

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

### 1. Statement of Accounting Policies

Great Western Mining Corporation PLC ("the Company") is a company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The Group and Company financial statements were authorised for issue by the Directors on 12 June 2014. The

accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

#### Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) as adopted by the EU.

The financial statements have been prepared on the historical cost basis. The accounting policies have been applied consistently by Group entities.

#### Statement of Compliance

As permitted by the European Union, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (IFRS). The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2013 which permit a company that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act, 1963, from presenting to its members its Company Statement of Comprehensive Income and related notes that form part of the approved Company financial statements.

The IFRSs adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective on or before 31 December 2013.

#### Standards and amendments to existing standards effective 1 January 2013

The following standards, amendments and interpretations which became effective in 2013 are of relevance to the Group:

IAS 28	Investments in Associates and Joint Ventures	1 January 2013
IAS 27	Separate Financial Statements	1 January 2013
IAS 19	Employee Benefits	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IFRS 12	Disclosure of Interest in Other Entities	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 7	Financial Instruments: Disclosures	1 January 2013

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group

Standard/ Interpretation	Content	Applicable for years beginning on/after
IAS 38	Intangible Assets	1 July 2014/ 1 January 2016
IAS 32	Financial Instruments: Presentation	1 January 2014
IAS 27	Separate Financial Statements	1 January 2014
IAS 24	Related Party Disclosures	1 July 2014
IFRS 13	Fair Value Measurement	1 July 2014
IFRS 12	Disclosure of Interest in Other Entities	1 January 2014
IFRS 11	Joint Arrangements	1 January 2016
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 9	Financial Instruments	1 January 2015
IFRS 8	Operating Segments	1 July 2014
IFRS 7	Financial Instruments: Disclosures	1 January 2015

In 2013, the Group did not early adopt any new or amended standards and do not plan to early adopt any of the standards issued but not yet effective.

### Functional and Presentation Currency

The consolidated financial statements are presented in Euro (€), which is the Company's functional currency.

### Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, 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 are in the following areas:

- Note 9 - Intangible asset; measurement of impairment
- Note 7 - Deferred Tax; utilisation of tax losses

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of Great Western Mining Corporation PLC and its subsidiary undertakings for the year ended 31 December 2013.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements.

In the Company's own balance sheet, investments in subsidiaries are stated at cost less provisions for any permanent diminution in value.

### **Exploration and Evaluation Assets**

Exploration expenditure in respect of properties and licences not in production is capitalised and is carried forward in the balance sheet under intangible assets in respect of each area of interest where:-

- (i) the operations are ongoing in the area of interest and exploration or evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; or
- (ii) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its realisation.
- (iii) Exploration costs include licence costs, survey, geophysical and geological analysis and evaluation costs, costs of drilling and project-related overheads.

When the Directors decide that no further expenditure on an area of interest is worthwhile, the related expenditure is written off or down to an amount which it is considered represents the residual value of the Group's interest therein.

### **Impairment**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that is expected to generate cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

The recoverable amount of an asset or cash generating unit 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 risk specific to the asset.

### **Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or equity respectively.

Current corporation tax is the expected tax payable on the taxable income 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 using the liability method, providing for 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 goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. 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.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference 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.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividends is recognised.

### **Foreign Currencies**

Monetary assets and liabilities denominated in a foreign currency are translated into Euro at the exchange rate ruling at the reporting date, unless specifically covered by foreign exchange contracts whereupon the contract rate is used. Revenues, costs and non monetary assets are translated at the exchange rates ruling at the dates of the transactions. All exchange differences are dealt with through the Statement of Comprehensive Income.

On consolidation, the assets and liabilities of overseas subsidiaries are translated into Euro at the rates of exchange prevailing at the reporting date. The operating results of overseas subsidiary Companies are translated into Euro at the average rates applicable during the year.

### **Share capital**

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a reduction in equity.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### **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 period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### **Share based payments**

For such grants of share options, the fair value as at the date of grant is calculated, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are likely to vest, except where forfeiture is only due to market-based conditions not achieving the threshold for vesting

### **Financial Instruments**

#### *Cash and Cash Equivalents*

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of Statement of Cash Flows.

