

Global

Geoscience

# **Half-Year Financial Report**

**31 DECEMBER 2014**

## 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

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### SHARE REGISTRY

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Telephone: +61 2 9290 9600

### AUDITORS

BDJ Partners

### STOCK EXCHANGE LISTING

Listed on Australian Stock Exchange Limited

19<sup>th</sup> December 2007

ASX Code: GSC

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## DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2014.

### 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 \$292,315 (6 months to 31 December 2013 – loss \$283,226).

#### Operational Review

Global Geoscience Ltd (the "Company" or "Global") is a Sydney based, Australian Securities Exchange (ASX) listed mineral exploration company specialising in project generation, greenfield exploration and mineral discovery. The Company's main focus is for gold, copper and silver on its mostly 100%-owned projects in Nevada and Arizona in the United States, and Peru in South America.

Global's project generation activities involve the use of an in-house structural targeting method. The method is used to identify areas that are considered by the Company to have a greater probability of hosting certain types of mineral deposits. It uses readily available geoscientific data and is a quick and low-cost targeting method. Target areas defined by the method require ground investigation, including geochemical surveys and reconnaissance geological mapping, to ascertain their potential and likelihood to host mineral deposits. All of the Company's projects have been identified in this way. Recent generative exploration efforts, which continued during the reporting period, have focussed on identifying and investigating porphyry copper targets in Arizona and Peru.

### NEVADA

Global holds three priority projects in Nevada: Tokop (100%), Excelsior (earning 70%) and Lone Mt (option for 100%). Tokop and neighbouring Excelsior are Intrusion Related Gold Systems (IRGS) with similarities to the 9 million ounce Fort Knox gold deposit in Alaska. Global believes that it is the first company to recognise this style of mineralisation and the associated potential at these two locations.

Recent activities have focussed on interpretation and drill target definition. Multiple drill targets have been identified and higher-grade mineralisation (+1g/t Au) will be the focus of future work.

The company made a Ag-Pb-Zn discovery in 2013 in the first of two holes drilled at the Rip Van Winkle prospect at the Lone Mountain project. Lone Mt is located in northern Nevada, approximately 35km north of the Carlin Trend. The Ag-Pb-Zn mineralisation is related to a large intrusion that also relates to Carlin-style gold mineralisation at Lone Mt. The Ag-Pb-Zn mineralisation starts at surface, is open in all directions and represents a priority target for further exploration.

### ARIZONA

The Towers Mountain porphyry copper project was identified and staked by the company in early 2014. The project is located in central Arizona, approximately 90km north of Phoenix and 80km southeast of Freeport-McMoRan Copper & Gold's Bagdad porphyry copper mine (about three billion tonnes at 0.4% copper).

Porphyry style alteration and mineralisation is exposed over an area of approximately 1.5 sq km. Previous exploration is limited and focussed on the central molybdenum-rich breccia bodies. The large, annular copper zone remains largely untested by drilling and represents a high priority target for exploration

## DIRECTORS' REPORT - CONTINUED

### PERU

Global holds 100% interest in four gold and copper projects in Peru: Sara Sara, Mancha Pampa, Hornera and Apongo. Recent and ongoing exploration activity has focussed on identifying and investigating new porphyry copper targets identified using the Company's structural targeting method.

### FINANCIAL

A Rights Issue was announced on 29<sup>th</sup> September 2014. The company raised \$534,991 net of expenses from this rights issue.

### 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 day of March, 2015 in accordance with a resolution of the directors.



**ROBERT REYNOLDS**  
Chairman

### Compliance Statements

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*The information in this report that relates to Exploration Results is based on information compiled by Peter Nicholson, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Peter Nicholson is employed by Nicholson Geologist Pty Ltd and acts as a consultant to the company. Peter Nicholson is Technical Director of Global Geoscience Ltd and owns shares and options in the company.*

*Peter Nicholson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Peter Nicholson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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**partners**

A J Dowell CA  
M Galouzis CA  
A N Fraser CA  
G W Cliffe CA  
B Kolevski CPA (Affiliate  
ICAA)

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## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Global Geoscience Limited and Controlled Entities

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2014 there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

BDJ Partners  
Chartered Accountants



.....  
Gregory W Cliffe  
Partner

11 March 2015

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Half-year ended 31 December 2014

