dowell  
13/122 Arthur Street  
NORTH SYDNEY NSW 2060

Dated this ..... 13<sup>th</sup> ..... day of March 2009.



**GLOBAL GEOSCIENCE LTD**

ABN 76 098 564 606

ASX CODE: GSC

Suite 203, 161 Walker Street, North Sydney NSW, 2060, Australia

Telephone: +61 2 9922 5800 Facsimile: +61 2 9922 4004

Website: [www.globalgeo.com.au](http://www.globalgeo.com.au)