#### *Trade and Other Receivables / Payables*

Trade and other receivables and payables are stated at cost less impairment, which approximates fair value given the short dated nature of these assets and liabilities.

### **Segmental Information**

The Group has one principle reportable segment, ie: Nevada, USA, which represents the exploration for and development of copper, silver, gold and other minerals in Nevada, USA.

Other operations 'Corporate' includes cash resources held by the Group and other operational expenditure incurred by the Group. These areas are not within the definition of an operating segment.

### **Financial Assets - Investment in Subsidiaries**

Investments in subsidiaries are stated at cost and are reviewed for impairment if there are indications that the carrying value may not be recoverable.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### **Convertible loan note**

Convertible loan notes are classified in accordance with IAS 32. Where there exists a contractual obligation to settle the loan with cash which cannot be avoided, this portion of the convertible loan note is classified as a financial liability. The conversion option, the option to convert the loan note into equity instruments, is assessed separately. The conversion option can only be classified as equity if the "fixed-for-fixed" criterion is met - this being a contract that will be settled by the entity delivering a fixed numbers of equity instruments in exchange for a fixed amount of cash. Where the "fixed-for-fixed" criterion is not met, the conversion option will be classified as a derivative liability.

For convertible loan notes with embedded equity elements, the fair value of the financial liability is first established using the present value of future cash flows. The residual value of the convertible loan note is then assigned to equity.

For convertible loan notes with embedded derivative liabilities, the embedded derivative liability is determined first at fair value and the residual value is assigned to the financial liability.

### **Provisions**

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of this obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **Contingencies**

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised, but are disclosed where an inflow of economic benefit is probable.

### **Comparatives**

The comparative figures have been regrouped and restated where necessary on the same basis as those for the current period.

# Great Western Mining Corporation PLC

## **Notes to the Financial Statements** *for the year ended 31 December 2013*

..... continued

### **2. Going Concern**

The financial statements are prepared on a going concern basis. The Group incurred a loss of €448,319 during the year ended 31 December 2013. The validity of the going concern basis is also dependent on the realisation of the exploration and evaluation assets and also on the ability of the Company to secure future funding. The Company raised finance in the amount of £2,185,000 in the first quarter of 2014. The Directors also intend to raise additional finance in the fourth quarter of 2014, both of which will be used to continue the exploration and evaluation programme, this will enable the Company to continue as a going concern for at least 12 months from the date of signing of these financial statements. On that basis, the Directors have deemed it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 3. Segment Information

In the opinion of the Directors the operations of the Group comprise one class of business, being the exploration and mining for copper, silver, gold and other minerals. The group's main operations are located within Nevada, USA. The information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment is specifically focussed on the exploration areas in Nevada. In the opinion of the Directors the Group has only one reportable segment under IFRS 8 'Operating Segments,' which is exploration carried out in Nevada.

Information regarding the Group's reportable segments is presented below.

#### Segment Revenues and Results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment Revenue		Segment Loss	
	2013	2012	2013	2012
	€	€	€	€
<b>Exploration - Nevada</b>	-	-	<b>(448,319)</b>	(369,186)
Total for continuing operations	-	-	<b>(448,319)</b>	(369,186)
Investment income			-	-
Loss before tax (continuing operations)			<b>(448,319)</b>	(369,186)
Income tax expense			-	-
Loss after tax			<b>(448,319)</b>	(369,186)

#### Segment assets and liabilities

Segment Assets	2013	2012
	€	€
Exploration - Nevada	<b>1,824,713</b>	2,288,965
Consolidated assets	<b>1,824,713</b>	2,288,965
<b>Segment Liabilities</b>		
Exploration - Nevada	<b>283,233</b>	299,166
Consolidated liabilities	<b>283,233</b>	299,166

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2013	2012	2013	2012
	€	€	€	€
Exploration - Nevada	-	-	97,606	332,603

### Revenue from major products and services

The Group did not receive any revenue in the current or prior year.

### Geographical information

The Group operates in two principal geographical areas - Republic of Ireland (country of residence of Great Western Mining Corporation PLC) and Nevada, U.S.A. (country of residence of Great Western Mining Corporation, a wholly owned subsidiary of Great Western Mining Corporation PLC).

