

Unaudited Notes to the Condensed Financial Statements
For the six months to 30 June 2018

1. Accounting policies

Great Western Mining Corporation PLC is a company domiciled in the Republic of Ireland. The Half Yearly Report and Unaudited Condensed Financial Statements ('the half yearly financial statements') of the company for the six months ended 30 June 2018 comprise the results and financial position of company and its subsidiaries ('the Group').

The Group half yearly financial statements were authorised for issue by the Board of Directors on 20 September 2018.

Basis of preparation

The half yearly financial statements for the six months ended 30 June 2018 are unaudited. The financial information presented herein does not amount to statutory financial statements that are required by Chapter 4 part 6 of the Companies Act 2014 to be annexed to the annual return of the company. The statutory financial statements for the financial year ended 31 December 2017 were annexed to the annual return and filed with the Registrar of Companies. The audit report on those financial statements was unqualified.

The Group half yearly financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial information contained in the half yearly financial statements have been prepared on the historical cost basis, except for the share based payments and warrants, which are based on fair values determined at the grant date. The accounting policies have been applied consistently in accordance with the accounting policies set out in the annual report and financial statements for the year ended 31 December 2017 except as outlined below. There has been no material impact with regards to the adoption of new IFRS requirements as set out on page 12.

Use of estimates and judgements

The preparation of the half yearly 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. There has been no material impact with regards to the adoption of new IFRS requirements to estimates and judgements as set out on page 12.

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 7 - Intangible asset; consideration of impairment
- Note 12 – Share based payments

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New accounting standards and interpretation adopted

Below is a list of standards and interpretations that were required to be applied in the six months ended 30 June 2018. There was no material impact to the financial statements in the half year from these standards set out below:

- Annual Improvements to IFRS Standards 2014 – 2016 Cycle: (*Amendment to IFRS 1 First time adoption and IAS 28 Investments in Associates and Joint Ventures*) – effective 1 January 2018.
- IFRS 9: *Financial Instruments* – effective 1 January 2018.
- Amendments to IFRS 4: *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* - effective 1 January 2018.
- IFRS 15: *Revenue from Contracts with Customers* – effective 1 January 2018.
- Amendments to IFRS 2: *Classification and measurement of share-based payment transactions* – effective 1 January 2018.
- IFRIC Interpretation 22: *Foreign Currency Transactions and Advance Consideration* – effective 1 January 2018.

New accounting standards and interpretations not adopted

Standards endorsed by the EU that are not yet required to be applied but can be early adopted are set out below. None of these standards have been applied in the current period. The Group is currently assessing whether these standards will have a material impact on the financial statements.

- IFRS 16: *Leases* – effective 1 January 2019.
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation* – effective 1 January 2019.

The Group is currently in the process of considering the impact of the new IFRS requirements.

2. Going concern

The Group incurred a loss of €393,988 during the six months ended 30 June 2018 (30 June 2017: €259,674, 31 December 2017: €696,294). As at 30 June 2018 the Group had cash and cash equivalents of €1,677,737 (30 June 2017: €1,801,816, 31 December 2017: €2,678,276) In addition, subsequent to period end, the Group raised a further €1,126,555 and in the absence of any new fundraising over the coming 12 months, the Directors are in a position to manage the exploration and evaluation programme such that the existing funds available to the Group will be sufficient to meet the Group's obligations and to enable it to continue as a going concern for a period of at least 12 months from the date of approval of these half yearly financial statements. On that basis, the Directors do not consider that a material uncertainty exists in relation to going concern and have deemed it appropriate to prepare the half yearly financial statements on a going concern basis. The half yearly financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

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3. Segment information

In the opinion of the Directors the operations of the Group comprise one class of business, being the exploration and development of copper, silver, gold and other minerals. The Group's main operations are located within Nevada, USA. The information reported to the Group's chief executive officer, who is the chief operating decision maker, for the purposes of resource allocation and assessment of segmental performance is particularly focussed on the exploration activity in Nevada.

It is the opinion of the Directors, therefore, that the Group has only one reportable segment under IFRS 8 'Operating Segments,' which is exploration carried out in Nevada. Other operations "Corporate" includes cash resources held by the Group and other operational expenditure incurred by the Group. These assets and activities are not within the definition of an operating segment. Information regarding the Group's reportable segment is presented below.

