A.B.N. 15 122 162 396

GLOBAL RESOURCES CORPORATION LIMITED
ANNUAL FINANCIAL REPORT
30 JUNE 2013

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Directors' Report

The directors present their report together with the financial statements of the Group comprising Global Resources Corporation Limited (the 'Company') and its subsidiaries, for the financial year ended 30 June 2013 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Age	Experience, special responsibilities and other directorships
Stephen Everett B.E. (Chem Eng), MAICD Chairperson Independent Non-Executive Director *Appointed 6 April 2009*	61	Mr Everett is a chemical engineer who has more than 35 years of management and board experience in the international resources industry, including production and project management, marketing, corporate restructuring, debt/equity financing and government relations. Mr Everett's senior executive positions have included managing director and chief executive officer of private and publicly listed companies. Mr Everett is currently chairman of MetroCoal Limited (ASX:MTE) and was formerly chairman of Australian Solomons Gold Limited, JMS Civil and Mining Pty Ltd and BeMaX Resources NL.
Barry Casson CA MAICD Non-Executive Director *Appointed 12 October 2006* *Chairman of the Audit Committee*	62	Mr Casson is a director and company secretary of the Company. Mr Casson is a chartered accountant with approximately 40 years accounting and primarily commercial experience and more than 25 years experience in the mining industry as finance director, chief financial officer or equivalent. He has had extensive international experience in project financing and corporate transactions. He is a member of the Institute of Company Directors in Australia. He is currently a non-executive director of Metallica Minerals Ltd (ASX: MLM) and Archipelago Metals Limited, an unlisted public company, and as from January 2013 Mr Casson has joined the Board of Unitywater, a statutory water distribution body in Queensland. Mr Casson is also Chairman of the Audit & Risk Committee and Member of the Nominations & Remuneration Committee of Unitywater.
Simon Finnis Masters of Business and Technology Non-Executive Director *Appointed 6 April 2009* *Member of the Audit Committee*	47	Mr Finnis has more than 25 years experience in a diverse range of mining operations including open cut, underground and dredge mining operations in gold, copper and mineral sands. For the past decade, he has been involved in various roles in the development of four projects, the most recent being the Gold Ridge Gold Mine on the island of Guadalcanal, Solomon Islands and previously the Pooncarie Mineral Sands Project in western New South Wales. Mr Finnis was chief executive officer of Global Resources Corporation Limited (formerly Cloncurry Metals Limited) until 1 April 2009 and was re-appointed as managing director in March 2010. In between these roles, Mr Finnis was the chief operating officer of Australian Solomons Gold Limited. Mr Finnis resigned as Managing Director on 14 September 2012, however he has remained with the company as a non-executive director.
Mark Savich CA, CFA, B Comm. *GradDipMinExplGeoSc(Curtin)* Non-Executive Director *Appointed 1 December 2012* *Member of the Audit Committee*	30	Mr Savich is a Resources Analyst at Blackswan Equities Ltd, a full service institutional and high net worth investment advisory firm. Mr Savich has nine years' experience dealing with the technical and financial requirements for resource projects, from early stage exploration assets to operating mines.

Directors' Report

2. Company secretary

Barry Casson CA MAICD

Mr Casson is a qualified chartered accountant and has held a number of company secretary positions over many years.

3. Directors' meetings

An audit committee was originally established in July 2007. However, due to the current composition of the board of directors and scale of activities of the Company, this committee was not utilised during the year ended 30 June 2013. All matters that would normally have been reviewed by this committee were reviewed by the full board of directors.

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

	Board Meetings	
Director	**A**	**B**
Stephen Everett	8	8
Barry Casson	8	8
Simon Finnis	8	8
Mark Savich (1)	4	4

(1) Mr Savich was appointed as a Non-Executive Director from 1 December 2012.

A – Number of meetings attended; includes resolutions passed by circular resolution (1).

B – Number of meetings held during the time the director held office during the year.

4. Corporate governance statement

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

4.1. Board of directors

Role of the board

The board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of risk management, internal control, legal compliance and management information systems.

It is also responsible for approving and monitoring financial and other reporting. Details of the board's charter are located on the Company's website (www.grcl.com.au).

During the year under review, the company has downsized its management while it seeks additional project opportunities. Prior to October 2012 the board had delegated responsibility for operation and administration of the Company to the managing director and executive management. Responsibilities were delineated by formal authority delegations. From October 2012 the reduced activity and administration of the company has been delegated primarily to the company secretary and supported as required by directors.

Board processes

The board has established a framework for the management of the Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full board currently holds at least four scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared by the company secretary in consultation with the chairman. Papers are circulated a week prior to each meeting and standing items include an operational and activities report, financial reports, strategic matters, governance and compliance. The directors are regularly involved in discussions with each other on all Group matters, not only at board meetings.

Director education

Given the quality and experience of the board, the Group has no formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Group concerning performance of directors. Directors also maintain regular contact with each other outside of board meetings. Directors have access to continuing education opportunities to update and enhance their skills and knowledge as, and if, sought by individual directors.

Directors' Report

4.1. Board of directors (continued)

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the chairperson, may seek independent professional advice from a suitably qualified advisor at the Group's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is also to be made available to all other members of the board.

Composition of the board

The names of the directors of the Company in office at the date of this report, specifying which are independent, are set out in the Directors' Report on page 1 of this report. The board endeavours to compose the board using the following principles:

- a minimum of four directors, with a broad range of expertise covering technical, legal, commercial and corporate, both nationally and internationally. Currently this objective is not being met.
- a majority of independent non-executive directors. Currently this objective is not being met:
  - the directorship of Simon Finnis is not independent as he was the managing director of the Company until 14 September 2012.
  - technically not independent is the directorship of Barry Casson, who also acts as company secretary and provides the Company with part time support in relation to accounting and corporate finance matters, and secretarial requirements.

  The board will continue to monitor the mix of the board as additional opportunities and activities evolve going forward. However, given the current state of Group activities, there is no justification to change the present composition of the Board.
- a majority of directors having extensive knowledge of the Group's industries.
- a non-executive independent director as chairperson. Mr Everett is a non-executive independent chairperson.
- a maximum period of three years service, subject to re-election every three years.

The board considers the mix of skills and the diversity of board members when assessing the composition of the board. The board assesses existing and potential directors' skills to ensure they have the appropriate industry expertise in the Group's operating segments.

An independent director is a director who is not a member of management (a non-executive director) and who:

- holds less than five per cent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five per cent of the voting shares of the Company,
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment,
- within the last three years has not been a principal or employee of a material professional adviser or a material consultant to the Company or another Group member,
- is not a material supplier or customer of the Company or another Group member, or an officer of, or otherwise associated, directly or indirectly, with a material supplier or customer,
- has no material contractual relationship with the Company or another Group member other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

The reason for departure from this general policy of the Company, and the specifics of ASX Corporate Governance Recommendation 2.1, is one of practicality. The board has focussed on the overarching principle of having directors who add value to the business and are not conflicted with the objectives of the Company. Each director remains committed to adding value for all shareholders.

4.2. Nomination committee

The Company does not have a nomination committee as it considers that, given the current size and scope of activities, the full board should oversee the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the Group's executives. The board develops guidelines on the appropriate skill mix, personal qualities, expertise and diversity of each position. Where a vacancy occurs or there is a need for particular skills, the board will determine the selection criteria based on the skills deemed necessary. The board may delegate specific directors to identify potential candidates with advice from an external consultant. The board will then consider the applicants and appoint the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.

Pending the establishment of a nomination committee, the chairperson is authorised to use an external facilitator to annually review the effectiveness of the board, its committees, individual directors, and senior executives. The other directors have an opportunity to contribute to the review process. The performance criteria take into account each director's contribution to setting the direction, strategy and financial objectives of the Group, and monitoring compliance with regulatory requirements and ethical standards. To date there has not been any performance review undertaken as the board continues to develop and refine the refocusing of company activities. Following any performance review, the review will generate recommendations to the board, which will vote on them. The nomination of existing directors for reappointment is not automatic and is contingent on their past performance, contribution to the Group and the current and future needs of the board and the Group. Directors displaying unsatisfactory performance are required to retire.

Directors' Report

4.2. Nomination committee (continued)

The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment and include expectations of conduct, disclosure requirements regarding interests in the Company's securities and appointments to other boards, and the availability of independent professional advice.

An annual review of the performance of the managing director and the staff members reporting directly to him were regularly conducted until September 2012 when the managing director retired, and shortly thereafter the remaining staff member also resigned. Results of the reviews were discussed at a board meeting.

4.3. Remuneration committee

The Company does not have a remuneration committee as it considers that, given the current size and scope of activities, the full board should oversee the review of remuneration packages and policies applicable to the executive officers and directors themselves of the Company and of other Group executives. As noted earlier the company no longer has any employees and this further reduces the relevance of the remuneration committee in the company. The full board is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

4.4. Remuneration report – audited

4.4.1. Principles of compensation – audited

Remuneration is referred to as compensation throughout this report.

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Company and senior executives for the Group. During the majority of the year under review, the Company had four directors including the managing director, who retired in September 2012 but continues as a non-executive director. The following principles of compensation had been agreed to by the board and formed the basis of the principles of compensation during the relevant periods of employment and will remain relevant to future employment arrangements.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives and as relevant to the circumstances of the company from time to time.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the Group's performance including:
    - the successful implementation of exploration programmes designed to confirm and establish resources for development into operations,
    - the Group's earnings, when and if appropriate,
    - the growth in share price and delivering enhancement of shareholder value; and
    - the amount of incentives within each key management person's compensation.

Compensation packages include a mix of fixed and variable compensation and short and long-term performance-based incentives.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits) as well as employer contributions to superannuation funds, as required by law.

Compensation levels are reviewed annually by the board through a process that considers individual performance and overall performance of the Group.

Performance linked compensation

Performance linked compensation includes short-term and long-term incentives and is designed both to reward key management personnel for meeting or exceeding their financial and personal objectives and to keep the Group competitive in the marketplace. The short-term incentive ('STI') is an at-risk bonus provided in the form of cash and based on agreed key performance indicators ('KPIs') for each position.

The long-term incentive ('LTI') is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan ('ESOP'). In accordance with the terms of the ESOP, share options are granted under a service condition whereby the grantee must be employed by the Group at the time the options vest. If share options are unvested at termination of the grantee's engagement by the Group, the options expire on termination of the grantee's engagement. If share options are vested but unexercised at termination of the grantee's engagement, the options expire 30 days after the termination of the grantee's engagement. Otherwise, share options expire on their expiry date.

Short-term incentive bonus

Each year the board of directors sets the KPIs for the key management personnel. The KPIs will generally include measures relating to the Group, and to the individual, and include financial, people, strategy, and risk measures. The measures are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance. The full board reviews and confirms the cash incentive to be paid to each individual. This method of assessment was chosen as it provides the board with an objective assessment of the individual's performance.

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.1. Principles of compensation – audited (continued)

Long-term incentive

Options are issued under the ESOP (made in accordance with thresholds set in plans that have been initially approved by the board) and it provides for key management personnel to receive varying numbers of options over ordinary shares for no consideration. The actual number of options issued depends on the seniority and responsibility of the executive concerned. The exercise prices and vesting periods of the options are set so as to provide a realistic incentive to each executive and to reflect the executive's contribution to the Group and enhancement of value for all shareholders.

