



(Formerly Global Nickel Investments NL)

ABN 23 124 140 889

AND CONTROLLED ENTITIES

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Interim Financial Report  
For the Half Year Ended 31 December 2011

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**GLOBAL METALS EXPLORATION NL  
(FORMERLY GLOBAL NICKEL INVESTMENTS NL)  
ABN 23 124 140 889  
AND CONTROLLED ENTITIES**

**HALF-YEAR FINANCIAL REPORT  
For the Half Year Ended 31 December 2011**

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## **COMPANY DIRECTORY**

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**CHAIRPERSON**  
Carl Swensson

**MANAGING DIRECTOR**  
Lia Darby

**NON-EXECUTIVE DIRECTORS**  
Ashley Hood  
Andrew Mortimer

**COMPANY SECRETARY**  
Kent Hunter

### **REGISTERED OFFICE**

Level 45, 108 St Georges Terrace  
Perth WA 6000

### **CORPORATE OFFICE**

Suite 1901, Level 19, 109 Pitt Street  
Sydney NSW 2000  
Telephone: 02 9225 4008  
Facsimile: 02 9232 5359

### **AUDITORS**

Bentleys  
Level 1, 12 Kings Park Road  
WEST PERTH WA 6005

### **SHARE REGISTRAR**

Advanced Share Registry Services  
150 Stirling Highway  
NEDLANDS WA 6009  
Telephone: (08) 9389 8033  
Facsimile: (08) 9389 7871

### **STOCK EXCHANGE LISTING**

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
Code: GXN, GXNOA, GXNOB, GXNCA

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**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

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Your directors submit the financial report of the Global Metals Exploration NL (formerly Global Nickel Investments NL) and the entities it controls (referred to hereafter as “the Group”) for the half-year ended 31 December 2011.

**DIRECTORS**

The names of Directors who held office during or since the end of the half year are:

Lia Darby	Managing Director
Carl Swensson	Chairperson
Andrew Mortimer	Non – Executive Director
Ashley Hood	Non – Executive Director

**RESULTS**

The loss after tax for the half-year ended 31 December 2011 was \$1,303,440 (31 December 2010 loss of \$2,856,084).

**REVIEW OF OPERATIONS**

Work undertaken in the latter half of 2011 by Global Metals Exploration NL (“Global Metals,” “the Company”) consisted of a number of soil and auger geochemical programmes targeting gold mineralisation within the central area of the Jutson’s Rocks Greenstone Belt (“JRGB”). This work resulted in the definition of a number of robust gold anomalies which are the target of a Rotary Air Blast (“RAB”) drilling programme subsequent to the end of the period.

On 13 September 2011 Global Metals announced the analytical results from a soil sampling and Bulk Leach Extractable Gold (“BLEG”) sampling programme which was conducted in the previous period at the Company’s northern Jutson Rocks project, namely exploration license E38/1540. The soil sampling programme comprised a total of 275 samples collected over 2 areas. The results from the sampling outlined 4 copper anomalies and one nickel anomaly. The BLEG sampling programme comprised a 500m x 500m survey over an area of approximately 15 km<sup>2</sup> with a total of 92 samples collected. The results of the BLEG survey generated three broad gold anomalies. An auger soil sampling programme was designed and implemented during the period to test and better define the BLEG anomalies.