The Group does not have revenue from external sources. Information about its non-current assets by geographical location are detailed below:

	Non-Current Assets	
	2013	2012
	€	€
Ireland	-	-
Nevada	1,661,816	1,564,210
	<u>1,661,816</u>	<u>1,564,210</u>

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 4. Loss on ordinary activities before taxation

	2013	2012
<b>Group</b>	€	€
<i>This is arrived at after charging:</i>		
Directors' emoluments	128,887	117,882
Auditors' remuneration	26,102	26,102
Auditors' remuneration from non-audit work	246	246
	<hr/>	<hr/>
<i>and after crediting:</i>		
Profit/(loss) on foreign currencies	(105,851)	4,142
	<hr/>	<hr/>
	2013	2012
<b>Company</b>	€	€
<i>This is arrived at after charging:</i>		
Auditors' remuneration	26,102	26,102
	<hr/>	<hr/>

As permitted by Section 148 (8) of the Companies Act 1963, the Company Statement of Comprehensive Income has not been separately disclosed in these financial statements.

### 5. Interest payable and similar charges

	2013	2012
	€	€
On loans from Directors	5,740	3,800
	<hr/>	<hr/>
	5,740	3,800
	<hr/>	<hr/>

### 6. Employees

#### *Number of employees*

The average monthly numbers of employees (including the Directors) (for Company & Group) during the year were:

	2013	2012
	Number	Number
Executive Directors	2	3
Non-Executive Directors	5	2
	<hr/>	<hr/>
	7	5
	<hr/>	<hr/>

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 6.1. Directors' emoluments

	2013 €	2012 €
Directors' remuneration	113,887	87,882
Other emoluments	15,000	30,000
	<u>128,887</u>	<u>117,882</u>

### 7. Income Tax relating to continuing operations

	2013 €	2012 €
<b>Current tax</b>		
Current tax expense in respect of the current year	-	-
	<u>-</u>	<u>-</u>
Total tax expense	-	-

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2013 €	2012 €
Loss from continuing operations	(448,319)	(369,186)
Income tax expense calculated at 12.5% (2011: 12.5%)	(56,040)	(46,148)
<b>Effects of:</b>		
Unused tax losses not recognised as deferred tax assets	56,040	46,148
	<u>-</u>	<u>-</u>
Income tax expense recognised	-	-

The tax rate used for the year end reconciliations above is the corporate rate of 12.5% payable by corporate entities in Ireland on taxable profits under tax law in the jurisdiction of Ireland.

At the statement of financial position date the Group had unused tax losses of €3,044,069 (31 December 2012: €2,601,085) available for offset against future profits which equates to a deferred tax asset of €404,123 (31 December 2012: €325,136). The potential deferred tax asset consists of €30,266 of an asset based on US losses, €6,934 of an asset based on UK losses and €366,923 of an asset based on Irish losses. The deferred tax asset is calculated based on the effective tax rate in each jurisdiction. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Unused tax losses may be carried forward indefinitely.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 8. Loss per share

#### Basic earnings per share

The basic and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2013 €	2012 €
Loss for the period attributable to equity holders of the parent	(448,319)	(369,186)
Number of ordinary shares at start of year	64,823,809	46,490,475
Ordinary shares issues during the year	-	18,333,334
Ordinary shares in issue at end of year	64,823,809	64,823,809
Effect of shares issued during the year	-	2,360,731
Weighted average number of ordinary shares for the purposes of basic earning per share	64,823,809	48,851,206
Basic loss per ordinary share (cent)	(0.69)	(0.76)

#### Diluted earnings per share

There were no potential ordinary shares that would dilute the basic earnings per share.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 9. Intangible assets - Group

	2013	2012
	€	€
Cost	1,661,816	1,564,210
Accumulated amortisation and impairment	-	-
	<b>1,661,816</b>	<b>1,564,210</b>

  

	<b>Exploration and Evaluation Assets</b>	<b>Total</b>
	€	€
<b>Cost</b>		
At 1 January 2013	1,564,210	1,231,607
Additions	97,606	332,603
At 31 December 2013	<b>1,661,816</b>	<b>1,564,210</b>

The Directors have considered expenditure on exploration and evaluation activities which have been capitalised at cost. No amortisation has been charged in the period. The Directors have reviewed the carrying value of the exploration and evaluation assets and consider it to be fairly stated and not impaired at 31 December 2013. The realisation of the intangible assets is dependent on the successful development, or disposal of, copper, silver, gold and other minerals in the Group's licence area. Such successful development is dependent on several variables including the existence of commercial deposits of copper, silver, gold and other minerals, availability of finance and the price of copper, silver, gold and other minerals.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 10. Financial assets - Company

	2013	2012
	€	€
<b>Group undertakings - unlisted:</b>		
Shares at cost	<b>500,001</b>	500,000

In the opinion of the Directors' the carrying value of the investments are appropriate.