In addition to the options provided to executives, the Company has issued options to certain directors. These entitlements have not been granted as part of a broad scheme to remunerate the board but rather as a specific and largely pre-agreed recognition of the contribution of these directors to the establishment of the Company and its portfolio of projects, and its listing on the Australian Securities Exchange ('ASX') in October 2007. These remaining option entitlements are noted in the table in Section 4.4.4.4.

The Company's policy relating to exercise and vesting dates for options provided to executives and to certain directors is summarised as follows:

- The exercise prices and vesting terms for options issued to the former managing director recognised the highly competitive labour market in Australia within the mining industry. Commercial salary arrangements are currently seen as being only part of the attraction to executives and increasingly executives desire a meaningful incentive in the form of options or shares offered. The Company has recognised this aspect and negotiated with the former managing director the terms of issue, which included a five year term and varying exercise prices generally expressed in three tranches and vesting on grant date. Generally the Company endeavours to establish a modest premium to current prices when setting exercise prices of such incentive options.
- The exercise prices for options issued to another director and a former director were set at significantly higher levels than those applicable to the former managing director. These terms were agreed prior to the Company listing in October 2007. As noted above, this acknowledges that the issue of options does not form part of the remuneration base of the relevant directors and executive but instead rewards them in the longer term for the significant efforts already made and yet to be made. Accordingly the premiums were set at a more realistic hurdle rate relative to price expectations based on successful exploitation of the Group's projects. The five year term is consistent with the options terms for the managing director.

The Group does not have a formal policy in place regarding hedging of options or rights by key management personnel. Entering into such arrangements has been prohibited by law since 1 July 2011.

Consequences of performance on shareholder wealth

The board considers that the most effective way to increase shareholder wealth is through the successful exploration and development of the Group's mineral exploration permits. The board considers that the Group's LTI schemes incentivise key management personnel to successfully explore the Group's mineral permits by providing rewards that are directly correlated to delivering value to shareholders through share price appreciation.

The factors that are considered relevant to affect total shareholder returns as required to be disclosed by the Corporations Act are summarised in the following table. The table excludes return on capital employed as a relevant measure given the exploration basis of activity and operations of the Company.

	2013	2012	2011	2010	2009
Net profit (loss) after tax ($000's)	(1,507)	(4,903)	(3,025)	(1,593)	(4,507)
Dividends paid	Nil	Nil	Nil	Nil	Nil
Share price at year end ($'s)	$0.026	$0.081 (1)	$0.340(1)	$0.800(1)	$0.540(1)

Source of share prices quoted: S&P Capital IQ

(1) On 6 June 2012, the Company completed a 1 for 20 consolidation of ordinary share capital. The share prices shown have been adjusted to reflect the effect of the 1 for 20 consolidation of ordinary share capital by restating previous share prices to recognise this consolidation and therefore do not represent actual share prices in those earlier years.

The Company also notes that - as a junior exploration company - operating revenue and profits are also not key performance indicators in reviewing key management personnel STI's or LTI's. When establishing guidelines for any STI's, the Company looks to other measures such as raising market awareness, enhancement of share price and capital raising opportunities (as relevant), and achievement of goals and objectives in terms of establishment and milestones in attracting new, and enhancing existing, projects.

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.1. Principles of compensation – audited (continued)

Service contracts

The Company had entered into a service contract with the former managing director which no longer applies following his resignation from that position in September 2012. There are no service contracts with any other director and there are no other executives in the Company currently.

The service contract outlined the components of compensation paid to the former managing director but did not prescribe how compensation levels were to be modified year to year. Compensation levels were reviewed each year to take into account individual performance, any change in the scope of the role performed by the former managing director, cost-of-living changes and any changes required to meet the principles of the compensation policy.

Individual performance is measured against agreed key performance indicators, including successful completion of operational tasks, timely execution of work programmes, adherence to governance standards and procedures and feedback from stakeholders and other interested parties.

Mr Simon Finnis was appointed as managing director on 1 March 2010 following service as chief executive officer of the Company from 1 September 2007 to 1 April 2009. Mr Finnis tendered his resignation from the position of managing director with effect from 14 September 2012. Mr Finnis has been a member of the board of directors since 6 April 2009 and has continued as a non-executive member of the board.

Mr Finnis was retained as managing director pursuant to a consultancy contract between Finnis1 Pty Ltd, Simon Finnis and the Company which provided for the services of Mr Finnis on a full time basis. The major terms of the contract included:

- an initial term of three years commencing 1 March 2010,
- an annual fee of $305,000 payable monthly in arrears,
- termination upon three months' notice, except in the event of a change of control where an additional six months' notice is required,
- rights to a short term incentive of up to 20% of the annual fee, subject to agreed KPIs which are reviewed annually; and
- a long term incentive of 75,000 options, each vesting immediately and having a five year expiry date from the date of issue, and exercisable as follows, noting that these terms were automatically adjusted (as to the number and pricing) following a 1 for 20 consolidation of the ordinary share capital of the Company completed on 6 June 2012:
  - 25,000 options exercisable at $1.976 per share
  - 25,000 options exercisable at $2.476 per share
  - 25,000 options exercisable at $2.976 per share

Non-executive directors

Total compensation for all non-executive directors was set by the board on 22 June 2007 at $147,000. The levels of fees set were based on a review involving reference to fees paid to other non-executive directors of comparable companies at the time. There has been no change to these levels since 2007. Directors' base fees are presently set at $35,000 per annum for the chairperson and $28,000 per annum for each non-executive director. These fees are paid quarterly in arrears.

No member of the board of directors is entitled to performance related compensation. Directors' fees cover all main board activities. Additional services provided outside of board duties attract a separate daily rate agreed by the full board.

There is no board retirement scheme and there is currently no intention to establish such a scheme.

4.4.2. Directors' and executive officers' remuneration – audited

Details of the nature and amount of each major element of remuneration of each key management person of the Group for the year ended 30 June 2013 are:

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.2. Directors' and executive officers' remuneration – audited (continued)

		Short-term				Post-employment	Other long term	Termination benefits	Share-based payments		S300A(1)(e)(i) proportion of remuneration performance related %	S300A(1)(e)(i) value of options as proportion of remuneration %
		Salary & fees	Consulting Fees (1) (2)	Non-monetary benefits (3)	Total	Superannuation benefits			Options	Total $		
Directors												
Non-executive directors												
Mr S Everett	2013	35,000	-	-	35,000	-	-	-	-	35,000	-	-
Mr B Casson (1)	2013	28,000	10,800	-	38,800	-	-	-	-	38,800	-	-
Mr S Finnis (2) (3)	2013	46,000	4,000	840	50,840	-	-	-	-	50,840	-	-
Mark Savich	2013	16,333	-	-	16,333	-	-	-	-	16,333	-	-

(1) Mr B Casson acted as company secretary throughout the period. Consulting fees represent the amount paid to Mr B Casson for the performance of these services.

(2) Following his resignation as Managing Director, Mr S Finnis provided the Group with consulting services. Consulting fees represent the amount paid to Mr S Finnis for the performance of these services.

(3) Mr S Finnis was provided with company car parking benefits during his term as Managing Director.

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.2. Directors' and executive officers' remuneration – audited (continued)

		Short-term				Post-employment	Other long term	Termination benefits	Share-based payments		S300A(1)(e)(i) proportion of remuneration performance related %	S300A(1)(e)(i) value of options as proportion of remuneration %
		Salary & fees	Consulting Fees	Non-monetary benefits (1)	Total	Superannuation benefits			Options	Total $		
Directors												
Non-executive directors												
Mr S Everett	2012	35,000	-	-	35,000	-	-	-	-	35,000	-	-
Mr M Arnett (*resigned 9 Dec 11*)	2012	14,000	-	-	14,000	-	-	-	-	14,000	-	-
Executive directors												
Mr B Casson	2012	28,000	18,230	-	46,230	-	-	-	-	46,230	-	-
Mr S Finnis (1)	2012	305,000	-	1,740	306,740	-	-	-	-	306,740	-	-
Executives												
Mr F Bunting (i)	2012	-	-	-	-	-	-	-	-	-	-	-

(1) Mr S Finnis was provided with company car parking benefits during his term as Managing Director.

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.2. Directors' and executive officers' remuneration – audited (continued)

Notes in relation to the table of directors' and executive officers' remuneration - audited

(i) Mr Bunting resigned as a director of the Company on 6 April 2009. However, he has continued to provide valuable ongoing input. Mr Bunting was also a shareholder and director of GRC Mexico Pty Ltd ('GRC Mexico') which was acquired by the Company in March 2010. Mr Bunting was, and remains, a director of the Mexican subsidiary of GRC Mexico and continued to contribute to the exploration reviews for the El Rodeo Project, as required from time to time. Given this continued involvement in the management of the Group Mr Bunting retains the incentive options issued to him in July 2007 (refer to section 4.4.4.4 for further details).

Only one STI payment has been made in recent years, which was fully disclosed in the financial year 2011.

Details of performance related remuneration - audited

The Group's policy in relation to the proportion of remuneration that is performance related is discussed on page 4.

4.4.3. Analysis of bonuses included in remuneration – audited

No short-term incentive cash bonuses were awarded as remuneration in the year ended 30 June 2013.

4.4.4. Equity instruments – audited

All options refer to options over ordinary shares of Global Resources Corporation Limited, which are exercisable on a one-for-one basis under the Employee Share Option Plan.

4.4.4.1. Options and rights over equity instruments granted as compensation – audited

Options are granted under a service condition whereby the grantee must be employed by the Group at the time the options vest. If share options are unvested at termination of the grantee's engagement by the Group, the options expire on termination of the grantee's engagement. If share options are vested but unexercised at termination of the grantee's engagement, the options expire 30 days after the termination of the grantee's engagement. Otherwise, share options expire on their expiry date. The options are exercisable from their vesting date to their expiry date, subject to continuing service. Options issued under the Company's ESOP have been provided at no cost to the recipient.

No options over ordinary shares in the Company were granted as compensation to key management personnel during the reporting period. No options granted to key management personnel vested during the reporting period.

Further details regarding options issued to key management personnel in previous financial years under the Company's ESOP are in note 19 to the financial statements.

4.4.4.2. Modification of terms of equity-settled share-based payment transactions – audited

No terms of equity-settled share-based payment transactions have been altered or modified by the issuing entity during the reporting period or the prior period.

4.4.4.3. Exercise of options granted as compensation - audited

No shares were issued on the exercise of options during the reporting period, or since the end of the reporting period.

4.4.4.4. Analysis of options and rights over equity instruments granted as compensation - audited

Details of vesting profiles of the options granted as remuneration to each key management person of the Group are detailed below. The number of options granted is stated after adjustment for the effect of a 1 for 20 consolidation of the ordinary share capital of the Company completed on 6 June 2012.

	Number of options granted	Option grant date	% vested at year end	% forfeited / cancelled in year	Financial years in which grant vests
Directors					
Mr B Casson	6,000	30 Jul 2007	100%	100%	1 July 2008
	4,500	30 Jul 2007	100%	100%	1 July 2009
	4,500	30 Jul 2007	100%	100%	1 July 2010
Mr S Finnis	75,000	19 Mar 2010	100%	-	1 July 2009
Former executives					
Mr W F Bunting	20,000	30 Jul 2007	100%	100%	1 July 2008
	15,000	30 Jul 2007	100%	100%	1 July 2009
	15,000	30 Jul 2007	100%	100%	1 July 2010

Directors' Report

4.5. Audit committee

The Company does have an audit committee however given the current composition of the board and the activities of the Company, the audit committee has not met this financial year. Accordingly the full board oversees the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group.