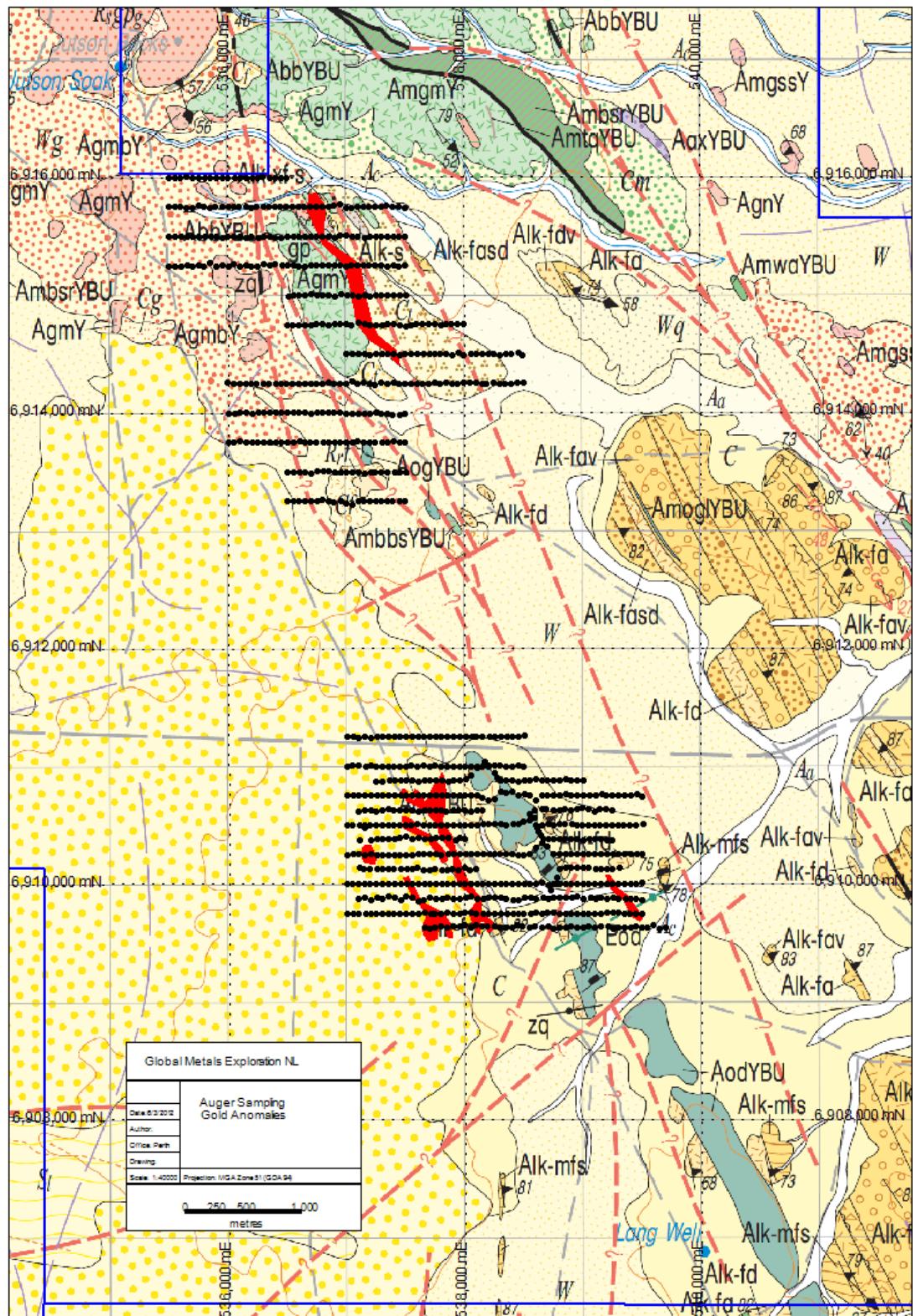
The auger programme comprised a total of 755 soil samples on a 50 x 250m grid. Six gold anomalies were identified, the largest of which had a strike length of 1.6km and a peak result of 3.05 g/t Au. In addition precious metal platinum and palladium anomalies were defined with platinum present to a maximum value of 26ppb and palladium to 40ppb. The anomalous gold zones identified not only cover substantial areas but are also open in various directions. These gold anomalies are shown in Figure 1 below.

The largest anomaly identified is in the northern part of the area sampled and has a strike length of 1.6km and is open to the north. The other five gold anomalies are located in the southern part of the sampled area and these are up to 1.3 km in strike length with four of the five anomalies being open to the south. The anomalous gold zones are located either close to geological contacts or parallel to known geological structures within a previously defined “structural corridor.”

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**Figure 1 – Gold auger anomalies**

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In addition to gold, two platinum anomalies were also defined (maximum value 26ppb) with the anomalies being defined by >10ppb platinum. One of these anomalies is open to the north and is over 1.4km in strike length. In addition to these two platinum anomalies, three palladium anomalies have also been defined using a minimum value of 14ppb palladium (with a maximum value of 40ppb). One of these palladium anomalies is open to the south.

In addition to precious metals, base metal anomalies were also defined by the auger programme. Copper anomalies were defined using 120ppm Cu as the basis for defining the anomalies with a maximum value of 410ppm Cu being returned. Nickel anomalies were defined with values greater than 500ppm Ni considered as anomalous, with a maximum value of 1,310ppm Ni (equivalent to 0.13%) returned. Locations of these anomalous zones identified are indicated in Figure 2 below. These anomalous zones overlap with the gold and platinum anomalies also defined under this auger programme and exhibit similar strike trends to regional structural and lithological trends. The significance of the platinum, palladium and base metal anomalies and their relationship to the gold anomalies is unknown at present, but will be investigated further as exploration progresses.

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**Figure 2 – Location of gold, copper and nickel auger anomalies**

Following the receipt of the initial auger results a second programme of auger sampling was initiated in December 2011 to infill anomalous zones defined from the first stage programme. A total of 241 additional samples were collected from the programme with the results reported subsequent to the end of the period further improving understanding of the anomalies identified.