At 31 December 2013 the Company had the following subsidiary undertaking:

Name	Incorporated in	Main Activity	Proportion of holding
Great Western Mining Corporation	Nevada, U.S.A.	Mineral Exploration	100%
GWM Operations Limited	London, UK	Service Company	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Loss for the year	Year ended
	€	€	
Great Western Mining Corporation	(42,211)	(1,649)	31 December 2013
GWM Operation Limited	(33,019)	(33,020)	31 December 2013

### 11. Trade and other receivables

	Group	Group	Company	Company
	2013	2012	2013	2012
	€	€	€	€
<i>Amounts falling due within one year:</i>				
Amounts owed by Group undertaking	-	-	<b>1,320,283</b>	1,047,563
Prepayments and accrued income	<b>80,037</b>	12,254	<b>11,995</b>	12,254
	<b>80,037</b>	12,254	<b>1,332,278</b>	1,059,817

All receivables are current and there have been no impairment losses during the year (2012: Nil).

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 12. Cash and Cash Equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include cash in hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	<b>Group 2013</b>	<b>Group 2012</b>	<b>Company 2013</b>	<b>Company 2012</b>
	€	€	€	€
Cash and Cash equivalents per statement of cash flows	<b>82,860</b>	710,899	<b>71,805</b>	702,681
Bank overdraft	-	1,602	-	1,602
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents	<b>82,860</b>	712,501	<b>71,805</b>	704,283

### 13. Trade and other payables

	<b>Group 2013</b>	<b>Group 2012</b>	<b>Company 2013</b>	<b>Company 2012</b>
	€	€	€	€
<i>Amounts falling due within one year</i>				
Bank loans and overdrafts	-	1,602	-	1,602
Trade payables	<b>7,830</b>	25,780	<b>7,831</b>	9,452
Convertible debt	<b>100,000</b>	100,000	<b>100,000</b>	100,000
Other payables	<b>26,767</b>	77,394	<b>15,948</b>	66,021
Accruals and deferred income	<b>148,636</b>	94,390	<b>124,833</b>	94,314
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>283,233</b>	299,166	<b>248,612</b>	271,389

The Group has financial risk management policies in place to ensure that payables are paid within the pre-agreed credit terms.

Some trade creditors had reserved title to goods supplied to the Company. Since the extent to which such creditors are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

14. Share capital		2013 €	2012 €	
<b>Authorised equity</b>				
300,000,000 Ordinary shares of €0.01 each (2012:100,000,000 Ordinary shares of €0.01 each)		3,000,000	1,000,000	
		<u>3,000,000</u>	<u>1,000,000</u>	
<b>Issued, called up and fully paid:</b>				
	<b>No. of issued Shares</b>	<b>Share Capital €</b>	<b>Share Premium €</b>	<b>Total Capital €</b>
<b>At 1 January 2012</b>	46,490,475	464,904	3,490,257	3,955,161
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	-	-
<b>Transactions with shareholders, recorded directly in equity</b>				
Shares issued	18,333,334	183,334	488,003	671,337
<b>At 1 January 2013</b>	64,823,809	648,238	3,978,260	4,626,498
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	-	-
<b>Transactions with shareholders, recorded directly in equity</b>				
Shares issued for cash	-	-	-	-
<b>As at 31 December 2013</b>	<b>64,823,809</b>	<b>648,238</b>	<b>3,978,260</b>	<b>4,626,498</b>

The authorised share capital of the company increased to €3,000,000, consisting of 300,000,000 ordinary shares of €0.01 each by special resolution dated 27 November 2013.