The company secretary has declared in writing to the board that the financial records of the Company for the financial year have been properly maintained and that the Company's financial reports for the financial year ended 30 June 2013 comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. This statement is required annually.

In connection with the establishment and maintenance of an appropriate framework of internal control and appropriate ethical standards, the full board undertakes the following responsibilities:

- reviewing the annual and half-year financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and assessing whether the financial information is consistent with the board's information and adequate for shareholder needs,
- assessing corporate risk assessment processes,
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review,
- assessing whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*,
- assessing the adequacy of the internal control framework and the Company's code of ethical standards,
- monitoring the procedures to ensure compliance with the *Corporations Act 2001* and the ASX Listing Rules and all other regulatory requirements; and
- addressing any matters outstanding with auditors, the Australian Taxation Office, the Australian Securities and Investments Commission, the ASX and financial institutions.

The full board reviews the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the external audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed,
- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents, prior to announcement of results,
- review the draft annual and half-year financial report; and
- review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.

4.6. Risk management

Oversight of the risk management system

The board oversees the establishment, implementation, and annual review of the Company's risk management system. Management has established and implemented the risk management system for assessing, monitoring and managing operational, financial reporting, and compliance risks for the Group. The operational and other risk management compliance and controls are regularly assessed.

Risk profile

The full board reviews regularly, as appropriate to the Company's circumstances and activities, the status of risks through integrated risk management programmes aimed at ensuring risks are identified, assessed and appropriately managed.

Risk management and compliance and control

The board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities. The board's policy on internal control takes into account the size and scope of current activities.
Policies have been established to ensure:

- capital expenditure and commitments above a certain size obtain prior board approval,
- financial exposures are controlled, including the use of derivatives,
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations,
- business transactions are properly authorised and executed,
- financial reporting accuracy and compliance with the financial reporting regulatory framework; and
- environmental regulation compliance.

Directors' Report

4.6 Risk management (continued)

Quality and integrity of personnel

Formal appraisals are conducted at least annually for all employees. Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of cooperation and constructive dialogue with employees and senior management. Given the present size and scope of activities, and the lack of executive management currently, there is no formal succession plan currently in place to ensure competent and knowledgeable employees fill senior positions when retirements or resignations occur.

Financial reporting

The company secretary has declared in writing to the board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

Monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly.

Environmental regulation

The Group's operations are subject to significant environmental regulation under both Commonwealth and State legislation in relation to its exploration activities in Queensland. The Group is also subject to foreign jurisdiction environmental regulations in Mexico and Turkey.

The Group is committed to achieving a high standard of environmental performance. Due to the size and scope of current activities the Company has not established an environmental management committee; however the board charter includes focus on this area of operating performance. The board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

As part of this process the board is responsible for:

- setting and communicating environmental objectives and quantified targets,
- monitoring progress against these objectives and targets,
- implementing environmental management plans in operating areas which may have a significant environmental impact,
- identifying where remedial actions are required and implementing action plans; and
- regular monitoring of licence requirements, with performance against licence conditions reported to the various State regulators on a regular basis.

To enable the board to meet its responsibilities, the former managing director maintained a regular internal reporting process with all key employees and consultants and reported to the board as and when relevant. For the year ended 30 June 2013 there were no relevant or outstanding requirements of environmental regulations as the Group had completed all environmental obligations in respect of exploration activity undertaken on its portfolio of projects.

Assessment of effectiveness of risk management

The Group does not employ internal auditors. The full board is responsible for ensuring compliance with internal controls and risk management programmes by regularly assessing the effectiveness of the above-mentioned compliance and control systems.

4.7. Ethical standards

All directors, executives and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group, in accordance with the Company's Code of Conduct Policy.

Conflict of interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with the interests of the Group. The board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of director-related entity transactions with the Group are set out in note 25 to the financial statements.

Directors' Report

4.7. Ethical standards (continued)

Code of conduct

The Group has advised each director, executive and employee that they must comply with the Code of Conduct Policy adopted by the board. The policy may be viewed on the Company's website, and it covers the following:

- aligning the behaviour of the board and management with the code of conduct by maintaining appropriate core Group values and objectives,
- fulfilling responsibilities to shareholders by delivering shareholder value,
- responsibilities to the individual, such as privacy, use of privileged or confidential information, and conflict resolution,
- managing potential or actual conflicts of interest,
- corporate opportunities such as preventing directors and key executives from taking improper advantage of property, information or position for personal gain,
- confidentiality of corporate information,
- protection and proper use of the Group's assets,
- compliance with all laws and regulations affecting the Group; and
- reporting of unlawful or unethical behaviour including protection of those who report violations in good faith.

Trading in Company securities by directors and employees

The key functions of the Trading Blackout Policy on trading in Company securities by directors and employees are:

- to identify those to whom the policy is applicable,
- to identify the circumstances in which a trading blackout will be imposed. Directors, executives, employees and their family members may acquire shares in the Company but are prohibited from dealing in Company shares or exercising options:
  - between 5 trading days before and 2 full trading days after the release of any financial results to the ASX,
  - while a major announcement is pending e.g. an announcement relating to the negotiation of a material transaction or a material change to the affairs of the Company in these circumstances, the blackout remains in effect for 2 full trading days after the announcement; and
  - whilst in possession of price sensitive information not yet released to the market.
- to raise awareness of legal prohibitions on dealing in the Company's securities.

The policy also details the insider trading provisions of the *Corporations Act 2001* and is reproduced in full on the Company's website.

4.8. Communication with shareholders

The board policy is to provide shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases. More details of the policy are available on the Company's website.

In summary, the Continuous Disclosure Policy operates as follows:

- the company secretary is currently responsible for interpreting the Group's policy and where necessary informing the board. The company secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are discovered,
- the full annual report is provided via the Company's website to all shareholders (unless a shareholder has specifically requested to receive a physical copy or not to receive the document), including relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments,
- the half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it,
- proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders,
- all announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX,
- the full texts of notices of meetings and associated explanatory material are placed on the Company's website; and
- the external auditor attends the annual general meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

All of the above information is made available on the Company's website within one day of public release, and is e-mailed to all shareholders who lodge their e-mail contact details with the Company. Information on lodging e-mail addresses with the Company is available on the Company's website.

Directors' Report

4.8. Communication with shareholders (continued)

The board encourages full participation of shareholders at the annual general meeting to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors, the remuneration report and changes to the constitution.

4.9. Diversity

The board appreciates the need to have an appropriate blend of diversity both on the board and in the Group's senior executive positions. However, in the current circumstances of the Group and given the current absence of key management personnel, the board has not yet established a formal policy on diversity.

	30 June 2013	30 June 2013	30 June 2012	30 June 2012
Gender representation	**Female (%)**	**Male (%)**	**Female (%)**	**Male (%)**
Board representation	-	100%	-	100%
Key management personnel representation	-	100%	-	100%
Group representation	-	100%	11%	89%

The board considers the Group's key management personnel, excluding Company directors, to be the Group's senior executives however currently there are no such executives within the Company.

5. Principal activities

The principal activities of the Group during the course of the financial year were in relation to the exploration and evaluation of its existing exploration project in Turkey and the portfolio of tenements in Queensland. The Company has also been striving to add more advanced projects to its portfolio, and has continued to investigate multiple opportunities in various jurisdictions. However, the number of good opportunities remain difficult to locate and often difficult to evaluate on the indicative terms of acquisition. Nonetheless, the Company continues to seek such opportunities through a number of different of avenues available to the Company.

5.1. Mexico

The Company's rights over the El Rodeo project have ceased during the financial year.

5.2. Queensland

The Company has rationalised its tenement holdings in Queensland but still holds a significant portfolio of exploration ground, summarised below:

Project Name	Approximate Location	Target
South Cloncurry Base Metals	150km south of Cloncurry.	Iron Oxide Cu/Au, Broken Hill type Ag/Pb/Zn.
South Cloncurry Phosphate	20km west of Phosphate Hill.	Direct shipping ore Phosphate.
Burdekin	50km south of Ayr, 120km SE of Townsville.	Epithermal and volcanic breccia related Au/Ag.
Monto	50 to 160km SSW of Rockhampton.	Epithermal Au/Ag, and Porphyry and skarn Cu/Au.
Clermont	270km south-west of Mackay.	Porphyry Cu/Au/Mo and Epithermal Au/Ag.
Dobbyn	150km north-east of Mt Isa	Structurally controlled Cu.
Croyden	500km north-west of Townsville	Intrusive related Au/Ag.

During the financial year the Company continued a programme to attract partners to the Queensland exploration assets. The Company has existing arrangements in place on two tenements, (EPM 15948, Kennedy Highway, and EPM 18616, Croydon) as noted below. Several other parties have expressed interest in the remaining tenements, and discussions continue in this regard.

Several tenement applications have been granted during the financial year – and several post year end. All remaining applications are in the final stages of the grant process, and the Company remains confident that remaining tenements should be granted within the next six months.

The Company holdings and applications are all highly prospective, are spread broadly across the state of Queensland, and focus mostly on precious and base metals with one phosphate focussed area.

Directors' Report

5.2. Queensland (continued)

Sandfire Resources NL (ASX:SFR) continues to hold an option over the Kennedy Highway Project (EPM 15948), in north Queensland. They maintain the right to earn up to an 80% interest based on the following main terms:

- Sandfire must spend a minimum of A$400,000 (Minimum Expenditure), in the first year on the Project, no less than half of which must be drilling (complete);
- Sandfire may withdraw without liability at any time after it has met the Minimum Expenditure; however Sandfire have elected to continue having met the Minimum Expenditure condition
- Sandfire must spend a minimum of A$3M (in total), in the first 3 years to earn 60% equity (Minimum Interest) in the Project, no less than half of which must be drilling; and
- Sandfire has the option to spend a further A$5M, over an additional 2 years, to earn 80% equity (Further Interest) in the Project.
- After the Minimum Interest has been earned, and any time before the Further Interest has been earned, GRM and Sandfire will form an unincorporated Joint Venture (JV) to manage the Project. Sandfire will be the manager of the JV and the partners will fund as per their respective ownership percentage, or be diluted.

The Kennedy Highway Project is a single tenement (EPM 15948). It is located approximately 230km south of Cloncurry in north Queensland. As announced on 21 December 2012 Sandfire Resources NL met the minimum expenditure commitment for the first year and has opted to continue with the Farm-in Agreement.

On 9 July 2012 the Company announced that it had agreed terms with Gold Anomaly Limited (GOA) to sell a majority of tenement EPMA 18616, dependent upon the tenement being granted. On 24 July 2013 the Company announced the grant of EPM 18616 and accordingly the appropriate steps were being taken for the Exploration Permit to be transferred. Gold Anomaly also changed its name in July 2013, and is now Crater Gold Mining Limited (CGN). In accordance with the terms of the agreement $200,000 of CGN shares (which translated to 49,333,991 CGN shares based on the agreed terms announced previously) were duly issued to Global. These shares remain in a voluntary escrow pending transfer of the tenement. Global also retains a 6% interest in the Exploration Permit.