Segment results

	Unaudited 6 months ended 30 Jun '18	Unaudited 6 months ended 30 Jun '17	Audited year ended 31 Dec '17
	€	€	€
Exploration activities - Nevada	(3,796)	(776)	(6,927)
Corporate activities	(390,192)	(258,898)	(689,367)
Consolidated loss before tax	<u>(393,988)</u>	<u>(259,674)</u>	<u>(696,294)</u>

Segment assets

	Unaudited 6 months ended 30 Jun '18	Unaudited 6 months ended 30 Jun '17	Audited year ended 31 Dec '17
	€	€	€
Exploration activities - Nevada	4,518,797	3,567,821	3,373,894
Corporate activities	1,627,649	1,753,939	2,883,788
Consolidated total assets	<u>6,146,446</u>	<u>5,321,760</u>	<u>6,257,682</u>

Segment liabilities

	Unaudited 6 months ended 30 Jun '18	Unaudited 6 months ended 30 Jun '17	Audited year ended 31 Dec '17
	€	€	€
Exploration activities - Nevada	146,263	130,769	731
Corporate activities	56,514	45,843	66,139
Consolidated total liabilities	<u>202,777</u>	<u>176,612</u>	<u>66,870</u>

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Geographical information

The Group operates in three principal geographical areas – Republic of Ireland (country of residence of Great Western Mining Corporation PLC), Nevada, U.S.A. (country of residence of Great Western Mining Corporation, Inc., a wholly owned subsidiary of Great Western Mining Corporation PLC) and the United Kingdom (country of residence of GWM Operations Limited, a wholly owned subsidiary of Great Western Mining Corporation PLC).

The Group has no revenue. Information about the Group's non-current assets by geographical location are detailed below:

	Unaudited 6 months ended 30 Jun '18 €	Unaudited 6 months ended 30 Jun '17 €	Audited year ended 31 Dec '17 €
Nevada – exploration activities	4,333,032	3,342,604	3,424,504
Republic of Ireland	-	-	-
United Kingdom	-	-	-
	<u>4,333,032</u>	<u>3,342,604</u>	<u>3,424,504</u>

4. Finance income

	Unaudited 6 months ended 30 Jun '18 €	Unaudited 6 months ended 30 Jun '17 €	Audited year ended 31 Dec '17 €
Bank interest receivable	1,367	54	816
Other income	-	10,131	10,131
	<u>1,367</u>	<u>10,185</u>	<u>10,947</u>

5. Income tax

The Group has not provided any tax charge for the six months periods ended 30 June 2018 and 30 June 2017 or the year ended 31 December 2017. The Group has accumulated losses which are expected to exceed profits earned for the foreseeable future.

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6. 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:

	Unaudited 6 months ended 30 Jun '18 €	Unaudited 6 months ended 30 Jun '17 €	Audited year ended 31 Dec '17 €
Loss for the year attribute to equity holders of the parent	(393,988)	(259,674)	(696,294)
Number of ordinary shares at start of period	592,673,809	389,823,809	389,823,809
Number of ordinary shares issued during the period	-	109,100,000	202,850,000
Number of ordinary shares in issue at end of period	<u>592,673,809</u>	<u>498,923,809</u>	<u>592,673,809</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	592,673,809	408,007,142	500,340,476
Basic loss per ordinary share (cent)	<u>(0.001)</u>	<u>(0.001)</u>	<u>(0.001)</u>

Diluted earnings per share

There were no potentially dilutive ordinary shares that would increase the basic loss per share.

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7. Intangible assets

	Unaudited 6 months ended 30 Jun '18 €	Unaudited 6 months ended 30 Jun '17 €	Audited year ended 31 Dec '17 €
Cost			
Opening cost	3,424,504	3,496,297	3,496,297
Additions	822,761	79,589	306,597
Exchange rate adjustment	85,767	(233,282)	(378,390)
Closing cost	4,333,032	3,342,604	3,424,504
Amortisation			
Opening amortisation	-	-	-
Additions	-	-	-
Exchange rate adjustment	-	-	-
Closing amortisation	-	-	-
Net book value			
Opening net book value	3,424,504	3,496,297	3,496,297
Closing net book value	4,333,032	3,342,604	3,424,504

The Directors have considered the carrying value of the exploration and evaluation assets. These assets are carried at historical cost and have been assessed for impairment in particular with regards to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources' relating to remaining licence or claim terms, likelihood of renewal, likelihood of further expenditures, possible discontinuation of activities over specific claims and available data which may suggest that the recoverable value of an exploration and evaluation asset is less than carrying amount. The Directors are satisfied that no impairment is required as at 30 June 2018. The realisation of the intangible assets is dependent on the successful identification and exploitation of copper, silver, gold and other mineral in the Group's licence area. This is dependent on several variables including the existence of commercial mineral deposits, availability of finance and mineral prices.