	Note	Six Months to 31 Dec 14 \$	Six Months to 31 Dec 13 \$
REVENUE FROM ORDINARY ACTIVITIES	2	5,004	34,921
Accountancy fees		(19,859)	(12,663)
Audit fees		(17,000)	(16,000)
Administration expenses		(32,700)	(55,674)
Consultancy fees		(13,442)	(61,169)
Depreciation expense		(3,287)	(8,794)
Directors' fees		(40,000)	(20,000)
Employee expenses		(53,120)	(81,679)
Generative exploration expenses written off		(63,900)	(3,919)
Legal fees		(7,213)	(15,252)
Occupancy expenses		(15,000)	(15,000)
Share registry and ASX costs		(30,090)	(28,251)
Translation costs		(5,052)	(3,090)
Revaluation of investments		3,344	3,344
<b>LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>		<b>(292,315)</b>	<b>(283,226)</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>(292,315)</b>	<b>(283,226)</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>(292,315)</b>	<b>(283,226)</b>
Basic loss per share (cents per share)		.0011	.001
Diluted loss per share (cents per share)		.0011	.001

*The above consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2014

	Note	31 Dec 14 \$	30 June 14 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		262,306	294,565
Receivables	3	82,162	99,645
<b>TOTAL CURRENT ASSETS</b>		<b>344,468</b>	<b>394,210</b>
<b>NON-CURRENT ASSETS</b>			
Shares in listed company	4	28,425	25,081
Plant and Equipment		22,517	25,804
Deferred exploration and evaluation expenditure	5	3,739,008	3,450,716
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,789,950</b>	<b>3,501,601</b>
<b>TOTAL ASSETS</b>		<b>4,134,418</b>	<b>3,895,811</b>
<b>CURRENT LIABILITIES</b>			
Payables		63,913	67,982
<b>TOTAL CURRENT LIABILITIES</b>		<b>63,913</b>	<b>67,982</b>
<b>TOTAL LIABILITIES</b>		<b>63,913</b>	<b>67,982</b>
<b>NET ASSETS</b>		<b>4,070,505</b>	<b>3,827,829</b>
<b>EQUITY</b>			
Issued capital	6	14,391,594	13,856,603
Reserves	7	464,005	464,005
Accumulated losses	8	(10,785,094)	(10,492,779)
<b>TOTAL EQUITY</b>		<b>4,070,505</b>	<b>3,827,829</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Half-year ended 31 December 2014

	Six months to 31 Dec 14	Six months to 31 Dec 13
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payment to suppliers and employees	(283,962)	(670,903)
Interest received	875	2,440
Management fee received	4,129	32,481
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	<u>(278,958)</u>	<u>(635,982)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of plant and equipment	-	(1,263)
Expenditure on mining interests (exploration)	(288,292)	(349,166)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	<u>(288,292)</u>	<u>(350,429)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	562,413	514,239
Equity raising expenses	(27,422)	(12,547)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>534,991</u>	<u>501,692</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(32,259)</b>	<b>(484,719)</b>
Add opening cash brought forward	<u>294,565</u>	<u>692,523</u>
<b>CLOSING CASH CARRIED FORWARD</b>	<u><u>262,306</u></u>	<u><u>207,804</u></u>

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



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 December 2014

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
<b>AT 1 JULY 2014</b>	<b>13,856,603</b>	<b>(10,492,779)</b>	<b>464,005</b>	<b>3,827,829</b>
Issue of share capital, net of transaction costs	534,991	-	-	534,991
Loss for the period	-	(292,315)	-	(292,315)
Other comprehensive income	-	-	-	-
<b>AT 31 DECEMBER 2014</b>	<b>14,391,594</b>	<b>(10,785,094)</b>	<b>464,005</b>	<b>4,070,505</b>

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
AT 1 JULY 2013	12,485,044	(6,107,711)	796,385	7,173,718
Issue of share capital, net of transaction costs	501,692	-	-	501,692
Loss for the period	-	(283,226)	-	(283,226)
Other comprehensive income	-	-	-	-
<b>AT 31 DECEMBER 2013</b>	<b>12,986,736</b>	<b>(6,390,937)</b>	<b>796,385</b>	<b>7,392,184</b>

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

# NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 December 2014

## 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 Group as the full financial report.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The half-year financial report should be read in conjunction with the annual financial report of Global Geoscience Limited as at 30 June 2014.

It is also recommended that the half-year financial report be considered together with any public announcements made by Global Geoscience Limited during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

These interim financial statements were authorised for issue on 13<sup>th</sup> March 2015.

### (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.

### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Global Geoscience Limited (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 2014.