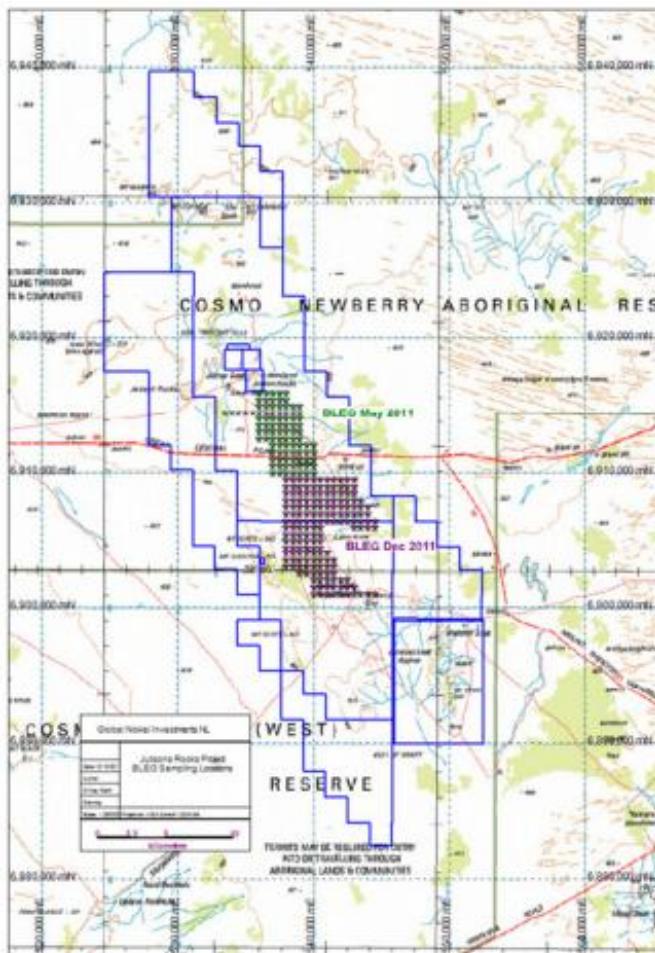
Contemporaneous to this second phase of auger sampling, the BLEG soil sampling grid was extended during the latter half of 2011 along the central part of the JRGB increasing the sampling in this prospective zone. Figure 3 below the areas covered by BLEG at Jutson's Rocks in the May and December 2011 programmes.

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**Figure 3 – Aerial projection of areas captured by the BLEG sampling programmes**

In addition to the successful soil sampling and BLEG survey work, Global Metals also advanced other important exploration programmes during the period. In particular, on 17 August 2011 Global Metals announced the commencement of a Reverse Circulation (“RC”) drilling programme at Mt Cornell (Figure 4). Results from this RC drilling campaign at Mt Cornell were returned during the period. Seven RC drill holes were completed for a total of 1,670 metres over both geophysical targets and geochemical targets. Significant results include hole MRC021 that returned 232-236m @ 0.124% Cu and 0.17% Zn from within a black shale containing up to 5% pyrrhotite and hole MRC015, which returned 84-96m @ 0.135% Zn within altered sediment containing minor pyrrhotite.

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**Figure 4 - Drilling at Jutson Rocks**

Meanwhile at Mt Venn, an Access Agreement for E38/1000 was successfully concluded during the period with the Cosmo Newbery Aboriginal Corporation. Global Metals has successfully negotiated to have 90% of the access agreement assigned to the company from Platina Resources Limited (ASX: PGM) who are the current agreement holders. A work clearance programme was also submitted to Central Desert during the period in order to gain access for soils, BLEG and future RC drill testing.

In July 2011, a Heritage Survey was undertaken with the Cosmo Newberry Aboriginal Community and Central Desert Native Title Services Pty Ltd. The survey was designed to allow Global Metals access to areas for future geochemical sampling and RAB/Aircore drilling. The survey report concluded that there were no heritage concerns over the area contained within the survey.

Global Metals also reported a number of important corporate developments during the second half of 2011. These include the establishment of a sponsored American Depository Receipt ("ADR") program. The establishment of the ADR program is the first step in listing Global Metals on the OTCQX Exchange in the US. This listing is intended to create exposure in the broader secondary market for Global Metals particularly in the US and Canada, thereby providing better access for North American investors to trade in Global Metal's securities. The ADR will be tradable via licensed US brokers in the ordinary course of trading in the Over-the-Counter ("OTC") market in the US. Global Metals appointed the Bank of New York Mellon as its authorised US Representative and Depository Bank for the facility.

During the period Mr Carl Swensson was appointed Chairman of the Company, replacing Ms Lia Darby who was appointed to the role of Managing Director. Mr Andrew Mortimer, Director of Operations, intends to scale back his executive involvement in the Company, needing to focus on his role at Proto Resources & Investments Ltd (ASX: PRW). Mr Mortimer will continue as a non-executive director. As resolved at Global Metal's AGM, held on Wednesday 23 November 2011, the name of the company was changed to Global Metals Exploration NL (from Global Nickel Investments NL) in order to better reflect the current direction of the company and its shift into precious metals as well as base metals.