5.3. Turkey

The Company continues to hold an interest in the Aktarma gold project in Turkey. However, during the year under review the main tenement of interest was converted to an Operational License, in August 2012, which remains valid until August 2022. There were a further 5 Exploration Licenses held however following a geological review of the potential on the other licence areas, it was decided to rationalise the tenement holdings and allow the Exploration Licences to lapse on their expiry dates in December 2012. During the year the agreement with Pilot Gold Inc. (PLG:TSX) in relation to the Yunt Dag project was terminated and the relevant licenses were allowed to lapse in December 2012. The Ispir tenements were surrendered in March 2013.

Aktarma project

It is located approximately 100km north of Izmir City and 50km north-east of the Ovacik Mine in Western Turkey. It is within the Biga geological province in western Turkey and geologically it lies on the northern margin of the regional Ergarma Graben and hosts a strong multi-element soil and rock geochemical anomaly, with strong gold values in both soil and rock chip samples.

A second drilling programme was completed in September 2012 on the main tenement of interest. In total six holes for 999.9 metres of drilling were completed. Hole AK-DD-09 failed to reach the target depth.

This programme was designed to test the large magnetic low anomaly and the depth extensions of a group of outcropping veins bearing gold at surface. Strongly developed Low Sulphidation Epithermal veins are non-magnetic and produce wide demagnetisation of host andesite rocks, so central portions of the coherent large magnetic low and any interpreted side zones were clear targets.

The two holes designed to test the magnetic low at depth (AK-DD-09 and AK-DD-14) both intersected interesting geology, but AK-DD-09 did not reach target depth due to poor ground conditions and the shallow angle of the hole. AK-DD-14 is a vertical hole showed the potential at Aktarma as it intersected propylitic alteration from approximately 96m, anomalous lead and zinc from approximately 200m and intersecting carbonate veinlets and a newly discovered carbonate vein containing silver, lead and zinc mineralisation at approximately 250m.

The Company assessed the potential for third party interest to further exploration on the Operational Licence, however despite considerable interest initially, the onset of more difficult conditions globally no firm proposals have been reached. The Company remains confident of the potential at Aktarma and will continue to seek interest from other companies in the future however given the Company's current circumstances no further work is planned for the near to medium term.

5.4. Objectives

During the financial year, the Group actively sought new opportunities and more particularly seeking a near term development opportunity rather than pure exploration. The Company will also continue to ensure it achieves maximum value from its existing projects

The Company - like many others in the junior mining sector – has seen deterioration in the availability of new project opportunities at reasonable values, and difficulties in funding availability as share market sentiment has changed towards exploration endeavours. However the Company does have ongoing support from its major shareholders, many of whom are assisting in the search for new projects. The Company appreciates this support and looks forward to the continuation and success from this support.

Directors' Report

6. Operating and financial review

Review of financial condition

During the period under review, the Company withdrew from 2 of its projects in Turkey, namely the Ispir and Yunt Dag projects. The Company also continues to seek partners for its exploration assets in Queensland, Australia.

At balance date the Group had approximately $686,000 in cash resources to support its operations.

The Group continues to seek additional project interests, preferably more advanced projects than those already held. It is more likely to add to overseas interests than to interests in Australia, due to the nature and cost of opportunities becoming available.

The Group will continue to monitor the cash required to meet future obligations, and the availability of additional equity in the Australian market at the appropriate time. The ongoing operation of the Group is dependent upon raising additional capital from shareholders or other parties from time to time, although there is potential for some funds to come from partnership arrangements of its surplus project assets. There is no assurance however that, in the current economic environment, the Group will be able to raise additional funds on reasonable terms.

Significant changes in the state of affairs

As has been noted in previous reports and within this report, the Company has been changing its focus from the initial Queensland projects to, more recently, Turkey. However the ability to further enhance the project in Turkey is seen as limited and efforts will be directed to seeking third party partnerships or other arrangements to further explore the Aktarma Project.

The Company has continued to review and improve upon its land position in Queensland although it has not actively explored in this jurisdiction in recent times. It has already progressed partnership opportunities for two of the Queensland projects, one farm-in arrangement and one sale Agreement. The Company is in negotiations over a number of other tenements and tenement packages and is hopeful of concluding these in the near future.

7. Dividends

No dividends have been paid or declared during or since the end of the financial year (2012: nil).

8. Events subsequent to reporting date

On 19 July 2012, the Company announced that it had agreed terms with Crater Gold Mining Limited ('CGN') (formerly Gold Anomaly Limited ('GOA')) for the sale of a 94% interest in tenement EPMA 18616 located at Croydon in Queensland. During July 2013, tenement EPMA 18616 was granted to the Company. As a result $200,000 of CGN shares (translating to 49,333,991 CGN shares) were issued to the Company as consideration for the sale of tenement EPMA 18616. These shares remain the subject of a voluntary escrow arrangement pending the transfer of this tenement to CGN.

The terms of the sale are as follows:

- As consideration for the transfer of a 94% beneficial interest in the tenement, CGN will issue to the Company CGN shares to the value of $200,000.
- CGN will meet the costs of the tenement application thus far incurred and all future costs.
- The Company will retain a 6% interest in the tenement and also retain a 1% net smelter royalty on any and all minerals produced from the tenement.

Expiry of listed options

1,866,493 listed options with an exercise price of $0.60 expired on 22 August 2013.

9. Likely developments

The Group will continue to focus on maximising values from the current portfolio of mining projects and will continue its search for further opportunities. Given that the nature of the Group's activities is exploration focused, no further information can be provided as to likely developments as such developments will depend on exploration success at the Group's various project interests, and the nature of any new acquisitions going forward.

Directors' Report

10. Directors' interests

The relevant interest of each director in the shares or options over such instruments issued by the Company, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows. The numbers of shares or options over such instruments are stated after adjustment for the effect of a 1 for 20 consolidation of the ordinary share capital of the Company completed on 6 June 2012.

	Direct interest in ordinary shares	Indirect interest in ordinary shares	Options over ordinary shares - ESOP	Options over ordinary shares - Other (v)
Mr S Everett (i), Non-Executive Chairman	-	892,016	-	125,000
Mr B Casson (ii), Director	-	76,963	-	15,594
Mr S Finnis (iii), Director	563	354,508	75,000	41,017
Mr M Savich (iv), Director	-	2,085,496	-	-

(i) Mr Everett has an indirect interest in shares and options held by Prima Group Holdings Pty Ltd (31,142 shares) and by Prima Group Holdings Pty Ltd as trustee for the Prima Group Holdings Superannuation Fund (860,874 shares, 125,000 options).

(ii) Mr Casson has an indirect interest in shares and options held by Mrs E Casson (1,500 shares, 500 options), Silverfox Retirement Pty Ltd as trustee for the Silverfox Retirement Fund (75,461 shares, 15,093 options) and Fylbin Pty Ltd (2 shares, 1 option).

(iii) Mr Finnis has an indirect interest in shares and options held by Mrs H Finnis (36,711 shares, 7,343 options), Finnis 1 Pty Ltd (73,586 shares, 14,718 options) and the Finnis Family Superannuation Fund (244,211 shares, 18,843 options).

(iv) Mr Savich has an indirect interest in shares held by Gugalanna Holdings Pty Ltd as trustee for the Gugalanna Investment Trust (1,090,469 shares) and Gugalanna Pty Ltd as trustee of the Gugalanna Capital Super Fund (995,027 shares)

(v) The directors of the Company hold an interest in these options as a result of direct participation and / or the participation of their indirect interests in the 1 for 2 non-renounceable rights issue completed on 12 August 2011.

11. Share options

No options over ordinary shares were granted during the year ended 30 June 2013.

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are as follows. The number of shares under option and the exercise prices of the options are stated below after adjustment for the effect of a 1 for 20 consolidation of the ordinary share capital of the Company completed on 6 June 2012 (refer to note 17 to the financial statements):

Expiry date	Type	Exercise price	Number of shares
22 Aug 2013	Other	$0.60	1,866,493
19 Oct 2014	Other	$0.20	1,000,000
19 Mar 2015	ESOP	$1.976	25,000
19 Mar 2015	ESOP	$2.476	25,000
19 Mar 2015	ESOP	$2.976	25,000
17 Feb 2017	ESOP	$0.376	50,000
17 Feb 2017	ESOP	$0.576	50,000
17 Feb 2017	ESOP	$0.776	50,000
06 Jun 2015	Other	$0.12	2,000,000
			5,091,493

All options issued under the terms of the Company's ESOP expire on the earlier of their expiry date or termination of the recipient's employment or fulfilment of the role of a director or officer of the Company. These options have varying vesting dates and exercise prices. All other options issued expire on their expiry date.

No class of options entitles the holder to participate in any share issue of the Company.

No options have been granted since the end of the financial year.

Directors' Report

12. Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify the following current directors of the Company, Stephen Everett, Barry Casson, Simon Finnis and Mark Savich, and former directors Dr Ross Fardon, Robert Thorpe, Frank Bunting and Michael Arnett, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The Company has arranged directors' and officers' liability insurance, for past, present or future directors, secretaries, and executive officers. The insurance cover relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual directors or officers of the Company.

13. Non-audit services

During the year ended 30 June 2013, KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit service provided, which was the preparation of income tax returns, and is satisfied that the provision of those non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the non-audit services were reviewed by the board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out in Note 28 to the financial statements.

14. JORC statement

The information in this Director's Report that relates to Exploration Results is based on information compiled by Dr Alex Losada-Calderon, an Australian Geologist who is employed by TAE Resources Pty Ltd, a company associated with him and retained by the Company to provide specialist geological services. Dr Losada-Calderon is a Member of AusIMM and has in excess of 5 years' experience which is relevant to the styles of mineralisation and types 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 Exploration Results, Mineral Resources and Ore Reserves". Dr Losada-Calderon consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

15. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 49 and forms part of the directors' report for financial year ended 30 June 2013.