The issued share capital of the company at 31 December 2013 comprised of 64,823,809 ordinary shares of €0.01 each issued and fully paid (31 December 2012: 64,823,809 issued and fully paid)

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time.

# Great Western Mining Corporation PLC

## **Notes to the Financial Statements** *for the year ended 31 December 2013*

..... continued

The shareholders have all voting powers and full voting rights as permitted under the applicable company laws.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

On the 8th of January 2014 the Company completed a placing of 80,000,000 new ordinary shares of €0.01 each at a price of £0.01 per ordinary share, raising gross proceeds of £800,000. Following the success of the initial share issue, the Company placed a further 120,000,000 new ordinary shares of €0.01 each at a price of £0.0125 per ordinary share, raising gross proceeds of £1,500,000.

### 15. Significant Shareholders

The Company has been informed that, in addition to the interests of the Directors, at 31 December 2013 and the date of this report, the following shareholders own 3% or more of the issued share capital of the Company:

	Percentage of Issued share capital	
	30 Apr '14	31 Dec '13
Ashdale Investment Trust Services Ltd	5.82%	23.30%
The Bank of New York (Nominees) Ltd	-	3.76%
Davycrest Nominees	-	3.91%
Goodbody Stockbrokers Nominees Limited	-	4.85%
Vidacos Nominees Limited	-	3.82%
ABN Amro Bank NV	4.32%	-
Barclayshare Nominees Limited	6.18%	-
Hargreaves Lansdown (Nominees)	13.99%	-
HSDL Nominees Limited	9.39%	-
Jim Nominees Limited	7.72%	-
SVS (Nominees) Limited	4.87%	-
TD Direct Investing Nominees	8.48%	-
XCAP Nominees Limited	3.75%	-

The Directors are not aware of any other holding of 3% or more of the share capital of the Company.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 16. Share-based payments

In August 2011 the Group granted an option to Libertas Capital Corporate Finance Limited in connection with a share placing. No share based payment charge arose at the time of the granting of the option.

#### Movements in share options during the year

The following reconciles the outstanding share options granted at the beginning and end of the financial year:

	2013	2012	2013	2012
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of the year	178,035	€0.11	178,035	€0.11
Granted during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the financial year	-	-	-	-
Balance at end of the year	178,035	€0.11	178,035	€0.11
<i>of which:</i>				
Exercisable at end of the year	178,035	€0.11	178,035	€0.11

On 31 December 2013, no options lapsed without being exercised.

#### Exercised during the year

No options were exercised during the year.

The options outstanding at 31 December 2013 had a remaining average contractual life of 2.63 years.

### 17. Retained Losses

	Group 2013 €	Group 2012 €	Company 2013 €	Company 2012 €
Loss at beginning of year	(2,636,699)	(2,267,513)	(2,633,787)	(2,287,682)
Loss for the year	(448,319)	(369,186)	(337,239)	(346,105)
Loss at end of year	<b>(3,085,018)</b>	<b>(2,636,699)</b>	<b>(2,971,026)</b>	<b>(2,633,787)</b>

In accordance with the provisions of the Companies (Amendment) Act 1986, the Company has not presented an Income Statement. A loss for the year of €337,239 (2012 - loss of €346,105) has been dealt with in the Statement of Comprehensive Income of the Company.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### **18. Related party transactions**

Details of subsidiary undertakings are shown in Note 10. In accordance with International Accounting Standard 24 - Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed.

Melvyn Quiller, Company director and shareholder, is a relative of Lloyd Quiller whose company LQ Accounting Solutions provided accounting services to the Company in the year. At 1 January 2013 Great Western Mining Corporation PLC owed €3,000 to LQ Accounting Solutions. During the year, Great Western Mining Corporation PLC received services from LQ Accounting Solutions to the value of €10,001 and they discharged €13,001 of this balance. At 31 December 2013 Great Western Mining Corporation PLC owed €Nil to LQ Accounting Solutions.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 19. Transactions with Directors

#### Loans from directors - Group

The directors have advanced loans to the Group. The movements in these loans are as follows:

Name of director	<b>Emmett O'Connell</b>	<b>Melvyn Quiller</b>	<b>Robert O'Connell</b>	<b>Total</b>
Rate of interest	0%	0%	0%	
Repayment date	on call	on call	on call	
Amount due to director as at 1 January 2013	(26,771)	(84)	(1,555)	(28,410)
Advanced by director in year	-	(3,022)	-	(3,022)
Repaid to director in the year	3,054	2,901	390	6,345
<b>Amount due to director as at 31 December 2013</b>	<b>(23,717)</b>	<b>(205)</b>	<b>(1,165)</b>	<b>(25,087)</b>
Maximum outstanding in the year	(26,771)	(1,047)	(1,555)	(29,373)

#### Loans from directors - Company

The directors have advanced loans to the company. The movements in these loans are as follows:

Name of director	<b>Emmett O'Connell</b>	<b>Melvyn Quiller</b>	<b>Robert O'Connell</b>	<b>Total</b>
Rate of interest	0%	0%	0%	
Repayment date	on call	on call	on call	
Amount due to director as at 1 January 2013	(15,398)	(84)	(1,555)	(17,037)
Advanced by director in year	-	(3,022)	-	(3,022)
Repaid to director in the year	2,500	2,901	390	5,791
<b>Amount due to director as at 31 December 2013</b>	<b>(12,898)</b>	<b>(205)</b>	<b>(1,165)</b>	<b>(14,268)</b>
Maximum outstanding in the year	(15,398)	(1,047)	(1,555)	(18,000)

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

<b>20. Convertible debt</b>	<b>2013</b>	<b>2012</b>
	€	€
Redeemable loan	<b>100,000</b>	100,000
	<b>100,000</b>	100,000

On 22 June 2010, director Emmett O'Connell advanced an interest-bearing redeemable convertible loan to the Company in the amount of €100,000. The loan is convertible into the Company's ordinary shares of €0.01 each at the lowest mid-market share price between the advance date and the conversion date or repayable upon the demand of the Director. Until either conversion or repayment, interest on the loan value will accrue at 3.8% or at the variable lending rate charged by the Bank of Ireland whichever is higher.

### 21. Events after the reporting date

On the 8th of January 2014 the Company completed a placing of 80,000,000 new ordinary shares of €0.01 each at a price of €0.01 per ordinary share, raising gross proceeds of €800,000. Following the success of the initial share issue, the Company placed a further 120,000,000 new ordinary shares of €0.01 each at a price of €0.0125 per ordinary share, raising gross proceeds of €1,500,000.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

### 22. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations.

It is, and has been throughout 2013 and 2012 the Group and Company's policy that no trading in derivatives be undertaken.

The main risks arising from the Group and Company's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. The board reviews and agrees policies for managing each of these risks which are summarised below.

#### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts where appropriate.

At the years ended 31 December 2013 and 31 December 2012, the Group had no outstanding forward exchange contracts.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group and Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group and Company's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated balance sheet.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

#### Liquidity risk management

Liquidity risk is the risk that the Group will not have sufficient funds to meet liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group. To date, the Group has relied on shareholder funding to finance its operations. The Group had no borrowing facilities at 31 December 2013.

# Great Western Mining Corporation PLC

## Notes to the Financial Statements for the year ended 31 December 2013

..... continued

The Group and Company's financial liabilities as at 31 December 2013 and 31 December 2012 were all payable on demand, except an interest-bearing redeemable convertible loan advanced from one of the directors of the company in the year, which is either convertible to ordinary shares or payable on demand.

The expected maturity of the Group and Company's financial assets (excluding prepayments) as at 31 December 2013 and 31 December 2012 was less than one month.

The Group expects to meet its other obligations from operating cash flows with an appropriate mix of funds and equity instruments. The Group further mitigates liquidity risk by maintaining an insurance programme to minimise exposure to insurable losses.

The Group had no derivative financial instruments as at 31 December 2013 and 31 December 2012.

### **Interest rate risk**

The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's holdings of cash and short term deposits.

It is the Group and Company's policy as part of its disciplined management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

### **Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 31 December 2012. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.

### **Fair values**

The carrying amount of the Group and Company's financial assets and financial liabilities is a reasonable approximation of the fair value.

### **Hedging**

At the year ended 31 December 2013 and 31 December 2012, the Group had no outstanding contracts designated as hedges.

## **23. Approval of financial statements**

The financial statements were approved by the board on 12 June 2014.