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On October 21, 2011 Global Metals announced a non-renounceable pro rata offer of options to shareholders of one new option for every nine shares held at the record date with an issue price of 0.4 cents (\$.004) per new option to raise approximately \$172,921 before expenses of the offer.

During the period Global Metals announced a Share Placement of 35.7 million shares to raise up to \$500,000. The Placement was to institutions and sophisticated investors under s708 of the Corporations Act. The placement was at 1.4 cents with one attaching New Option (exercisable at two cents before 1 November 2015) for each two shares subscribed for. SA Capital Pty Ltd was Lead Manager to the Issue.

**Competent Persons Statement**

*The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Carl Swensson, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Swensson is a director of Global Metals Exploration NL and has sufficient experience relevant to the style of mineralisation and type 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". Mr Swensson consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.*

**SUBSEQUENT EVENTS**

- (i) On the 18<sup>th</sup> January 2012, the company announced that drilling at Jutson Rocks was temporarily suspended due to weather restrictions
- (ii) On the 1<sup>st</sup> February 2012, the Company issued 3,769,231 ordinary fully paid shares and 1,884,616 attaching options exercisable at \$0.02 on or before 1 November 2015 to private placement subscribers as approved at the annual general meeting on 23 November 2011.
- (iii) On the 24<sup>th</sup> February 2012 the Company announced that the RAB drilling program at Jutson Rocks was expanded to follow up the gold anomalies defined to date.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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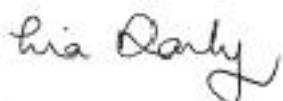
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**AUDITOR'S INDEPENDENCE DECLARATION**

**Lead Auditors Independence Declaration under Section 307C of the Corporations Act 2001**

The lead auditor's independence declaration for the half year ended 31 December 2011 is set out on page 28.

This report is signed in accordance with a resolution of the Board of Directors.



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Lia Darby  
Managing Director

Perth  
Dated: 14 March 2012

**GLOBAL METALS EXPLORATION NL  
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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the half year ended 31 December 2011

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	<b>31 December 2011</b>	<b>31 December 2010</b>
	\$	\$
Revenue from continuing activities	8,400	11,300
Profit on sale of financial assets	-	30,607
Fair value gain on financial assets	-	343,584
Administration expenses	(154,839)	(176,643)
Compliance and regulatory expenses	(61,107)	(80,321)
Consultancy costs	(254,552)	(1,350,893)
Depreciation	(7,434)	(1,264)
Directors fees	(125,467)	(198,506)
Employee benefits expense	(15,174)	(40,608)
Exploration expenditure written off	(9,370)	(1,209,848)
Fair value loss on financial assets	(97,428)	-
Loss on sale of financial assets	(9,527)	(125,439)
Occupancy costs	(44,298)	(58,053)
Provision for doubtful debt	(514,271)	-
Share based payments	(18,250)	-
Stamp duty	(123)	-
Loss before income tax expense	(1,303,440)	(2,856,084)
Income tax expense	-	-
<b>Loss from continuing operations</b>	<b>(1,303,440)</b>	<b>(2,856,084)</b>
Other comprehensive income	-	-
Total comprehensive income	(1,303,440)	(2,856,084)
<b>Total comprehensive income attributable to members of the parent entity</b>	<b>(1,303,440)</b>	<b>(2,856,084)</b>
Basic loss per share (cents per share)	(0.34)	(0.96)

The accompanying notes form part of this financial report.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 31 December 2011**

	<b>Note</b>	<b>31 December 2011</b>	<b>30 June 2011</b>
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		732,624	889,363
Trade and other receivables		41,389	602,041
Financial assets		72,906	19,545
Other assets		<u>40,130</u>	<u>169,580</u>
<b>TOTAL CURRENT ASSETS</b>		<u>887,049</u>	<u>1,680,529</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		56,863	56,863
Financial assets		25,000	25,000
Property plant & equipment		37,054	44,488
Exploration and evaluation expenditure		3,964,569	3,275,281
Other assets		<u>27,604</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,111,090</u>	<u>3,401,632</u>
<b>TOTAL ASSETS</b>		<b><u>4,998,139</u></b>	<b><u>5,082,161</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		511,101	1,312,513
Financial liability		<u>100,000</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>611,101</u>	<u>1,312,513</u>
<b>TOTAL LIABILITIES</b>		<b><u>611,101</u></b>	<b><u>1,312,513</u></b>
<b>NET ASSETS</b>		<b><u>4,387,038</u></b>	<b><u>3,769,648</u></b>
<b>EQUITY</b>			
Issued Capital	2	14,427,999	12,507,169
Reserves		1,379,025	1,379,025
Accumulated losses		<u>(11,419,986)</u>	<u>(10,116,546)</u>
<b>TOTAL EQUITY</b>		<b><u>4,387,038</u></b>	<b><u>3,769,648</u></b>

