



ABN 37 148 168 825

Interim Financial Report
Half-Year ended 31 December 2018

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Your directors submit the financial report of the Company for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

John Terpu – Executive Chairman

(Appointed Non – Executive Chairman 12 January 2011, appointed Executive Chairman 1 July 2013)

Kathleen Bozanic B.Com, ACA, AICD – Non-executive Director

(Appointed 26 April 2018)

Andrew Caruso B.Eng (Mining)(Hons), – Non-executive Director

(Appointed 26 April 2018)

Bruno Firriolo FTPA (Tax), B.Bus (Acctg) – Non-executive Director and Company Secretary

(Appointed 12 January 2011)

(Resigned as Non-Executive Director 26 April 2018, Resigned as Company Secretary 30 April 2018)

Joseph Radici FTPA (Tax), B.Bus (Acctg) – Non-executive Director

(Appointed 31 March 2015)

(Resigned 26 April 2018)

Company Secretary

Mark Petricevic CA, AGIA, B.Com

(Appointed 30 April 2018)

Operating and Financial Review

During the period the Company was pleased to announce its Maiden Mineral Resource Estimate on the Mon Ami Gold Project (Mon Ami) in Laverton of 59,000oz's at 1.7g/t Gold. This was an exceptional result given it was based on only 10,000m of drilling. Efficient management of the drill program and monitoring of costs enabled the Company to keep the discovery cost per ounce close to \$15/oz on the drilling campaign. Results from the preliminary metallurgical test work was released to the ASX on 24th January 2019 with some promising results including recoveries of up to 97% in some cases. Further test work is planned for the first half of 2019.

In addition to the exploration activities undertaken at Mon Ami the Company was active in the market and acquired additional ground in the region. In September the Company entered an agreement to secure an additional 50km² of prospective tenure just 13kms from Mon Ami and close to the Mt Weld mining operation. Consideration for the transaction included \$100,000 in cash and 1,000,000 fully paid ordinary shares subject to voluntary escrow periods.

The Company continued its geochemical exploration program in North Queensland with rock chips returning some promising results. A number of gold anomalies and mineralisation for silver and copper were noted from the rock chips with additional targets delineated for follow up drilling programs in 2019.

From a corporate perspective the Company undertook a placement to sophisticated investors in August 2018 and raised \$1.1m net of capital raising costs.

Result of Operations

The loss from ordinary activities of the Company for the half-year ended 31 December 2018 was \$640,533 (half-year to 31 December 2017 – loss of \$290,554). Capitalised Exploration activity expenditure for the period including acquisition cost was \$705,437 (half-year to 31 Dec 2017 - \$412,412).

Events Subsequent to Reporting Date

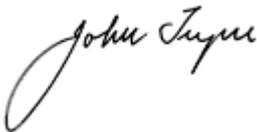
Subsequent to reporting date the Company announced its intention to lodge a prospectus with the ASX to raise up to a maximum of \$5 million. The transaction will be subject to shareholder approval at a General Meeting of Shareholders to be held 7th March 2019.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



John Terpu
Executive Chairman
6 February 2019

The information in this report that relates to results the results on the Mon Ami Gold Project in Western Australia and the Edinburgh Park Project in North Queensland can be found in the announcements lodged on the ASX dated 7 November 2018 and 26 October 2018 respectively. Also refer to the "Quarterly Activities Report" released 26 October 2018 and 31 January 2019. The Competent Person named in these releases is Dr Bryce Healy. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Great Southern Mining Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
6 February 2019



M R Ohm
Partner

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**CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
For the half-year ended 31 December 2018