This report is made with a resolution of the directors:

Mr Barry Casson
Director

Dated this 30th day of September 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Note	2013	2012
		$	$
Assets			
Cash and cash equivalents	16	685,625	1,480,029
Trade and other receivables	15	70,942	266,078
Prepayments		23,418	22,981
Total current assets		779,985	1,769,088
Exploration and evaluation assets	12	20,347	508,393
Property, plant and equipment	13	22,496	41,430
Total non-current assets		42,843	549,823
Total assets		822,828	2,318,911
Liabilities			
Trade and other payables	20	163,687	188,926
Deposit received		20,000	-
Current tax payable		-	-
Total current liabilities		183,687	188,926
Total liabilities		183,687	188,926
Net assets		639,141	2,129,985
Equity			
Share capital		16,581,458	16,598,663
Reserves		(168,220)	87,008
Accumulated losses		(15,774,097)	(14,555,686)
Total equity		639,141	2,129,985

The notes on pages 22 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2013

	Note	2013	2012
		$	$
Other income	7	-	44,150
Administrative expenses		(511,579)	(1,289,928)
Impairment of assets	8	(1,040,421)	(3,674,422)
Loss from operating activities		(1,552,000)	(4,920,200)
Finance income	10	44,992	20,166
Finance expenses	10	(5)	(2,977)
Net finance income		44,987	17,189
Loss before income tax		(1,507,013)	(4,903,011)
Income tax expense	11	-	-
Loss for the period		(1,507,013)	(4,903,011)
Other comprehensive income			
Items that may be reclassified subsequently to the profit or loss			
Foreign currency translation differences for foreign operations		29,194	(254,478)
Total comprehensive income for the period		(1,477,819)	(5,157,489)

		2013	2012
Earnings per share			
Basic earnings/(loss) per share	18	(3.53 cents)	(26.5 cents)
Diluted earnings/(loss) per share	18	(3.53 cents)	(26.5 cents)

The notes on pages 22 to 45 are an integral part of these consolidated financial statements

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2013

	Share capital	Translation reserve	Equity compensation reserve	Option reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 July 2011	13,291,522	(424,966)	362,821	-	(9,652,675)	3,576,702
Total comprehensive income for the period						
Profit or loss	-	-	-	-	(4,903,011)	(4,903,011)
Other comprehensive income						
Foreign currency translation	-	(254,478)	-	-	-	(254,478)
Total other comprehensive income	-	(254,478)	-	-	-	(254,478)
Total comprehensive income for the period	-	(254,478)	-	-	(4,903,011)	(5,157,489)
Transactions with owners directly recorded in equity						
Contributions by and distributions to owners						
Share based payment transactions	-	-	216,983	-	-	216,983
Issue of options	-	-	-	186,648	-	186,648
Issue of ordinary shares	3,307,141	-	-	-	-	3,307,141
Total transactions with owners	3,307,141	-	216,983	186,648	-	3,710,772
Balance at 30 June 2012	16,598,663	(679,444)	579,804	186,648	(14,555,686)	2,129,985
Balance at 1 July 2012	16,598,663	(679,444)	579,804	186,648	(14,555,686)	2,129,985
Total comprehensive income for the period						
Profit or loss	-	-	-	-	(1,507,013)	(1,507,013)
Other comprehensive income						
Foreign currency translation	-	29,194	-	-	-	29,194
Total other comprehensive income	-	29,194	-	-	-	29,194
Total comprehensive income for the period	-	29,194	-	-	(1,507,013)	(1,477,819)
Transactions with owners directly recorded in equity						
Contributions by and distributions to owners						
Share based payment transactions	8,100	-	4,180	-	-	12,280
Lapsed/forfeited options	-	-	(288,602)	-	288,602	-
Costs from issue of ordinary shares	(25,305)	-	-	-	-	(25,305)
Total transactions with owners	(17,205)	-	(284,422)	-	288,602	(13,025)
Balance at 30 June 2013	16,581,458	(650,250)	295,382	186,648	(15,774,097)	639,141

The notes on pages 22 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2013

	Note	2013	2012
		$	**$**
Cash flows from operating activities			
Cash paid to suppliers and employees		(458,385)	(1,447,275)
Interest received		38,913	15,016
Net cash used in operating activities	*16*	(419,472)	(1,432,259)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*13*	(1,467)	(23,478)
Proceeds from sale of plant and equipment		855	67,686
Payments for exploration and evaluation		(384,218)	(1,048,451)
Proceeds from disposal of exploration and evaluation assets		28,489	-
Net cash used in investing activities		(356,341)	(1,004,243)
Cash flows from financing activities			
Proceeds of share placements		-	2,686,000
Proceeds of share purchase plan		-	-
Proceeds of rights issues		-	1,403,168
Payment of costs in relation to rights issue		(25,305)	-
Payment of share issue transaction costs		-	(401,701)
Payment of finance lease liabilities		-	(15,310)
Net cash from (used in) financing activities		(25,305)	3,672,157
Net increase / (decrease) in cash and cash equivalents		(801,118)	1,235,655
Effect of exchange rate fluctuations on cash held		6,714	(2,318)
Cash and cash equivalents at 1 July		1,480,029	246,692
Cash and cash equivalents at 30 June	*16*	685,625	1,480,029

The notes on pages 22 to 45 are an integral part of these consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Global Resources Corporation Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is First Floor, 13 Manning Street, South Brisbane, Queensland. The consolidated financial statements of the Company as at and for the year ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is a for-profit entity and is primarily involved in exploration activities.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ('IFRSs') adopted by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the board of directors on 30 September 2013.

b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

c) Going concern

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The Group currently has no source of operating cash inflows other than interest income but has net cash outflows for the year ended 30 June 2013 of $801,118 (30 June 2012: net cash inflows of $1,235,655). At 30 June 2013, the Group has cash balances of $685,625 (30 June 2012: $1,480,029) and net working capital (current assets less current liabilities) of $596,298 (30 June 2012: $1,580,162).

The ongoing operation of the Group will remain dependent upon the Group raising further additional funding from shareholders or other parties. There is no assurance that, in the current economic conditions, the Group will be able to raise additional funds on reasonable terms. In the event that the Group does not obtain additional funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

In the longer term, the development of economically recoverable mineral deposits found on the Group's existing or future exploration properties depends on the ability of the Group to obtain financing through equity financing, debt financing or other means. If the Group's exploration programmes are ultimately successful, additional funds will be required to develop the Group's properties and to place them into commercial production. The only source of future funds presently available to the Group is the raising of equity capital by the Company. The ability to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Group. There can be no assurance that the Group will be successful in its efforts to raise additional funding on terms satisfactory to the Group. If adequate funding is not available, the Group may be required to delay, reduce the scope of, or eliminate its current or future exploration activities or relinquish rights to certain of its interests. Failure to obtain additional funding on a timely basis could cause the Group to forfeit its interests in some or all of its properties and reduce or terminate its operations.

d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- note 2c – going concern
- note 12 - impairment of exploration and evaluation assets
- note 19 - measurement of share-based payments

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align with the policies adopted by the Group.

(iii) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

3. Significant accounting policies (continued)

b) Foreign currency (continued)

(ii) Foreign operations (continued)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains or losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve.

c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group’s non-derivative financial assets are comprised of loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group’s non-derivative financial liabilities are comprised of trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from accumulated losses.

d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

3. Significant accounting policies (continued)

d) Property, plant and equipment (continued)

(ii) Depreciation (continued)

The estimated useful lives for the current and prior period are as follows:

- plant and equipment 5 – 10 years
- office equipment and software 3 – 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e) Exploration and evaluation assets

Exploration and evaluation costs are capitalised as exploration and evaluation assets on an area of interest basis. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure, but do not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. Costs incurred before the Group has obtained the legal right to explore an area of interest are recognised in profit or loss.

An exploration and evaluation asset is only recognised if the right to the area of interest is current and either:

- the expenditure is expected to be recouped through successful development and exploitation of an area of interest, or by its sale; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or in relation to the area of interest are continuing.

Accumulated costs in respect of areas of interest are recognised in profit or loss when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development. The aggregated cost is first tested for impairment and then reclassified from exploration and evaluation assets to mining property and development assets within property, plant and equipment. The costs of a productive area are amortised over the life of the area of interest to which such costs relate on the production output basis.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount of the asset exceeds the recoverable amount. Such indicators of impairment include the following:

- the right to explore has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration and evaluation in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale even if development in the specific area is likely to proceed.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with exploration activity. The cash generating units are not larger than the areas of interest.

f) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

g) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise or indications that a debtor will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

3. Significant accounting policies (continued)

g) Impairment (continued)

(ii) Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market vesting conditions at the vesting date.

i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

j) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on lease liabilities and are recognised in profit or loss using the effective interest method.

k) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. Significant accounting policies (continued)

k) Income tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head company within the tax-consolidated group is Global Resources Corporation Limited.

l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

m) Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and agents of the Group.

n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's managing director to make decisions about resources to be allocated to segments and to assess their performance.

Segment results that are reported to the managing director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

o) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are available for early adoption at 30 June 2013, but have not been assessed by the directors and have not been applied in preparing this financial report.

- AASB 10 *Consolidated Financial Statements* introduces a new approach to determining which investees should be consolidated. AASB 10 will become mandatory for the Group's 30 June 2014 financial statements.
- AASB 127 *Separate Financial Statements* (2011) carries forward the existing accounting and disclosure requirements for separate financial statements with some minor clarifications. AASB 127 will become mandatory for the Group's 30 June 2014 financial statements.
- AASB 11 *Joint Arrangements* states that if certain parties have rights to and obligations for underlying assets and liabilities, the joint arrangement is considered to be a joint operation and partial consolidation is applied. Otherwise, the joint arrangement is considered a joint venture and is equity accounted. AASB 11 will become mandatory for the Group's 30 June 2014 financial statements.
- AASB 128 *Investment in Associated and Joint Ventures (2011)* contains limited amendments relating to the application of AASB 5 *Non-current assets held for sale and discontinued operations* to interests in associated and joint ventures. AASB 128 will become mandatory for the Group's 30 June 2014 financial statements.
- AASB 12 *Disclosures of Interests in Other Entities* contains the disclosure requirements for entities that have interest in subsidiaries, joint arrangements, and associated and/or unconsolidated structured entities. AASB 12 will become mandatory for the Group's 30 June 2014 financial statements.
- AASB 13 *Fair Value Measurement* explains how to measure fair value when required by other AASBs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value that currently exist in certain standards. AASB 13 will become mandatory for the Group's 30 June 2014 financial statements.
- AASB 119 *Employee Benefits (Amendment)* amendments focus mainly on, but are not limited to, the accounting for defined benefit plans. In addition, it changes the definition of short-term and other long-term employee benefits and some disclosure requirements. The amendments will become mandatory for the Group's 30 June 2014 financial statements with retrospective application required.
- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets and financial liabilities. AASB 9 will become mandatory for the Group's 30 June 2016 financial statements.
- AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* removes the requirements to include individual key management personnel disclosures in the notes to the financial statements. The amendments will become mandatory for the Group's 30 June 2014 financial statements.

3. Significant accounting policies (continued)

o) New standards and interpretations not yet adopted (continued)

- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* amends AASB 7 to increase the disclosures about offset positions, including the gross position and the nature of the arrangements. AASB 2012-2 will become mandatory for the Group's 30 June 2014 financial statements.
- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* amends AASB 132 to clarify when an entity has a legally enforceable right to set-off financial assets and financial liabilities permitting entities to present balances net on the balance sheet. AASB 2012-3 will become mandatory for the Group's 30 June 2015 financial statements.
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009 – 2011 Cycle* provides a collection of non-urgent but necessary improvements to the following accounting standards: AASB 1, AASB 101, AASB 116, AASB 132, AASB 134 and Interpretation 2. AASB 2012-5 will become mandatory for the Group's 30 June 2014 financial statements.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Where this fair value is determined for disclosure purposes, the market rate of interest is that at reporting date. Where this fair value is determined when acquired in a business combination, the market rate of interest is at the date of acquisition.

Share-based payment transactions

The fair value of the employee share option plan is measured using a Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the options (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market conditions attached to the transactions are not taken into account in determining fair value.

5. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board does not have a risk management committee and the board as a whole is responsible for developing risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations.

At 30 June 2013, the Group is yet to generate operating revenue. Therefore, no formal policy for the analysis of creditworthiness is currently in place.