The accompanying notes form part of this financial report.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the half year ended 31 December 2011

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	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Option Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	<b>11,503,436</b>	<b>(6,906,828)</b>	<b>1,688,230</b>	<b>6,284,838</b>
Loss for the period	-	(2,856,084)	-	(2,856,084)
Other Comprehensive income net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(2,856,084)</b>	<b>-</b>	<b>(2,856,084)</b>
Shares issued during the period	1,251,250	-	-	1,251,250
Transaction costs	(144,218)	-	-	(144,218)
Options cancelled	-	-	(271,800)	(271,800)
<b>Balance at 31 December 2010</b>	<b>12,610,468</b>	<b>(9,762,912)</b>	<b>1,416,430</b>	<b>4,263,986</b>

	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Option Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance at 1 July 2011</b>	<b>12,507,169</b>	<b>(10,116,546)</b>	<b>1,379,025</b>	<b>3,769,648</b>
Loss for the period	-	(1,303,440)	-	(1,303,440)
Other Comprehensive income net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(1,303,440)</b>	<b>-</b>	<b>(1,303,440)</b>
Shares issued during the period	1,732,913	-	-	1,732,913
Transaction costs	(57,757)	-	-	(57,757)
Options issued	245,674	-	-	245,674
<b>Balance at 31 December 2011</b>	<b>14,427,999</b>	<b>(11,419,986)</b>	<b>1,379,025</b>	<b>4,387,038</b>

The accompanying notes form part of this financial report.

**GLOBAL METALS EXPLORATION NL  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Half Year Ended 31 December 2011

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	<b>31 December 2011</b> \$	<b>31 December 2010</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(772,610)	(735,098)
Payments for exploration and evaluation	(638,801)	(1,208,732)
Interest received	8,400	11,300
Finance costs	-	(6,465)
<b>Net cash used in operating activities</b>	<b>(1,403,011)</b>	<b>(1,938,995)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	-	(1,631)
Purchase of financial assets	(176,604)	(572,168)
Proceeds from sale of financial assets	166,323	582,406
Loan repaid by other entities	-	19,773
Loan to related entity	(6,679)	(12,772)
<b>Net cash (used in)/ provided by investing activities</b>	<b>(16,960)</b>	<b>15,608</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	1,334,905	1,209,200
Payments for costs of issue of shares	(71,672)	(113,417)
<b>Net cash provided by financing activities</b>	<b>1,263,233</b>	<b>1,095,783</b>
Net decrease in cash held	(156,738)	(827,604)
Cash at beginning of period	889,362	1,442,378
<b>Cash at end of reporting period</b>	<b>732,624</b>	<b>614,774</b>

The accompanying notes form part of this financial report.

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Significant Accounting Policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Global Metals Exploration NL (formerly Global Nickel Investments NL) and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

**Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Going concern**

The accounts 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. The Group incurred a loss from ordinary activities of \$1,303,440 for the half year ended 31 December 2011 (half year ended 31 December 2010: \$2,856,084 loss). Included within this loss was the write off of exploration expenditure of \$9,370 (2010: \$1,209,848).

The net working capital position of the Group at 31 December 2011 was \$275,948 (30 June 2011: \$648,003). The net decrease in cash held during the half year was \$156,738 (half year to 31 December 2010: a decrease of \$827,604).

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing one of its mineral properties and from the continued support of directors.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- the Directors have an appropriate plan to raise additional funds as and when it is required. In light of the Group's current exploration projects, the Directors believe that additional capital required can be raised in the market; and
- the Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.

Should the Company not be successful in its planned capital raisings, it may be necessary to sell some of its assets, farm out exploration projects, reduce exploration expenditure by various methods including surrendering less prospective tenements. Although the Directors believe that they will be successful in these measures, if they are not, the Group may be unable to continue as a going concern and therefore may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Changes in Accounting Policies and Disclosures**

In the half-year ended 31 December 2011, the Group has reviewed all of the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore no change is necessary to the Group's accounting policies.