Great Southern Mining Limited

	Notes	31 December 2018	31 December 2017
		\$	\$
Revenue	2	2,217	7,972
Expenses			
Administration expenses	2	(220,472)	(226,622)
Consulting Fees		(80,193)	(20,000)
Depreciation expense		(2,648)	(1,963)
Employee benefits expense		(101,491)	-
Legal Fees		(44,365)	(3,940)
Directors Fees		(147,825)	(46,001)
Share Based Payment expense	9	(45,756)	-
Total expenses		(642,750)	(298,526)
Loss before income tax expense		(640,533)	(290,554)
Income tax expense		-	-
Net loss for the period		(640,533)	(290,554)
Other comprehensive loss, net of income tax			
<i>Items that may be reclassified to profit or loss:</i>			
Net loss on equity instruments designated at fair value through other comprehensive income		(25,729)	-
Change in the fair value of available for sale investments		-	105,000
Income tax expense		-	-
Total comprehensive loss for the period		(666,262)	(185,554)
Basic and diluted loss per share (cents per share)		(0.24)	(0.15)

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

Great Southern Mining Limited

	Notes	31 December 2018	30 June 2018
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		872,744	748,423
Other assets		12,088	13,244
Total Current Assets		884,832	761,667
NON-CURRENT ASSETS			
Other receivables		12,500	10,000
Financial assets	6	-	180,000
Plant and equipment		17,560	19,518
Exploration and evaluation expenditure	3	4,160,789	3,455,352
Total Non-Current Assets		4,190,849	3,664,870
TOTAL ASSETS		5,075,681	4,426,538
CURRENT LIABILITIES			
Trade and other payables	4	860,421	810,402
Employee benefits		72,234	34,014
Total Current Liabilities		932,655	844,416
TOTAL LIABILITIES		932,655	844,416
NET ASSETS		4,143,026	3,582,122
EQUITY			
Issued capital	5	22,931,759	21,750,349
Reserves		80,756	128,470
Accumulated losses		(18,869,489)	(18,296,697)
TOTAL EQUITY		4,143,026	3,582,122

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2018

Great Southern Mining Limited

	Notes	Issued Capital \$	Accumulated Losses \$	Fair Value Reserve of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) \$	Share Option Reserve \$	Total \$
Company						
Balance at 1 July 2017		20,169,503	(17,571,264)	51,470	-	2,649,709
Total comprehensive income:						
- Loss for the period		-	(290,554)	-	-	(290,554)
Change in the fair value of available for sale assets		-	-	105,000	-	105,000
Total comprehensive loss		-	(290,554)	105,000	-	(180,554)
Transactions recorded directly in equity						
- Issue of share capital		708,416	-	-	-	708,416
- Share issue costs		(17,570)	-	-	-	(17,570)
Balance at 31 December 2017		20,860,349	(17,861,818)	156,470	-	3,155,001
Company						
Balance at 1 July 2018		21,750,349	(18,296,697)	93,470	35,000	3,582,122
Total comprehensive income:						
- Loss for the period		-	(640,533)	-	-	(640,533)
Fair value loss on equity instruments at FVOCI		-	-	(25,729)	-	(25,729)
Total comprehensive loss		-	(640,533)	(25,729)	-	(666,262)
Transfer of fair value reserve of equity instruments designated at FVOCI		-	67,741	(67,741)	-	-
Transactions recorded directly in equity						
- Issue of options during the period		-	-	-	45,756	45,756
- Exercise of options during the period		30,000	-	-	-	30,000
- Issue of share capital		1,194,250	-	-	-	1,194,250
- Share issue costs		(77,840)	-	-	-	(77,840)
- Issue of shares on tenement acquisition	3	35,000	-	-	-	35,000
Balance at 31 December 2018		22,931,759	(18,869,489)	-	80,756	4,143,027

The accompanying notes form part of these financial statements.

	31 December 2018	31 December 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(542,840)	(306,149)
Interest received	2,217	8,819
Net cash (used in) operating activities	(540,623)	(297,330)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	-	(3,916)
Payments for exploration and evaluation expenditure	(935,736)	(378,093)
Proceeds from sale of financial assets	154,271	-
Net cash (used in)/from investing activities	(781,465)	(382,009)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares (net of costs)	1,146,410	708,416
Proceeds from director loan	4(a) 300,000	(17,570)
Net cash provided by financing activities	1,446,410	690,846
Net increase in cash held	124,321	11,507
Cash at beginning of period	748,423	870,380
Cash at end of period	872,744	881,887

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of operations

Great Southern Mining Limited's (the Company) principal activities include the exploration and evaluation of projects held in the Laverton region of Western Australia and the Mt Carlton region of North Queensland.