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8. Trade and other receivables

	Unaudited 6 months ended 30 Jun '18 €	Unaudited 6 months ended 30 Jun '17 €	Audited year ended 31 Dec '17 €
Amounts falling due within one year:			
Other debtors	102,886	21,896	58,663
Prepayments	32,791	155,444	96,239
	135,677	177,340	154,902

All amounts above are current and there have been no impairment losses during the period (30 June 2017: €Nil, 31 December 2017: €Nil).

9. Cash and cash equivalents

For the purposes the consolidated statement of cash flows, cash and cash equivalents include cash in hand, in bank and bank deposits with maturity of less than three months

	Unaudited 6 months ended 30 Jun '18 €	Unaudited 6 months ended 30 Jun '17 €	Audited year ended 31 Dec '17 €
Cash in bank and in hand	93,830	1,617,488	242,436
Short term bank deposits	1,583,907	184,328	2,435,840
	1,677,737	1,801,816	2,678,276

10. Trade and other payables

	Unaudited 6 months ended 30 Jun '18 €	Unaudited 6 months ended 30 Jun '17 €	Audited year ended 31 Dec '17 €
Amounts falling due within one year:			
Trade payables	163,493	146,754	11,719
Other payables	1	591	2,443
Accruals	26,982	22,015	39,346
Other taxation and social security	12,301	7,252	13,362
	202,777	176,612	66,870

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

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11. Share capital

	No of shares	Value of shares €
Authorised at 1 January 2017:		
Ordinary shares of €0.0001	900,000,000	90,000
Deferred shares of €0.0099	264,823,809	2,621,756
Authorised at 30 June 2017	1,164,823,809	2,711,756
Authorised at 1 July 2017	1,164,823,809	2,711,756
Authorised at 31 December 2017	1,164,823,809	2,711,756
Authorised at 1 January 2018	1,164,823,809	2,711,756
Cancellation of authorised deferred share capital	(264,823,809)	(2,621,756)
Authorised at 30 June 2018	900,000,000	90,000

	No of issued shares		Share capital €	Share premium €	Total capital €
	Ordinary shares of €0.0001 each	Deferred shares of €0.0099 each			
Issued, called up and fully:					
At 1 January 2017	389,823,809	264,823,809	2,660,738	5,173,692	7,834,430
Exercise of warrants	12,500,000	-	1,250	69,713	70,963
Ordinary shares issued	92,000,000	-	9,200	1,298,614	1,307,814
Exercise of warrants	4,600,000	-	460	91,220	91,680
At 30 June 2017	498,923,809	264,823,809	2,671,648	6,633,239	9,304,887
Issued, called up and fully:					
At 1 July 2017	498,923,809	264,823,809	2,671,648	6,633,239	9,304,887
Ordinary shares issued	93,750,000	-	9,375	1,694,999	1,704,374
At 31 December 2017	592,673,809	264,823,809	2,681,023	8,328,238	11,009,261
Issued, called up and fully:					
At 1 January 2018	592,673,809	264,823,809	2,681,023	8,328,238	11,009,261
Cancellation of deferred share capital	-	(264,823,809)	(2,621,756)	-	(2,621,756)
At 30 June 2018	592,673,809	-	59,267	8,328,238	8,387,505

Unaudited Notes to the Condensed Financial Statements (continued)
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11. Share capital (continued)

On 30 June 2017, the Company completed a placing of 92,000,000 new ordinary shares of €0.0001 at a price of £0.0125 (€0.0142) per ordinary share, raising gross proceeds of £1,150,000 (€1,307,814) and increasing share capital by €9,200. The premium arising on the issue amounted to €1,298,614, before share issue costs of €98,525. The share issue included warrants issued to Beaufort Securities Limited giving the right to acquire 4,600,000 Ordinary shares of €0.0001 at an exercise price of £0.0175 (€0.0199). On 30 June 2017 those warrants were exercised, and new shares issued generating proceeds to the group of €91,547.

On 6 July 2017, the Company completed a placing of 93,750,000 new ordinary shares of €0.0001 at a price of £0.0160 (€0.0181) per ordinary share, raising gross proceeds of £1,500,000 (€1,700,391) and increasing share capital by €9,375. The premium arising on the issue amounted to €1,691,016 before share issue costs of €127,822. The share issue included warrants granted to Beaufort Securities limited giving the right to acquire 4,687,500 Ordinary shares of €0.0001 at an exercise price of €£0.0210 (€0.0239), which remain unexercised at period end 30 June 2018.