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

	<b>31 December 2011</b>	<b>30 June 2011</b>
	\$	\$
<b>(a) Issued and paid up capital</b>		
Fully paid ordinary shares	13,412,232	11,737,076
Partly paid ordinary shares	770,093	770,093
Options GXNOB	245,674	-
	<hr/>	<hr/>
	14,427,999	12,507,169
	<b>Number</b>	<b>\$</b>
<b>(b) Movement in fully paid ordinary shares on issue</b>		
Balance at 1 July 2011	213,624,825	11,737,076
Issued shares pursuant to placement	19,950,000	498,750
Issued shares pursuant to placement	4,200,000	105,000
Issued shares for convertible note	16,069,789	350,000
Issued shares pursuant to placement	2,193,783	54,845
Issued shares pursuant to placement	14,299,999	214,500
Issued shares pursuant to placement	2,833,333	42,500
Issued shares in lieu of wages	492,192	8,584
Issued shares in lieu of cash	1,166,667	17,500
Issued shares pursuant to placement	16,235,960	211,067
Issued shares pursuant to placement	13,999,998	182,000
Option exercise	1,112	22
Issued shares pursuant to placement	3,703,323	48,145
Capital raising costs	(57,757)	
	<hr/>	<hr/>
Balance at 31 December 2011	308,770,981	13,412,232
<b>(c) Movement in partly paid ordinary shares on issue</b>		
Balance at 1 July 2011	115,901,984	770,093
Balance at 31 December 2011	<hr/>	<hr/>
	115,901,984	770,093
<b>(d) Movement in Options exercisable at \$0.002 on or before 1 November 2015 (GXNOB)</b>		
Balance at 1 July 2011	-	-
Entitlement issue options	15,546,600	62,186
Entitlement issue shortfall	27,683,813	110,723
Placement of options	16,969,645	-
Issue to subscribers	18,191,187	72,765
Exercise of Options	(1,112)	-
	<hr/>	<hr/>
Balance at 31 December 2011	80,274,749	245,674

**GLOBAL METALS EXPLORATION NL  
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ABN 23 124 140 889  
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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

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**2. ISSUED CAPITAL**

**(e) Ordinary fully paid shares**

- (i) On 4 July 2011 the Company issued 19,950,000 fully paid ordinary shares in the placement completed 25 August 2011.
- (ii) On 12 July 2011 the Company issued 4,200,000 fully paid ordinary shares in the placement completed 25 August 2011.
- (iii) On 20 July 2011 the Company issued 16,069,789 fully paid ordinary shares to convertible note holders.
- (iv) On 25 August 2011 the Company issued 2,193,783 fully paid ordinary shares in the placement completed 25 August 2011.
- (v) On 27 September 2011 the Company issued 14,299,999 fully paid ordinary shares in the placement completed 28 September 2011.
- (vi) On 28 September 2011 the Company issued 2,833,333 fully paid ordinary shares in the placement completed 28 September 2011.
- (vii) On 29 November 2011 the Company issued 492,192 fully paid ordinary shares in lieu of wages as approved at the Annual general Meeting held on 23 November 2011.
- (viii) On 2 December 2011 the Company issued 1,166,667 fully paid ordinary shares in lieu of cash to consultants.
- (ix) On 12 December 2011 the Company issued 16,235,960 fully paid ordinary shares in the placement completed 1 February 2012.
- (x) On 19 December 2011 the Company issued 13,999,998 fully paid ordinary shares in the placement completed 1 February 2012.
- (xi) On 23 December 2011 the Company issued 1,112 fully paid ordinary shares in the upon conversion of 1,112 options exercisable at \$0.02 on or before 1 November 2015.
- (xii) On 23 December 2011 the Company issued 3,703,323 fully paid ordinary shares in the placement completed 1 February 2012.

**(f) Options**

- (i) On 27 September 2011 the Company issued 14,299,999 options exercisable at \$0.10 on or before 30 June 2012 to participants in the placement completed 28 September 2011.
- (ii) On 28 September 2011 the Company issued 2,833,333 options exercisable at \$0.10 on or before 30 June 2012 to participants in the placement completed 28 September 2011.
- (iii) On 25 November 2011 the Company issued 15,546,600 options, exercisable at \$0.02 on or before 1 November 2015, to participants in the non-renounceable entitlements issue. Participants paid for \$0.004 per option.
- (iv) On 1 December 2011 the Company issued 27,683,813 options, exercisable at \$0.02 on or before 1 November 2015, to shortfall participants in the non-renounceable entitlements issue. Participants paid \$0.004 per option.
- (v) On 12 December 2011 the Company issued 8,117,982 options, exercisable at \$0.02 on or before 1 November 2015, to private placement participants in the placement completed on the 1 February 2012.
- (vi) On 12 December 2011 the Company issued 8,000,000 options, exercisable at \$0.02 on or before 1 November 2015, to private subscribers. Participants paid \$0.004 per option.
- (vii) On 19 December 2011 the Company issued 7,000,001 options, exercisable at \$0.02 on or before 1 November 2015, to private placement participants in the placement completed on the 1 February 2012.