(b) Basis of preparation

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements were authorised for issue on 5 February 2019.

The interim financial statements do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2018 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

Except for the impact of new and revised standards and interpretations effective 1 July 2018 disclosed in Note 1(d), the accounting policies and methods of computations adopted are consistent with those of the previous financial year and corresponding interim reporting period. The accounting policies are also consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis, unless otherwise noted. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

(c) Significant accounting judgments and key estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's financial report for the year ended 30 June 2018.

(d) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2018.

As a result of this review, the Company has initially applied AASB 9, AASB 15 and AASB 16 from 1 July 2018. AASB 15 has no material impact on the Company. Due to the transition method chosen by the Company in applying AASB 9, comparative information throughout the interim financial statements has not been restated.

(d) Adoption of new and revised Accounting Standards (continued)

AASB 9 Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- a) Financial instruments are classified as either held at amortised cost or fair value.
- b) Financial instruments are carried at amortised cost if the business model concept can be satisfied.
- c) Equity instruments carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale investments, now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

On initial application, an election has been made to designate available-for-sale financial instruments not held for trading as fair value through other comprehensive income (FVOCI). Previously recognised impairment losses in profit or loss are transferred from accumulated losses to the Fair Value Reserve of Financial Assets at FVOCI, although in the case of the Company, this was not applicable. As from the initial application date, further gains or losses will be recognised in this reserve. Where applicable, individually immaterial FVOCI equity instruments have been aggregated for disclosure purposes. On disposal of these equity instruments, the cumulative balance of this reserve is transferred to accumulated losses.

AASB 16 replaces AASB 117 Leases and related interpretations.

AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a lease liability for the present value obligation and a 'right of use' asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in the expense recognition with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

This Standard will primarily affect the accounting for the Company's operating lease commitments predominately relating to the lease of the office premises. The Directors are considering available options to account for this transition which may result in an increase in reported earnings before interest, tax and depreciation and amortisation (EBITDA) and increase in lease assets and liabilities recognition. The Standard may also have an impact on deferred tax balances. This will however be dependent on the lease arrangements in place when the new Standard is effective, The Directors have commenced the process of evaluating the impact of the new Standard.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Company accounting policies.

(e) Going Concern

Notwithstanding the working capital deficiency of \$47,823 (30 June 2018: deficiency of \$82,749), the interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the period the Company incurred a net loss of \$640,533 (2017: loss of \$290,554). Net cash outflows from operating and investing activities during the period was \$1,322,088 (2017: cash outflows of \$679,339).

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon:

- Continued cash management and monitoring of operating cashflows according to exploration success. Future exploration expenditure is generally discretionary in nature and exploration activities may be slowed or suspended as part of the Company's cash management strategy;
- The Company has historically been able to raise capital via equity placements and rights issues to shareholders. Given the strong support of shareholders and the prospectivity of the Company's current projects the directors are confident that any future capital raisings will be successful. Subsequent to reporting date the Company has also announced its intention to undertake a significant capital raising via a Prospectus. The transaction is subject to Shareholder approval at a General Meeting of Shareholders to be held 7th March 2019.
- With the view of preserving the Company's cash balance and to advance the metallurgical studies and exploration programs at Mon Ami and North Queensland, on 31 December 2018 the Company announced it had entered into an agreement with the Company's Executive Chairman to receive an unsecured, interest free loan of \$300,000. Settlement by way of the issue of shares in the Company is anticipated in the short term but is subject to Shareholder approval at a General Meeting of Shareholders to be held 7th March 2019.