The Group's exposure to credit risk is limited to bank accounts, accrued interest on the Group's term deposits, GST and Value Added Tax ('VAT') recoverable on payments made to suppliers and refundable deposits lodged to secure the rights to projects. The Group mitigates credit risk on cash and term deposits by dealing with regulated banks in Australia, Mexico and Turkey.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Cash flow is monitored on an ongoing basis. Management reports comparing actual cash flows to budget are circulated to the board on a monthly basis.

5. Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group's investments in subsidiaries are not hedged.

Interest rate risk

The Group adopts a policy of optimising interest rates on its term deposits by investing in a range of terms that are conservative and ensure liquidity is available when required to meet the Group's commitments.

Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the Group's exploration and evaluation activities and supporting functions.

There were no changes in the Group's approach to capital management during the year.

6. Operating segments

The Group has three reportable segments, as described below, which correspond to the Group's geographical areas of interest. For each of the geographical areas of interest, the Group's directors review internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Australian exploration projects*.
  This segment encompasses the Group's exploration and project evaluation activities in Queensland, Australia.
- *Mexican exploration projects.*
  This segment encompasses the Group's exploration and project evaluation activities at the El Rodeo project in Michoacan, Mexico.
- *Turkish exploration projects*
  This segment encompasses the Group's exploration and project evaluation activities at the Yunt Dag, Aktarma and Ispir projects in Turkey.

	Australia		Turkey		Mexico		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Segment profit or loss								
Reportable segment profit / (loss) before income tax	-	44,150	6,710	(192,821)	-	(19,000)	6,710	(167,671)
Other material non-cash items								
Impairment of exploration and evaluation assets	(148,485)	(341,358)	(783,162)	(356,893)	(36,671)	(2,972,436)	(968,318)	(3,670,687)
Impairment of trade and other receivables	-	-	(72,103)	-	-	(3,735)	(72,103)	(3,735)
	(148,485)	(341,358)	(855,265)	(356,893)	(36,671)	(2,976,171)	(1,040,421)	(3,674,422)
Net reportable segment assets								
Reportable segment assets	2,131,722	633,638	1,055,514	1,162,536	4,777,822	4,187,738	7,965,058	5,983,912
Impairment of segment assets	(2,111,387)	(615,355)	(893,339)	(356,893)	(4,768,486)	(4,165,651)	(7,773,212)	(5,137,899)
Net reportable segment assets	20,335	18,283	162,175	805,643	9,336	22,087	191,846	846,013
Reportable segment liabilities	93,006	66,486	1,747	41,742	16,397	15,248	111,150	123,476
Capital expenditure	-	-	-	1,504	-	-	-	1,504

6. Operating segments (continued)

	2013	2012
	$	$
Reconciliations of reportable segment profit or loss, assets and liabilities		
Profit or loss		
Total gain/(loss) for reportable segments	6,710	(167,671)
Other material non-cash items	(1,040,421)	(3,674,422)
Unallocated amounts: other corporate expenses	(473,302)	(1,060,918)
Consolidated loss before income tax	(1,507,013)	(4,903,011)
Assets		
Total assets for reportable segments	191,846	846,013
Other assets	630,982	1,472,898
Consolidated total assets	822,828	2,318,911
Liabilities		
Total liabilities for reportable segments	111,150	123,476
Other liabilities	72,537	65,450
Consolidated total liabilities	183,687	188,926

7. Other income

Net gain on sale of plant and equipment	-	44,150
	-	44,150

8. Impairment expenses

Impairment of exploration and evaluation assets	968,318	3,670,687
Impairment of trade and other receivables	72,103	3,735
	1,040,421	3,674,422

9. Personnel expenses

Wages and salaries	198,365	748,691
Other associated personnel expenses	3,943	22,812
Contributions to defined contribution plans	3,468	13,872
Equity-settled share-based payment transactions	4,180	5,382
Total personnel expenses	209,956	790,757

10. Finance income and expenses

	2013 $	2012 $
Finance income		
Interest income on bank deposits	38,282	20,166
Net foreign exchange gain	6,710	-
	44,992	20,166
Finance expenses		
Net foreign exchange loss	-	(2,318)
Interest expense on finance lease	-	(659)
Interest expenses - other	(5)	-
	(5)	(2,977)
Net finance income	44,987	17,189

11. Income tax expense

Numerical reconciliation between tax expense and pre-tax accounting loss		
Loss for the period	(1,507,013)	(4,903,011)
Income tax using the Company's domestic tax rate of 30% (2012: 30%)	(452,104)	(1,470,903)
Non-assessable income	-	-
Non-deductible expenses	25,018	2,014,294
Change in unrecognised temporary differences	(67,404)	(1,003,061)
Current year losses for which no deferred tax asset was recognised	494,490	459,670
Total income tax expense	-	-

12. Exploration and evaluation assets

Opening balance	508,393	3,391,257
Acquisitions	450,079	1,047,966
Effect of foreign exchange rate movements	30,193	(260,143)
Impairment	(968,318)	(3,670,687)
Balance at 30 June	20,347	508,393

The principal activities of the Group in the current year have been drilling programmes undertaken at the Aktarma and Yunt Dag projects in Turkey.

Mexico

On 22 June 2012, the Company announced that Minas GRC S.A. de C.V., a wholly owned subsidiary, and Recursos Cruz del Sur S.A. de C.V., being the parties to the El Rodeo Option Agreement (the 'Option Agreement'), had agreed to terminate the Option Agreement. On completion of the termination process, the Group will no longer held any rights over the El Rodeo mineral project. All expenditure incurred and capitalised in respect of the El Rodeo mineral project during the current financial year, totalling $22,396, has been fully impaired at 30 June 2013.

Turkey

Aktarma and Ispir projects

The Group's interest in these projects is held by GRC Madencilik Limited Sirketi ('GRC Madencilik'), a wholly owned subsidiary incorporated in Turkey.

The terms of the agreement between GRC Madencilik and Agola Madencilik Limited Sirketi ('Agola') for the purchase of these projects commit GRC Madencilik to the payment of a royalty (the 'Production Royalty') to Agola once the projects are in commercial production. The Production Royalty is equal to 2% of the net smelter return ('NSR') from all products mined from the Aktarma and Ispir projects and is payable quarterly. The NSR is calculated as the gross proceeds of sale of products mined less allowable deductions for costs incurred by GRC Madencilik with respect to processed products such as smelting, refining, transportation, insurance and storage costs plus any applicable taxes. The cost of mining and milling the product is not an allowable deduction.

12. Exploration and evaluation assets (continued)

Turkey (continued)

The Production Royalty payment obligation automatically expires upon the expiration or cancellation of the Aktarma mining rights or the Ispir mining rights but continues if GRC Madencilik, or an affiliate, re-acquires these rights within two years after expiration or cancellation.

During the year the Ispir project mining rights were surrendered.

All expenditure incurred and capitalised in respect of the Ispir project during the current financial year, totalling $59,876, were fully impaired during the year. Upon surrender of the Ispir project mining rights, all expenditure incurred and capitalised and the associated accumulated impairment in respect of the Ispir project were written off.

All expenditure incurred and capitalised in respect of the Aktarma project incurred, totalling $684,420, was fully impaired during the year.

Option to acquire an interest in the Yunt Dag project

In an agreement dated 27 June 2012, Pilot Gold Inc, the owner of the Yunt Dag project, granted the Company a six month extension to the time frame in which the Company was required to meet its expenditure obligations under the Yunt Dag Farm-In Agreement (the 'Agreement'). The Company's expenditure obligations in subsequent years of the Agreement have likewise been extended by six months. All other terms of the Agreement are unchanged.

Under the terms of the amended Agreement, the Company was committed to spend US$500,000 prior to 31 December 2012 on exploratory activity at the project site. However, following the extension of the agreement, the Company and Pilot Gold Inc. mutually agreed to discontinue activity at Yunt Dag and allowed the relevant exploration licences to lapse, thereby effectively terminating the arrangements in place.

All expenditure incurred and capitalised in respect of Yunt Dag project during the current financial year, totalling $13,100, were fully impaired during the year. Upon discontinuing the Yunt Dag agreement, all expenditure incurred and capitalised and the associated accumulated impairment in respect of the Yunt Dag project were written off.

Australia

Kennedy Highway project

On 1 November 2011, the Company signed an agreement with Sandfire Resources NL ('Sandfire') whereby Sandfire has the right to acquire up to an 80% interest in the Kennedy Highway project (the 'Project') in north Queensland. The Project is a single tenement, EPM 15948, located approximately 230km south of Cloncurry in north Queensland.

The main terms of the agreement with Sandfire are summarised as follows:

- Sandfire must spend a minimum of $400,000 ('Minimum Expenditure') on the Project in the first year no less than half of which must be on drilling;
- Sandfire may withdraw without liability at any time after it has met the Minimum Expenditure;
- Sandfire must spend a minimum of $3,000,000 in total over the first three years to earn a 60% interest ('Minimum Interest') in the Project no less than half of which must be on drilling;
- Sandfire has the option to spend a further $5,000,000 over an additional two years to earn an 80% interest ('Further Interest') in the Project.
- After the minimum has been earned, and anytime before the Further Interest has been earned, the Company and Sandfire will form an unincorporated joint venture (the 'JV') to manage the Project. Sandfire will be the JV manager and the partners will fund the JV in accordance with their respective ownership percentages, or be diluted.

On 21 December 2012 the Company announced that Sandfire had met the minimum spend requirement for the first year. As a result Sandfire Resources NL optioned to continue the Farm-in-Agreement.

Other Australian tenements

As the Company's activities reduced significantly during the year, as it endeavours to limit expenditures while also trying to find new project development opportunities, there has been no active exploration in this jurisdiction in the current financial year. With the exception of the Kennedy Highway project, expenditure capitalised with respect to all Australian tenements during the financial year, totalling $148,025, has been fully impaired at 30 June 2013. However, the Company continues to pursue ways to achieve value from its strong Australian tenement position.

Impairment loss

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The Group has raised a provision for impairment where there is objective evidence that the carrying amount of its exploration and evaluation assets exceeds the recoverable amount of those assets.