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

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- (vii) On 23 December 2011 the Company issued 1,851,662 options, exercisable at \$0.02 on or before 1 November 2015, to private placement participants in the placement completed on the 1 February 2012.
- (viii) On 23 December 2011 the Company issued 10,191,187 options, exercisable at \$0.02 on or before 1 November 2015, to private subscribers. Participants paid \$0.004 per option.
- (ix) On 23 December 2011 the Company converted 1,112 options, exercisable at \$0.02 on or before 1 November 2015, for 1,112 fully paid ordinary shares.

**3. OPERATING SEGMENTS**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operation segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- (i) Geographic area of exploration
- (ii) Investing activities

**Basis of accounting for purposes of reporting by operating segments**

*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

*Inter-segment transactions*

An internally determined transfer price is set for all inter-entity sales. This price is re-set quarterly and is based on what would be realised in the event the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

*Segment assets*

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

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**3. OPERATING SEGMENTS (continued)**

*Segment liabilities*

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated items*

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Head office and administration costs

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

**3. OPERATING SEGMENTS (continued)**

**(a) Segment performance**

	Exploration - Jutson Rocks (WA) \$	Exploration -Emmaville (NSW) \$	Exploration – Mt Venn (WA) \$	Exploration – Mt Cornell (WA) \$	New Zealand \$	Treasury \$	Total Operations \$
Half Year Ended 31 December 2011							
<b>Revenue</b>	-	-	-	-	-	8,400	8,400
Interest revenue							
Realised gain on sale of financial assets	-	-	-	-	-	-	-
<b>Total segment revenue</b>	-	-	-	-	-	8,400	<b>8,400</b>
<i>Reconciliation of segment revenue to group revenue</i>	-	-	-	-	-	-	-
-Unallocated revenue							
<b>Total group revenue</b>	-	-	-	-	-	8,400	<b>8,400</b>
<b>Segment net loss before tax</b>	-	-	(9,370)	-	-	(106,955)	(116,325)
<i>Reconciliation of segment result to net loss before tax</i>							
Amounts not included in segment result but reviewed by the board:							
Unallocated items:							
- consulting fees						(254,552)	
- directors fees						(125,467)	
- provision for bad debts						(514,271)	
- other							
						(301,225)	
<b>Net loss before tax from continuing operations</b>							<b>(1,303,440)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. OPERATING SEGMENTS (continued)**

**(a) Segment performance**

	Exploration – Jutson Rocks (WA)	Exploration -Emmaville (NSW)	Exploration - Other	Exploration - New Zealand	Treasury	Total Operations
	\$	\$	\$	\$	\$	\$
Half Year Ended 31 December 2010						
<b>Revenue</b>						
Interest revenue	-	-	-	-	11,300	11,300
Realised gain on sale of financial assets	-	-	-	-	30,607	30,607
<b>Total segment revenue</b>	-	-	-	-	<b>41,907</b>	<b>41907</b>
 <i>Reconciliation of segment revenue to group revenue</i>						
-Unallocated revenue	-	-	-	-	-	-
<b>Total group revenue</b>	-	-	-	-	<b>41,907</b>	<b>41,907</b>
<b>Segment net profit before tax</b>	-	-	-	-	<b>(22,600)</b>	<b>(22,600)</b>
 <i>Reconciliation of segment result to net loss before tax</i>						
Amounts not included in segment result but reviewed by the board:						
- net fair value gain/(loss) on financial assets	-	-	-	-	343,584	343,584
- net loss on sale of financial assets	-	-	-	-	(125,439)	(125,439)
- exploration expenditure written off	-	(1,183,000)	(26,848)	-	-	(1,209,848)
Unallocated items:						
- consulting fees	-	-	-	-	-	(1,350,893)
- other	-	-	-	-	-	(490,888)
<b>Net loss before tax from continuing operations</b>						<b>(2,856,084)</b>

**GLOBAL METALS EXPLORATION NL**  
**(FORMERLY GLOBAL NICKEL INVESTMENTS NL)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

**3. OPERATING SEGMENTS (continued)**

**(b) Segment assets**

	Exploration – Jutson Rocks (WA)	Exploration - Emmaville (NSW)	Exploration – Mt Venn (WA)	Exploration – Mt Cornell (WA)	Exploration -Other	Treasury	Total Operations
	\$	\$	\$	\$	\$	\$	\$
Half Year Ended 31 December 2011							
<b>Segment assets</b>	<b>2,146,341</b>	<b>-</b>	<b>509,426</b>	<b>619,515</b>	<b>-</b>	<b>-</b>	<b>3,275,282</b>
Segment asset increases/(decreases) for the half year:							
- capital expenditure	383,715	11,219	63,144	230,209	1,000	732,624	<b>1,421,911</b>
- financial assets	-	-	-	-	-	97,906	<b>97,906</b>
	<b>383,715</b>	<b>11,219</b>	<b>63,144</b>	<b>230,209</b>	<b>1,000</b>	<b>830,530</b>	<b>1,519,817</b>