The directors believe that the above funding strategies will be achieved and the going concern basis is appropriate.

Should the Company be unable to obtain sufficient future funding and be successful in completion of the transactions noted above, there is a material uncertainty which may cast significant doubt as to whether the Company will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	31 December 2018	31 December 2017
	\$	\$
The following revenue and (expense) items are relevant in explaining the financial performance for the half-year:		
Interest earned	2,217	7,972
Administration services fees paid*	-	(159,745)
Marketing fees	(32,338)	(6,014)
Rent and service charges paid**	(40,560)	-

* In the prior period administrative services fees were paid to a director related entity. No such fees were paid during the period to 31 December 2018.

** The Company entered into a commercial lease arrangement with a Director related entity in July 2018.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Half-year ended 31 December 2018	Year ended 30 June 2018
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	3,455,352	1,688,573
Acquisition of Mon Ami Gold Project	-	730,000
Acquisition of Mt Weld Tenements (a)	134,240	-
Expenditure incurred	571,197	1,056,779
Total deferred exploration and evaluation expenditure	4,160,789	3,455,352

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

- (a) In September 2018 the Company entered into an agreement to acquire a 100% interest in a tenement package from Central Australian Rare Earths Pty Ltd (CARE), an Australian registered entity. The Company acquired the rights to licences E38/2829, E38/2442; E38/2587 and E38/2856. Consideration payable for the transaction consisted of a cash payment of \$99,240 in cash and 1,000,000 fully paid GSN shares (at an issue price of \$0.045 per share), subject to voluntary escrow until 30 December 2018 (500,000 shares) and 30 June 2019 (500,000 shares). The shares were issued during the period and have been valued under AASB 2: Share Based Payments.

NOTE 4: TRADE AND OTHER PAYABLES

	31 December 2018	Year ended 30
	\$	June 2018
		\$
Trade and other payables	410,421	535,921
Related party payables (a)	300,000	24,481
Deferred Consideration - Mon Ami Gold Project (b)	150,000	250,000
	<u>860,421</u>	<u>810,402</u>

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

- (a) On 31 December 2018 the Company announced it had entered into an agreement with the Company's Executive Chairman to receive an unsecured, interest free loan of \$300,000. Settlement by way of the issue of shares in the Company is anticipated in the short term but is subject to Shareholder approval at a General Meeting of Shareholders to be held 7th March 2019.
- (b) Deferred consideration is payable to an entity related to the Executive Chairman (Vendor) relating to the acquisition of the Mon Ami Gold Project. During the period \$100,000 was paid to the Vendor.

NOTE 5: ISSUED CAPITAL

	Half-year ended		Year ended	
	31 December 2018		30 June 2018	
	No.	\$	No.	\$
Issued capital comprises				
Fully Paid Ordinary Shares	280,245,672	22,931,759	245,899,003	21,750,349
Movement in issued shares for the period	No.	\$	No.	\$
Balance at beginning of the period	245,899,003	21,750,349	179,078,187	20,169,503
Issued for cash:				
- 7 November 2017	-	-	35,420,816	708,416
- 5 April 2018	-	-	15,000,000	480,000
- 19 April 2018	-	-	16,400,000	410,000
- 6 August 2018	31,846,669	1,194,250	-	-
Acquisition of Tenement Package	1,000,000	35,000	-	-
Issued on exercise of Options	1,500,000	30,000	-	-
Costs associated with the issue of shares	-	(77,840)	-	(17,570)
Balance at end of the period	<u>280,245,672</u>	<u>22,931,759</u>	<u>245,899,003</u>	<u>21,750,349</u>

**NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH
OTHER COMPREHENSIVE INCOME**

	Half-year ended 31 December 2018	Year ended 30 June 2018
	\$	\$
Financial assets at Fair Value through other comprehensive income:		
Listed securities – opening balance	180,000	138,000
Fair value movement through other comprehensive income	(25,729)	42,000
Disposal of securities during the period	(154,271)	-
Total Financial Assets at period end.	-	180,000

On 1 July 2018, being the date of initial application of *AASB 9 Financial Instruments*, the Company has elected to designate all equity instruments not held for trading as Fair Value through Other Comprehensive Income (FVOCI).