On 9 April 2018 the Company obtained an order from the High Court of Ireland, confirming the cancellation and extinguishment of the entire class of Deferred Shares of Great Western Mining Corporation plc in issue being 264,823,809 shares. The Deferred Shares were issued as part of a share capital reorganisation approved by a special resolution at the Company's Annual General Meeting ("AGM") on 19 May 2016 and amended by a special resolution at the AGM on 18 May 2017. The shares had an aggregate nominal value of €2,621,756. €Nil was paid to the holders of the deferred shares and as such the full balance of €2,621,756 was transferred to retained earnings.

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12. Share based payments

The establishment of a share option scheme to award share options to the Directors of the Company was approved at an annual general meeting of the Company in 2011. A new scheme, the "Share Option Plan 2014", was established on 17 July 2014 that entitled directors to purchase shares in the Company.

On 26 January 2017 the Company granted share options to the directors under the "Share Option Plan 2014". Under the terms of the grant, the holders of the vested options are entitled to purchase shares at £0.005 (€0.0059). On 12 July 2017 the Company granted further share options to the directors under the "Share Option Plan 2014". Under the terms of the grant, the holders of the vested options are entitled to purchase shares at £0.016 (€0.018).

No options were granted during the period ending 30 June 2018.

Grant date	Number of options	Vesting conditions	Contractual life of option
26 Jan 17	24,000,000	33% of options vest on each of the first three annual dates post grant date	7 years
12 Jul 17	26,000,000	33% of options vest on each of the first three annual dates post grant date	7 years

Measure of fair values of options

The fair value of the options granted has been measured using the Black Scholes Merton option pricing model.

The input used in the measurement of the fair value at grant date of the options were as follows;

	Jan '17	Jul '17
Fair value at grant date	€0.0045	€0.0120
Share price at grant date	€0.0055	€0.0155
Exercise price	€0.0059	€0.0180
Expected volatility	100%	100%
Expected life	7 Yrs	7 Yrs
Expected dividend	0%	0%
Rick fee interest rate	1.25%	1.25%

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12. Share based payments (continued)

Warrants granted during the year

In October 2016, the Group granted warrants to Beaufort Securities Limited in connection with a share placing. 12,500,000 warrants exercisable at £0.0050 (€0.0056) each with immediate vesting and a contractual life of 5 years were issued on 21 June 2017. Those warrants were exercised and new shares issued.

In June 2017, the Group granted warrants to Beaufort Securities Limited in connection with a share placing. 4,600,000 warrants exercisable at £0.0175 (€0.0199) each with immediate vesting and a contractual life of 5 years were issued on 30 June 2017. Those warrants were exercised and new shares issued.

In July 2017, the Group granted warrants to Beaufort Securities Limited in connection with a share placing. 4,687,500 warrants exercisable at £0.0210 (€0.0239) each with immediate vesting and a contractual life of 5 years were issued.

	2018	2018	2017	2017
	Number of	Weighted	Number of	Weighted
	options	Average	options	Average
		Exercise		Exercise
		Price		price
Exercisable at 30 June	4,687,500	€0.0239	4,600,000	€0.0199

Measure of fair values of warrants

The fair value of the warrants issued has been measured using the Black Scholes Merton option pricing model. There are no service or non-market performance conditions attached to the arrangement and the warrants are considered to have vested immediately.

The inputs used in the measurement of the fair values at grant date of the warrants were as follows

	Jul '17	Jun '17	Oct '16
Fair value at grant date	€0.0089	€0.0188	€0.0036
Share price at grant date	€0.0163	€0.0192	€0.0049
Exercise price	€0.0239	€0.0199	€0.0056
Expected volatility	100%	100%	100%
Expected life	5 Yrs	5 Yrs	5 Yrs
Expected dividend	0%	0%	0%
Risk free interest rate	1.25%	1.25%	1.25%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected life is based on the contractual life of the warrants.

During the period an expense of €Nil (30 June 2017: €54,405, 31 December 2017: €41,542) was recognised directly through retained earnings in the statement of changes in equity related to warrants granted during the period.

No warrants were granted during the period ending 30 June 2018.

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13. Related party transactions

In accordance with International Accounting Standards 24 – Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed.

14. Events after the reporting date

On 25 July 2018, the Company completed a placing of 77,000,000 new ordinary shares of €0.0001 at a price of £1.3000 (€1.4631) per ordinary share, raising gross proceeds of £1,001,000 (€1,126,555) and increasing share capital by €7,700. The premium arising on the issue amounted to €1,118,855 before share issue costs of £70,070 (€78,859). The share issue included warrants granted to Novum Securities Limited including the right to exercise 1,925,000 Ordinary shares of €0.0001 at an exercise price of £0.0175 (€0.0197).

There were no other significant post balance sheet events which would require amendment to or disclosure in the half yearly financial statements.

15. Approval of financial statements

The half yearly financial statements were approved by the Board of Directors on 20 September 2018.