*Reconciliation of  
segment assets to total  
assets*

- Trade and other Receivables	98,252
- Plant and equipment	37,054
- Other assets	<u>67,734</u>
<b>Total asset from continuing operations</b>	<b>4,998,139</b>

30 June 2011

<b>Segment assets</b>	<b>2,143,878</b>	<b>-</b>	<b>477,954</b>	<b>618,299</b>	<b>35,150</b>	<b>1,083,943</b>	<b>4,359,224</b>
Segment asset increases/(decreases) for the half year:							
- capital expenditure	955,615	(1,247,9612)	400,538	334,683	-	-	443,224
- financial assets	-	-	-	-	-	26,156	26,156
	<b>955,615</b>	<b>(1,247,612)</b>	<b>400,538</b>	<b>334,683</b>	<b>-</b>	<b>26,156</b>	<b>469,380</b>

*Reconciliation of segment  
assets to total assets*

- Trade and other receivables	658,904
- Plant & equipment	44,488
- Other assets	<u>19,545</u>
<b>Total asset from continuing operations</b>	<b>5,082,161</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2011

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**3. OPERATING SEGMENTS (continued)**

**(c) Segment liabilities**

	Exploration – Jutson Rocks (WA)	Exploration – Emmaville (NSW)	Exploration – Mt Venn (WA)	Exploration – Mt Cornell (WA)	Exploration -Other	Treasury	Total Operations
Half Year Ended 31 December 2011	\$	\$	\$	\$		\$	\$
<b>Segment liabilities</b>	<b>106,015</b>		<b>2,603</b>	<b>4,173</b>			<b>112,791</b>
<i>Reconciliation of segment liabilities to total liabilities</i>							
Trade and other payables	-	-	-	-	-	-	398,310
Financial Liability	-	-	-	-	-	-	<u>100,000</u>
<b>Total liabilities from continuing operations</b>	-	-	-	-	-	-	<u><b>611,101</b></u>

30 June 2011

<b>Segment liabilities</b>	<b>120,707</b>		<b>33,881</b>	<b>628</b>			<b>155,216</b>
<i>Reconciliation of segment liabilities to total liabilities</i>							
Trade and other payables	-	-	-	-	-	-	<u>1,157,297</u>
<b>Total liabilities from continuing operations</b>	-	-	-	-	-	-	<u><b>1,312,513</b></u>

**GLOBAL METALS EXPLORATION NL  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2011

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**4. EVENTS SUBSEQUENT TO REPORTING DATE**

- (i) On the 18<sup>th</sup> January 2012, the company announced that drilling at Jutson Rocks was temporarily suspended due to weather restrictions
- (ii) On the 1 February 2012, the Company issued 3,769,231 ordinary fully paid shares and 1,884,616 attaching options exercisable at \$0.02 on or before 1 November 2015 to private placement subscribers as approved at the annual general meeting on 23 November 2011.
- (iii) On the 24<sup>th</sup> February 2012 the Company announced that the RAB drilling program at Jutson Rocks was expanded to follow up the gold anomalies defined to date.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**5. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The Group currently has no other contingent assets or contingent liabilities.

**6. RELATED PARTY TRANSACTIONS**

During the period the Company had transactions with related parties of a similar size and nature as disclosed in the 30 June 2011 annual report.

**GLOBAL METALS EXPLORATION NL  
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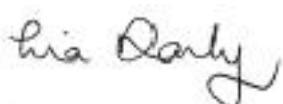
**DIRECTORS' DECLARATION**  
For the Half Year Ended 31 December 2011

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 24 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards; and
  - (b) give a true and fair view of the group's financial position as at 31 December 2011 and its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



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Lia Darby  
Managing Director

Perth  
Dated: 14 March 2012



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## Independent Auditor's Review Report

### To the Members of Global Metals Exploration NL

We have reviewed the accompanying half-year financial report of Global Metals Exploration NL ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

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

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

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Global Metals Exploration NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

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

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Global Metals Exploration NL and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

### Emphasis of Matter

Without qualifying our conclusion, attention is drawn to the following matter. As a result of matters described in Note 1: Going Concern to the financial report, uncertainty exists whether Global Metals Exploration NL and Controlled Entities will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

*Bentleys*

BENTLEYS  
Chartered Accountants



CHRIS WATTS CA  
Director

DATED at PERTH this 14<sup>th</sup> day of March 2012



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To the Board of Directors

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

This declaration is made in connection with our review of the financial report of Global Metals Exploration NL and Controlled Entities for the half-year ended 31 December 2011 and in accordance with the provisions of the *Corporations Act 2001*.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- no contraventions of the *Code of Professional Conduct* of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully

  
BENTLEYS  
Chartered Accountants

  
CHRIS WATTS CA  
Director

DATED at PERTH this 14<sup>th</sup> day of March 2012