13. Property, plant and equipment

	Plant and equipment $	Office furniture and equipment $	Motor Vehicle $	Total $
Cost				
Balance at 1 July 2011	45,736	138,697	61,161	245,594
Additions	1,504	21,974	-	23,478
Disposals	(33,185)	(25,284)	(61,161)	(119,630)
Effect of movements in exchange rates	(108)	(44)	-	(152)
Balance at 30 June 2012	13,947	135,343	-	149,290
Balance at 1 July 2012	13,947	135,343	-	149,290
Additions	-	1,466	-	1,466
Disposals	-	-	-	-
Effect of movements in exchange rates	145	30	-	175
Balance at 30 June 2013	14,092	136,839	-	150,931
Depreciation and impairment losses				
Balance at 1 July 2011	29,174	92,106	46,333	167,613
Depreciation for the year	4,537	19,684	12,135	36,356
Disposals	(22,181)	(15,444)	(58,468)	(96,093)
Effect of movements in exchange rates	(11)	(5)	-	(16)
Balance at 30 June 2012	11,519	96,341	-	107,860
Balance at 1 July 2012	11,519	96,341	-	107,860
Depreciation for the year	1,363	19,168	-	20,531
Disposals	-	-	-	-
Effect of movements in exchange rates	44	-	-	44
Balance at 30 June 2013	12,926	115,509	-	128,435
Carrying amounts				
At 1 July 2011	16,562	46,591	14,828	77,981
At 30 June 2012	2,428	39,002	-	41,430
At 1 July 2012	2,428	39,002	-	41,430
At 30 June 2013	1,166	21,330	-	22,496

14. Tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items.

	2013	2012
	$	$
Deductible temporary differences	37,669	38,063
Tax losses carried forward	4,538,059	3,912,763
Tax losses brought to account to reduce income tax expense	-	-
Tax losses and temporary differences brought to account to reduce the provision for deferred income tax	(7,795)	(6,861)
Total unrecognised deferred tax assets	4,567,933	3,943,965

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

Provision for deferred income tax

The provision for deferred income tax comprises the estimated expense at the applicable rate of 30% on the following items:

Exploration and evaluation assets	6,301	5,026
Fixed assets	-	-
Prepayments and accrued income	1,494	1,835
Deferred tax asset attributable to tax losses and temporary differences brought to account to reduce the provision for deferred income tax	(7,795)	(6,861)
Total provision for deferred income tax	-	-

15. Trade and other receivables

Current		
Trade debtors	-	330
Accrued interest income	4,978	5,610
Net tax receivable (GST / VAT)	92,705	171,566
Receivables due from related parties	-	-
Other receivables	49,097	92,307
	146,780	269,813
Provision for impairment	(75,838)	(3,735)
Total current trade and other receivables	70,942	266,078

16. Cash and cash equivalents

Cash and bank balances	164,447	314,029
Term deposits	521,178	1,166,000
Total cash and cash equivalents	685,625	1,480,029

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

16. Cash and cash equivalents (continued)

	Note	2013 $	2012 $
Reconciliation of cash flows from operating activities			
Cash flows from operating activities			
Loss for the period		(1,507,013)	(4,903,011)
Adjustments for:			
Depreciation		19,416	32,644
Net gain on disposal of plant and equipment		-	(44,150)
Net foreign exchange loss	10	(6,710)	2,318
Interest expense on finance lease		-	659
Equity-settled share-based payment transactions	9	4,180	5,382
Impairment of exploration and evaluation assets	12	968,318	3,670,687
Impairment of receivables	8	72,103	3,735
Operating loss before changes in working capital and provisions		(449,706)	(1,231,736)
Change in trade and other receivables		123,033	(195,338)
Change in prepayments		(437)	12,196
Change in trade and other payables		(25,239)	(17,381)
Change in trade and other receivables for exploration		(91,951)	-
Change in trade and other payables for exploration		24,828	-
Net cash used in operating activities		(419,472)	(1,432,259)

17. Capital and reserves

	2013 No. of shares	2012 No. of shares
Share capital		
On issue at 1 July	42,573,187	141,157,850
Issued for cash	-	594,841,488
Subtotal	42,573,187	735,999,338
Effect of 1 for 20 consolidation completed on 6 June 2012	-	36,800,099
Issued for cash	-	5,773,088
Issued as consideration for the acquisition of exploration and evaluation assets	100,000	-
On issue at 30 June	42,673,187	42,573,187

Consolidation of ordinary shares

On 6 June 2012, the Company completed a 1 for 20 consolidation of ordinary share capital. The Company has adjusted the number of options on issue and the exercise prices of options on issue to reflect the effect of the 1 for 20 consolidation of ordinary share capital (refer note 19).

Issue of ordinary shares – Post-consolidation

On 5 July 2012 the Company issued 100,000 fully paid ordinary shares to Pilot Gold Inc. As consideration for an extension of time for the farm-in agreement for the Yunt Dag project in Turkey. The farm-in agreement was extended to 31 December 2012 and subsequently discontinued by mutual agreement between the Company and Pilot Gold Inc..

The group has also issue options under the Employee Share Option Plan (refer note 19).

17. Capital and reserves (continued)

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Equity compensation reserve

The equity compensation reserve represents the fair value of the options granted as compensation to employees and agents as determined using the Black-Scholes option pricing model and taking into account the terms and conditions on which the options were granted.

Option reserve

The option reserve comprises the value attached by the Company to the following:

- 21,000,000 options issued on 19 July 2011 in conjunction with the placement of 21,000,000 new ordinary shares on that date (the 'Placement'); and
- 16,329,543 options issued on 22 August 2011 in conjunction with the issue of 16,329,543 new ordinary shares in accordance with the terms of a 1 for 2 non-renounceable rights issue completed on that date (the 'Rights Issue').

In accordance with the terms of the Placement and the Rights Issue, each new ordinary share issued has one attaching option which, if exercised, entitles the holder to one new ordinary share in the Company. Both the Placement and the Rights Issue shares were subscribed for at $0.016 per share. The Company has measured the fair value of the attaching options using a Black-Scholes option-pricing model and on this basis has attributed $0.005 of the total subscription price of $0.016 per share to the attaching option.

18. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2013 was based on the loss attributable to ordinary shareholders of $1,507,013 (2012: $4,903,011) and a weighted average number of post-consolidation ordinary shares of 42,671,817 (2012:18,489,558).

	2013 $	2012 $
Loss attributable to ordinary shareholders		
Loss for the year	1,507,013	4,903,011

	Note	2013 No. of shares	2012 No. of shares
Weighted average number of ordinary shares			
Issued ordinary shares at 1 July	*17*	42,573,187	141,157,850
Effect of shares issued in July 2011		-	19,967,213
Effect of shares issued in August 2011		-	14,009,499
Effect of shares issued in September 2011		-	21,433,117
Effect of shares issued in October 2011		-	119,015,394
Effect of shares issued in November 2011		-	1,012,857
Effect of shares issued in April 2012		-	11,819,427
Effect of shares issued in May 2012		-	15,057,584
Effect of shares issued in May 2012		-	18,116,027
Subtotal		42,573,187	361,588,968
Effect of 1 for 20 consolidation (refer note 16)		-	18,079,448
Effect of shares issued in June 2012		-	410,110
Effect of shares issued in July 2012		98,630	-
Weighted average number of ordinary shares at 30 June		42,671,817	18,489,558

18. Earnings per share (continued)

Diluted earnings per share

There were 5,091,477 post-consolidation options (2012: 5,293,993 post-consolidation options) outstanding at balance date with exercise prices ranging from \$0.12 to \$2.98. These options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

19. Equity-based compensation

Description of the equity-based compensation arrangements

Employee share option programme

On 30 July 2007 the Company established a share option programme that entitles key management personnel and senior employees to purchase shares in the Company. On 19 March 2010 and 17 February 2012, further grants of options under the terms of this programme were made to key management personnel and other employees of the Company.

All options were granted at no cost to the recipients. The vesting of the options is not performance based.

All options expire on the earlier of their expiry date or termination of the individual's employment or position as an officer or employee of the Company.

At balance date, 112,500 share options had been forfeited because the employee ceased employment and 90,000 share options expired.

Other equity-based compensation

On 19 October 2011, the Company granted 20,000,000 options over unissued ordinary shares in the Company to an agent of the Company as consideration for capital raising services rendered in connection with a placement of 200,000,000 ordinary shares completed on 21 October 2011.

On 6 June 2012, following the completion of a 1 for 20 consolidation of the ordinary share capital of the Company, the Company granted a further 2,000,000 options over unissued ordinary shares in the Company to agents of the Company as consideration for underwriting services rendered in connection with a 2 for 3 non-renounceable entitlements issue completed on 23 May 2012. All options issued to agents of the Company expire on their expiry date.

Effect of 1 for 20 consolidation on ordinary share capital

On 6 June 2012, the Company completed a 1 for 20 consolidation of ordinary share capital (refer note 16). As a result, all options certificates on issue at 6 June 2012 were cancelled and replaced with the number of options and the option exercise prices adjusted to reflect the effect of the consolidation. All conditions and expiry dates remain unchanged on replacement. This has been treated as a modification to equity based compensation.

Terms and conditions of options issued

The terms and conditions related to the grants under the employee share option programme and to other options issued are as follows; all options are to be settled by physical delivery of shares:

19. Equity-based compensation (continued)

Grant date	Number of options pre-consolidation	Number of options post-consolidation	Exercise price pre-consolidation	Exercise price post-consolidation	Vesting date	Expiry date	Fair value per option pre-consolidation (i)
Option grant to director related entity on 19 March 2010	500,000	25,000	$0.10	$1.976	19 Mar 2010	19 Mar 2015	$0.05
Option grant to director related entity on 19 March 2010	500,000	25,000	$0.125	$2.476	19 Mar 2010	19 Mar 2015	$0.05
Option grant to director related entity on 19 March 2010	500,000	25,000	$0.15	$2.976	19 Mar 2010	19 Mar 2015	$0.05
Option grant to an agent on 19 October 2011	20,000,000	1,000,000	$0.01	$0.20	19 Oct 2011	19 Oct 2014	$0.005
Option grant to employees on 17 February 2012	1,000,000	50,000	$0.02	$0.376	17 Feb 2013	17 Feb 2017	$0.005
Option grant to employees on 17 February 2012	1,000,000	50,000	$0.03	$0.576	17 Feb 2014	17 Feb 2017	$0.004
Option grant to employees on 17 February 2012	1,000,000	50,000	$0.04	$0.776	17 Feb 2015	17 Feb 2017	$0.004
Option grant to agents on 6 June 2012	40,000,000	2,000,000	$0.006	$0.12	06 Jun 2012	06 Jun 2015	$0.003

(i) The replacement of options as part of the 1 for 20 consolidation of share capital was treated as a modification. There were no incremental changes in the fair values of the options.

19. Equity-based compensation (continued)

Disclosure of share option programme

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2013	Number of options 2013	Weighted average exercise price 2012	Number of options 2012
Outstanding at 1 July	$0.450	3,427,500	$0.293	3,300,000
Granted during the period	-	-	$0.015	27,050,000
Forfeited during the period	$0.576	(112,500)	$0.030	(1,800,000)
Expired during the period	$8.637	(90,000)	-	-
Subtotal	$0.220	3,225,000	$0.046	28,550,000
Effect of 1 for 20 consolidation of ordinary shares	-	-	$0.92	1,427,500
Granted post-consolidation	-	-	$0.12	2,000,000
Outstanding at 30 June	$0.220	3,225,000	$0.45	3,427,500
Exercisable at 30 June	$0.203	3,125,000	$0.44	3,165,000

The number of options outstanding at 30 June 2012 is stated after adjustment for the effect of a 1 for 20 consolidation of the ordinary share capital of the Company completed on 6 June 2012 (refer note 17). The post-consolidation options have exercise prices in the range $0.12 to $2.98 and a weighted average contractual life of 2.81 years.

No share options were exercised during the 2013 financial year (2012: no options exercised).

Inputs for measurement of grant date fair values

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black-Scholes option-pricing model, incorporating the expected volatility of the Company's share price over the life of the options as set out below:

	2012	2012	2012
Number of instruments (post-consolidation basis)	2,000,000	352,500	1,000,000
Fair value at grant date (weighted average of fair values)	$0.0558	$0.087	$0.10
Share price at grant date (post-consolidation equivalent)	$0.11	$0.20	$0.16
Exercise price (weighted average, post-consolidation basis)	$0.12	$0.576	$0.20
Expected volatility	78%	75%	108%
Option life	3 years	5 years	3 years
Expected dividends	-	-	-
Risk-free interest rate	3.5%	4.25%	5.0%

Share options granted to key management personnel and other employees are granted under a service condition whereby the grantee must be employed by the Group at the time the options vest. If share options are unvested at termination of the grantee's engagement, the options expire on termination of the grantee's engagement. If share options are vested but unexercised at termination of the grantee's engagement, the options expire 30 days after the termination of the grantee's engagement. Otherwise, share options expire on their expiry date.

