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# Directors and other information

| | |
|---|---|
| **Directors** | Emmett O'Connell<br>(Executive Chairman)<br><br>Melvyn Quiller (UK)<br>(Chief Executive Officer)<br><br>Robert O'Connell<br>(Operations Director)<br><br>Nial Ring<br>(Non-Executive Director)<br><br>Christopher Hall (UK)<br>(Non-Executive Director)<br><br>Brian Hall (UK)<br>(Non-Executive Director) |
| **Registered Office & Business Address** | 6 Northbrook Road,<br>Dublin 6. |
| **Secretary** | Emmett O'Connell |
| **Auditors** | LHM Casey McGrath,<br>Chartered Certified Accountants<br>Statutory Audit Firm<br>6 Northbrook Road,<br>Dublin 6. |
| **Bankers** | HSBC Bank<br>60 Queen Victoria Street<br>London EC4N 4TR<br>England<br><br>Bank of Ireland<br>Taghmon<br>Co. Wexford<br><br>Country Bank,<br>200 42nd Street,<br>New York,<br>U.S.A. |
| **Solicitors** | John O'Connor Solicitors,<br>168 Pembroke Road,<br>Ballsbridge,<br>Dublin 4. |
| **Geological Consultant** | Donald G. Strachan<br>Geologist QP CPG<br>Box 4046, Carson City<br>Nevada 89702, U.S.A. |
| **AIM Nominated Advisor & Broker** | Shore Capital<br>Bond Street House<br>14 Clifford Street<br>London W1S 4JU<br>England. |
| **ESM Advisor and Joint Broker** | Davy<br>Davy House<br>49 Dawson Street<br>Dublin 2, Ireland |
| **Registrar** | Computershare Investor Services<br>(Ireland) Limited<br>Heron House,<br>Corrig Road,<br>Sandyford,<br>Dublin 18. |
| **Registered Number** | 392620, Republic of Ireland. |
| **Date of Incorporation** | 20 October 2004. |
| **Website** | www.greatwesternmining.com |

# Chairman's Statement & Review of Activities

**Results highlights**

- Exploration report completed on prospect M2, highlighting potential for 'shallow, open-pittable, disseminated copper oxides'
- Phase 1 work completed on Target 4 confirming near-surface copper oxide mineralisation over a 2,500m strike length
- Significantly reduced loss for the year, after providing for depreciation and taxation: €369,186 (2011: €793,151)
- Basic and Diluted loss per share: €0.0081 (2011: €0.0198)

**Post year-end highlights**

- 9 hole drilling programme at prospect M2 providing positive results regarding copper mineralisation

The period under review has been one of the most active periods in the Company's relatively short history with considerable time and investment being committed to geological and field studies in preparation for a long planned reverse circulation drilling programme.

The sizable area of some 73 square kilometres of mineral claims held by the Company hosting a variety of mineral prospects, provided us with various choices as to where we should commit the drill bit. We decided to focus on the claims with the most potential for copper given its strong demand in world markets and the existence of major copper production in South Western Nevada.

In considering the precise location for the reverse circulation drilling phase and guided by our geological consultants, the Directors re-examined the extensive body of information which has accumulated since the Company was incorporated. As a reminder, these studies include: aero-magnetic, induced polarisation, satellite reconnaissance, soil and chip sampling, trenching and earlier 19th and 20th century records of pit and addit workings. In the final analysis, we chose to focus on our M2 target on the South Eastern edge of the group's area of claims.

During 2012, a programme of 4 to 6 exploration drill holes was planned to test for a shallow oxide copper deposit. Post balance sheet activity saw the drill bit turning in January this year, extending to 9 holes in February as the weather permitted.

With few exceptions, 2.25 kg samples of drill chips were taken every five feet, bagged, logged and transported to Florin Analytical Services in Reno, Nevada for testing.

The resulting JORC compliant report was announced on 10th May and I have summarised the report as a series of quotes below. The entire 27 page report and associated maps can be viewed on the Company's website (www.greatwesternmining.com).

The Board was greatly encouraged with the outcome which exceeded expectations and reinforced our extensive prior geological research into the potential presence of economic quantities of copper in our M2 property. It appears that there is a linear extension of copper oxide values extending 1200m in length by 120m wide running down the M2-Smith and M4 prospects. Looking to the future, the Company plans to acquire additional claims to the east of M2-Smith for use as a potential mill site.