## 2. REVENUE FROM ORDINARY ACTIVITIES

	31 Dec 14	31 Dec 13
	\$	\$
Management fee	4,129	32,481
Interest received – other persons/corporations	<u>875</u>	<u>2,440</u>
Total Revenue from Ordinary Activities	<u><u>5,004</u></u>	<u><u>34,921</u></u>

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

### 3. RECEIVABLES – CURRENT

	31 Dec 14	30 June 14
	\$	\$
Prepaid Insurance	6,105	14,924
GST Receivable	9,925	24,994
Other Receivables	1,770	1,620
Recoverable Expenses	64,362	58,107
	<u>82,162</u>	<u>99,645</u>

### 4. SHARES IN LISTED COMPANIES

	31 Dec 14	30 June 14
	\$	\$
Shares in White Rock Minerals Limited, at market valuation	28,424	25,080
Shares in Crossland Uranium Mines Limited	1	1
	<u>28,425</u>	<u>25,081</u>

### 5. NON-CURRENT ASSETS

	31 Dec 14	30 June 14
	\$	\$
<b>Deferred exploration and evaluation expenditure</b>		
Costs brought forward	3,450,716	6,435,059
Costs incurred during the half-year	288,292	1,208,052
Expenditure written off during the half-year	-	(437,011)
Provision for impairment on exploration assets	-	(3,755,384)
Costs carried forward	<u>3,739,008</u>	<u>3,450,716</u>

### 6. ISSUED CAPITAL

	31 Dec 14	30 June 14
	\$	\$
<b>Share capital</b>		
Opening Issued capital 1 July,	13,856,603	12,485,044
Shortfall of June 2013 rights issue taken up 19 August 2013 (net)	-	501,692
Placement 1 April 2014 (net)	-	869,784
Exercise of listed options	-	83
Rights issue 10 October 2014 (net)	534,991	-
<b>Total Issued Capital as at 31 December 2014</b>	<u>14,391,594</u>	<u>13,856,603</u>

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

### 7. RESERVES

	31 Dec 14	30 June 14
	\$	\$
Share-based Option Reserve	464,005	464,005
	<u>464,005</u>	<u>464,005</u>

### 8. ACCUMULATED LOSSES

	31 Dec 14	30 June 14
	\$	\$
Balance 1 July 2014	(10,492,779)	(6,107,711)
Add: Loss for six months	(292,315)	(4,385,068)
<b>Balance 31 December 2014</b>	<u>(10,785,094)</u>	<u>(10,492,779)</u>

### 9. CONTINGENT ASSETS AND LIABILITIES

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

### 10. SEGMENT INFORMATION

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

	31 Dec 14	30 June 14
<b>Assets</b>	<b>\$</b>	<b>\$</b>
Canada	-	1,675
United States of America	784,655	664,895
Peru	3,026,487	2,912,175
Australia	323,276	317,066
<b>Balance 31 December 2014</b>	<u>4,134,418</u>	<u>3,895,811</u>
	<b>31 Dec 14</b>	<b>30 June 14</b>
<b>Liabilities</b>	<b>\$</b>	<b>\$</b>
United States of America	599	10,044
Peru	6,617	2,382
Australia	56,697	55,556
<b>Balance 31 December 2014</b>	<u>63,913</u>	<u>67,982</u>

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

All income was earned in Australia. (30 June 2014 – all income was earned in Australia)

### 11. GOING CONCERN BASIS

This financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors are considering various funding alternatives to ensure the Group continues in its normal course of business and meets its debts as and when they fall due.

If all of these options are unsuccessful, this may indicate there is an uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

### 12. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's assets and liabilities are a reasonable approximation of their fair values. The only exception to this is the carrying amount of deferred exploration and evaluation expenditure which is estimated to be not in excess of its fair value.

## DIRECTORS' DECLARATION

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

In the opinion of the directors:

- a) the financial statements and notes of the Group:
  - i) give a true and fair view of the Group's financial position as at 31 December 2014 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 Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read "R Reynolds". The signature is written in a cursive, flowing style.

**ROBERT REYNOLDS**

Chairman

Sydney, 13<sup>th</sup> March 2015

**partners**

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B Kolevski CPA (Affiliate  
ICAA)  
M Galouzis CA  
A N Fraser CA

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R H B Boulter FCA

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## 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 consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 Global Geoscience Limited (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 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 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 2014 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, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Global Geoscience Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 2014 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*.

## Going Concern

Without modifying our opinion, we draw attention to Note 11 "Going Concern Basis" which describes the directors' assessment of the going concern assumption. There is some doubt about the success of future fund raising which could indicate the existence of material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDJ Partners  
Chartered Accountants



.....  
Gregory W Cliffe  
Partner

13 March 2015



**GLOBAL GEOSCIENCE LIMITED**

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