	2013	2012
	$	$
Employee expenses		
Share options granted in 2012 – equity settled	4,180	5,382
	4,180	5,382

	2013	2012
	$	$

20. Trade and other payables

	2013 $	2012 $
Current		
Trade payables	22,954	69,183
Non-trade payables and accrued expenses	140,733	119,743
Total current trade and other payables	163,687	188,926

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 21.

21. Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2013 $	2012 $
Trade and other receivables	70,942	266,078
Cash and cash equivalents	685,625	1,480,029
	756,567	1,746,107

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	2013 $	2012 $
Australia	20,320	48,839
Mexico	4,233	11,631
Turkey	46,389	205,608
Total trade and other receivables	70,942	266,078

The trade and other receivables balance is primarily GST paid by the Company on purchases in Australia, VAT paid by subsidiary companies on purchases in Mexico and Turkey and exploration guarantees put in place by a subsidiary company to secure access to mining tenements in Turkey. GST, VAT and the exploration guarantees are all recoverable from the respective authorities in these countries.

Impairment losses

The ageing of trade and other receivables at the reporting date was as follows:

	Gross 2013 $	Impairment 2013 $	Gross 2012 $	Impairment 2012 $
Neither past due nor impaired	70,942	-	266,078	-
Past due	75,838	(75,838)	3,735	(3,735)
Total trade and other receivables	146,780	(75,838)	269,813	(3,735)

A provision for impairment has been raised against VAT paid in Mexico by a subsidiary company where no refund is expected to be received from the Mexican taxation authority. This is due to the unavailability of the correct documentary evidence to support a refund. A provision for impairment has also been raised against VAT paid in Turkey by a subsidiary company where no refund is expected to be received from the Turkish taxation authority. This is due to the recovery of the VAT paid being dependant upon the realisation of income in Turkey.

21. Financial instruments (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	2-5 years
	$	$	$	$	$	$
30 June 2013						
Trade and other payables	(163,687)	(163,687)	(163,687)	-	-	-
	(163,687)	(163,687)	(163,687)	-	-	-
30 June 2012						
Trade and other payables	(188,926)	(188,926)	(188,926)	-	-	-
	(188,926)	(188,926)	(188,926)	-	-	-

Currency risk

Exposure to currency risk

At 30 June 2013, the Group had no trade receivables and payables denominated in currencies other than the functional currencies of Group entities (30 June 2012: nil)

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2013	2012
	$	$
Fixed rate instruments		
Financial liabilities	-	-
Variable rate instruments		
Financial assets	685,625	1,480,029

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates throughout the year would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	$		$	
	100bp increase	100bp decrease	100bp increase	100bp decrease
30 June 2013				
Variable rate instruments	6,856	(6,856)	-	-
30 June 2012				
Variable rate instruments	14,800	(14,800)	-	-

21. Financial instruments (continued)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities approximate their carrying amounts.

22. Contingencies

Contingent liabilities considered remote

The Company has placed a bank guarantee of $15,895 with its landlord, 13 Manning Street Pty Ltd ATF Manning Street Unit Trust, relating to the Company's lease of the corporate head office. The guarantee expires on 30 April 2014; three months after the date of expiration of the lease of the corporate head office (refer note 24).

23. Capital and other commitments

Mining tenements

As a condition of retaining the right to explore its Australian tenements, the Group is required to pay an annual rental charge and incur a minimum level of expenditure for each tenement. With respect to projects in Turkey, the Group is committed to the payment of annual licence fees for the duration of the tenement licences at Aktarma.

Expenditure commitments are as follows:

	2013	2012
	$	$
Less than one year	82,445	1,421,552
Between one and five years	-	1,383,128
	82,445	2,804,680

24. Operating leases

Non-cancellable operating lease rentals are payable as follows:

Less than one year	38,705	67,458
Between one and five years	-	40,254
	38,705	107,712

The Group leases its corporate head office in Brisbane, Queensland under an operating lease. The lease expires on 31 January 2014. There is an option to renew the lease for a further two years after that date. Lease payments are increased annually to reflect market rates.

25. Related parties

Key management personnel remuneration

The key management personnel remuneration is as follows:

Short-term benefits	126,173	383,740
Consulting fees	14,800	-
Total key management personnel remuneration	140,973	383,740

Individual directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

25. Related parties (continued)

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Transaction	Note	2013	2012
			Transaction value year ended 30 June	
			$	**$**
Other related parties				
Fylbin Pty Ltd	Consulting services	(i)	10,800	18,230
Finnis1 Pty Ltd	Consulting services	(ii)	4,000	-
			Balance receivable / (payable) as at 30 June	
Other related parties				
Blackswan Corporate Pty Ltd	Director's fees	(iii)	7,700	-

(i) Fylbin Pty Ltd, an entity controlled by Mr B Casson, provided the Group with management, accounting and secretarial services during the year.

(ii) Finnis1 Pty Ltd, an entity controlled by Mr S Finnis, provided the Group with consulting services during the year.

(iii) Mark Savich acted as Director of the Company during the year; his fees are paid to Blackswan Corporate Pty Ltd, an entity which employs Mark.

Options and rights over equity instruments

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2012	Granted as compensation	Expired	Effect of 1 for 20 consolidation (i)	Held at 30 June 2013	Vested during the year	Vested and exercisable at 30 June 2013
Directors							
Mr S Everett	125,000	-	-	-	125,000	-	125,000
Mr B Casson	30,594	-	(15,000)	-	15,594	-	15,934
Mr S Finnis	116,017	-	-	-	116,017	-	116,017
Related Party							
Mr W F Bunting	50,000	-	(50,000)	-	-	-	-

(i) Refer to note 17.

	Held at 1 July 2011	Granted as compensation	Other changes	Effect of 1 for 20 consolidation (i)	Held at 30 June 2012	Vested during the year	Vested and exercisable at 30 June 2012
Directors							
Mr S Everett	-	-	2,500,000	125,000	125,000	-	125,000
Mr B Casson	300,000	-	311,880	30,594	30,594	-	30,594
Mr S Finnis	1,500,000	-	820.340	116,017	116,017	-	116,017
Executives							
Mr W F Bunting	1,000,000	-	-	50,000	50,000	-	50,000

No options were exercised by key management personnel during the financial year.

25. Related parties (continued)

Movements in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties is as follows:

	Held at 1 July 2012	Purchases / other acquisitions	Sales / other disposals	Subtotal	Held at 30 June 2013
Directors					
Mr S Everett	892,016	-	-	892,016	892,016
Mr B Casson	76,963	-	-	76,963	76,963
Mr S Finnis	205,071	150,000	-	355,071	355,071
Mr M Savich	2,085,496	-	-	2,085,496	2,085,496
Related party					
Mr W F Bunting	371,441	-	-	371,441	371,441

	Held at 1 July 2011	Purchases / other acquisitions	Sales / other disposals	Subtotal	Effect of 1 for 20 consolidation (ii)	Held at 30 June 2012
Directors						
Mr S Everett	8,204,175	9,636,117	-	17,840,292	892,016	892,016
Mr B Casson	623,697	915,544	-	1,539,241	76,963	76,963
Mr S Finnis	1,640,559	2,460,840	-	4,101,399	205,071	205,071
Executives						
Mr W F Bunting	7,428,802	-	-	7,428,802	371,441	371,441

(ii) Refer to note 17.

Other related parties

Contributions to superannuation funds on behalf of employees are disclosed in note 9.

26. Group entities

	Country of incorporation	Ownership interest 2013 %	Ownership interest 2012 %
Parent entity			
Global Resources Corporation Limited			
Significant subsidiaries			
GRC Madencilik Limited Sirketi	Turkey	100	100
GRC Mexico Pty Ltd	Australia	100	100
Minas GRC S.A. de C.V.	Mexico	100	100
Sextant Resources Inc.	Canada	100	100
Southern Energy Corporation Pty Ltd	Australia	100	100

27. Subsequent events

Sale of Australian tenement EPMA 18616

On 19 July 2012, the Company announced that it had agreed terms with Crater Gold Mining Limited ('CGN') (formerly Gold Anomaly Limited ('GOA')) for the sale of a 94% interest in tenement EPMA 18616 located at Croydon in Queensland. During July 2013, tenement EPMA 18616 was granted to the Company. As a result $200,000 of CGN shares were granted to the Company as consideration for the sale of tenement EPMA 18616.

The terms of the sale are as follows:

- As consideration for the transfer of a 94% beneficial interest in the tenement, CGN will issue to the Company CGN shares to the value of $200,000.
- CGN will meet the costs of the tenement application thus far incurred and all future costs.
- The Company will retain a 6% interest in the tenement and also retain a 1% net smelter royalty on any and all minerals produced from the tenement.

Expiry of listed options

1,866,493 listed options with an exercise price of $0.60 expired on 22 August 2013.

	2013 $	2012 $
28. Auditor's remuneration		
KPMG Australia		
Audit and review of financial reports	40,000	38,000
Taxation services	6,500	13,500
	46,500	51,500

29. Parent entity disclosures

As at and throughout, the financial year ending 30 June 2013, the parent entity of the Group was Global Resources Corporation Limited.

Results of parent entity		
Loss for the period	(633,102)	(4,772,577)
Total comprehensive income for the period	(633,102)	(4,772,577)
Financial position of parent entity at year end		
Current assets	607,601	1,432,006
Total assets	647,106	2,619,782
Current liabilities	165,543	141,173
Total liabilities	165,543	141,173
Total equity of the parent entity comprising of:		
Share capital	16,846,118	16,863,323
Equity compensation reserve	295,380	579,804
Option reserve	186,648	186,648
Accumulated losses	(16,846,583)	(15,151,166)
Total equity	481,563	2,478,609

Parent entity contingencies

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required.

Directors' Declaration

1. In the opinion of the directors of Global Resources Corporation Limited (the 'Company'):

   (a) the consolidated financial statements and notes that are set out on pages 18 to 45 and the Remuneration Report in section 4.4 in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards 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.

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the undersigned, as director and company secretary for the financial year ended 30 June 2013.

3. The directors draw attention to note 2(a) to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Brisbane this 30th day of September 2013.

Barry Casson
Director

Independent auditor's report to the members of Global Resources Corporation Limited

Report on the financial report

We have audited the accompanying financial report of Global Resources Corporation Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2013, consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 29 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Emphasis of matter - material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw your attention to note 2(c) of the financial report, which indicates that the ability of the Group to continue as a going concern is dependent upon raising capital from shareholders or other parties. Accordingly, there is a material uncertainty as to whether the Group will continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in section 4.4 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Global Resources Corporation Limited for the year ended 30 June 2013, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

S Board

Stephen Board
Partner

Brisbane
30 September 2013

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Global Resources Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

(i) no contraventions of the 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.

KPMG

KPMG

Stephen Board
Partner

Brisbane
30 September 2013