The financial assets above were measured at fair value in the statement of financial position up until the date of sale. The fair value was determined with reference to the quoted prices (unadjusted) in active markets for identical assets (Level 1).

The Company has a number of financial instruments which are not measured at fair value in the statement of financial position.

The Directors consider that the carrying amounts of current receivables, current payables and current borrowings are considered to be a reasonable approximation their fair values.

NOTE 7: CONTINGENT LIABILITIES

There has been no material change in contingent liabilities since the last annual reporting date. A number of tenements have been applied for and are currently being assessed. At balance date and up to the date of this report, the tenements have not been granted to the Company.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to reporting date the Company announced its intention to lodge a prospectus with the ASX to raise up to a maximum of \$5 million. The transaction will be subject to shareholder approval at a General Meeting of Shareholders to be held 7th March 2019.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

NOTE 9: SHARE BASED PAYMENTS

During the period, options were issued to employees and consultants in line with the approved long-term incentive plan.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Weighted average exercise price (\$)	Option Fair Value \$
Outstanding at 30 June 2018	11,800,000	35,000
Granted	3,300,000	45,756
Exercised	(1,500,000)	-
Outstanding and exercisable at 31 December 2018	13,600,000	80,756

1,500,000 options were exercised during the period at \$0.02 per share raising \$30,000. (Refer Note 5).

The fair market value of options granted during the period of \$45,756 has been included in the statement of profit or loss and other comprehensive income.

The fair value of options granted were determined using the Black-Scholes option pricing model. There was no performance based, nor vesting conditions attached to the Options.

The following principal assumptions were used in the valuation:

Valuation assumptions		
Grant date		01-Nov-18
Share price at date of grant	\$	0.035
Volatility		86%
Expiry date		31-Dec-19
Dividend yield		0
Risk free investment rate		1.50%
Fair value at grant date	\$	0.014
Exercise price at date of grant	\$	0.020
Exercisable from		01-Nov-18
Weighted average remaining contractual life		1 yr

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time. No special features inherent to the options granted were incorporated into measurement of fair value.

NOTE 10: SEGMENT NOTE

The operating segments are consistent with those at 30 June 2018.

	Western Australia		Queensland		Corporate		Total	
	Dec-18	Jun-18	Dec-18	Jun-18	Dec-18	Jun-18	Dec-18	Jun-18
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Exploration and Evaluation Expenditure	1,684,764	1,227,874	2,476,025	2,227,478	-	-	4,160,789	3,455,352
Cash and Cash Equivalents	-	-	-	-	872,744	748,423	872,744	748,423
Financial Instruments	-	-	-	-	-	180,000	-	180,000
Other assets	-	-	-	-	42,148	42,763	42,148	42,763
Assets	1,684,764	1,227,874	2,476,025	2,227,478	914,892	971,186	5,075,681	4,426,538
Liabilities	483,292	724,898	22,916	-	426,448	119,519	932,655	844,416

In the opinion of the directors of Great Southern Mining Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - b. giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



John Terpu
Executive Chairman
6 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Great Southern Mining Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Great Southern Mining Limited ("the Company"), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Great Southern Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - material uncertainty related to going concern

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

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review

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is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
6 February 2019



M R Ohm
Partner

ABN 37 148 168 825**Directors**

John Terpu (Executive Chairman)
Kathleen Bozanic (Non-executive Director)
Andrew Caruso (Non-executive Director)

Company Secretary

Mark Petricevic

**Registered Office
and Principal Place of Business**

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Securities Exchange Listing and domicile

Great Southern Mining Limited (formerly Forte Consolidated Limited) is an Australian Company limited by shares and listed on the Australian Securities Exchange (ASX: GSN)