What follows is a body of text taken from the recent report which supports the Board's opinion that M2-Smith is in itself, an area of significant potential value to shareholders:

*"Phase One results and recommendations, M2-Smith, Marietta NV 8th May 2013.*

*Three drill holes out of the nine pre-emptive holes drilled in February 2013 at M2-Smith intercepted discovery-grade and thicknesses of oxide copper, ranging from 30 feet (9.1 m) of 1.13% Cu in drill hole M2-004, to 30 feet (9.1 m) of 0.84% Cu in drill hole M2-005, to 40 Feet (9.1 m) of 0.2% Cu in drill hole M2-001.*

*Anomalous copper above 0.05% Cu cut-off was encountered in eight of the nine holes, with intercepts ranging from 135 feet (41.1 m) grading 0.13% Cu in M2-001 to 60 feet (18.3 m) of 0.60% Cu in M2-004. The two copper intercepts in M2-001 totalling 240 feet with a combined grade of 0.12% Cu, with 70 feet of lower grade material between.*

*Significant gold occurred in drill hole M2-004, where 15 feet (4.5 m) grading 0.09 gpt AU was intercepted at 35 feet. Significant gold was not encountered in the other eight drill holes.*

*Copper within the mineralized sedimentary-intrusive contact may have enough continuity both along the strike and down-dip to allow development of an economic oxide and perhaps sulphide resource within its known width and strike length. Stockwork fractures and disseminations in the diorite may also have economic volumes and grades. A potentially much larger possibility is a manto or stratiform deposit within sediments between the known mineralization at M2 and at Smith, between the northwest and southeast limbs of the Black Mountain syncline.*

*Significant copper above 0.2% Cu cut-off was intercepted in five of the nine holes drilled in 2013. Significant individual intercepts in these five holes ranged from 40 feet (12.2 m) of 0.20% Cu (M2-001-Appendix A) to 30 feet (9.1 m) 0f 1.13% Cu (M2-004 - Appendix A). Drill hole M2-005 (Appendix A) also intercepted 30 feet (9.1 m) of significant copper, but with a lower grade of 0.84% Cu. Anomalous copper above 0.05% Cu cut-off was intercepted in eight of the nine holes of 2013. Discovery-grade and thicknesses of oxide copper were encountered at depths less than 140 feet by three of the 2013 drill holes (M2-001, 004 and 005, Table 3). Five additional Phase One drill holes encountered anomalous copper grades and thicknesses within geologic contexts similar to those of the discovery holes.*

*Oxide copper occurs in outcrop and soils at M2 within a known mineralized width of at least 120 meters and a strike length of 1,200 meters long. This band of oxide copper mineralization appears to be associated with magnetite-altered diorite near the north easterly sedimentary-intrusive contact mentioned above. Oxide copper appears to be disseminated within portions of the altered diorite and also distributed along bedding planes and in sandy limestone beds for up to 10 stratigraphic meters above the intrusive contact.*

*Surface copper assays from two days of reconnaissance-level rock chip geochemical sampling at M2 yielded up to 77,000ppm total Cu from black diorite with disseminated limonite-magnetite-chrysocolla-azurite-malachite (sample 120412.04). Up to 17,160 ppm total Cu in surface samples was associated with thick zones of disseminated, abundant, clayey, pale lime-green mineral breccias (samples 169149 and 169420) near the intrusive-sedimentary contact. Stratiform chalcopyrite-pyrite oxidized to azurite-malachite in hangingwall, silicified, thin-bedded limestone's was also noted and sampled at the surface (sample 120412.05), returning an assay of 9,580 ppm total Cu. (Table 1, Figures 4 and 5-Appendix C).*"

The Directors are committed to maximising value and will provide shareholders with regular reports and further news to build on our recent success.

Emmett O'Connell
Chairman

# Directors' Report
**for the year ended 31 December 2012**

The Directors present their Annual Report and audited consolidated financial statements for the year ended 31 December 2012 for Great Western Mining Corporation PLC ("the Company") and its subsidiary (collectively "the Group").

**Principal Activity**
The Group's main activity is the exploration and mining for copper, silver, gold and other minerals in Nevada, U.S.A. The Directors have reviewed the financial position of the Group and are satisfied that the Group will continue to operate at its projected level of activity for the foreseeable future.

**Review of Business and Future Developments**
A detailed review of activities for the year and future prospects of the Group is contained in the Chairman's Statement and Review of Activities.

**Principal Risks and Uncertainties**
The Group's activities are carried out principally in North America and in the Republic of Ireland. Accordingly the principal risks and uncertainties are considered to be the following:

**Exploration Risk**
Exploration and development activities may be delayed or adversely affected by factors outside the Group's control, in particular: climatic conditions, existence of commercial deposits of copper, silver, gold and other minerals, unknown geological conditions; remoteness of location; actions of host governments or other regulatory authorities (relating to, inter alia, the grant, maintenance or renewal of any required authorisations, environmental regulations or changes in law).

**Commodity Price Risk**
The demand for, and price of, copper, silver, gold and other minerals is dependent on global and local supply and demand, actions of governments or cartels and general global economic and political developments.

**Share Price**
The share price movement in the year ranged from a low of Stg £0.0200 to a high of Stg £0.0875 (2011: Stg £0.0775 to Stg £0.135). The share price at the year end was Stg £0.0238 (2011: Stg £0.0812).

**Results And Dividends**
The loss for the year after providing for depreciation and taxation amounted to €369,186 (2011 : € 793,151 ).
All exploration and development costs to date have been deferred, no transfers to distributable reserves or dividends are recommended.

**Directors and Secretary and their Interests**

In accordance with the Articles of Association, Robert O'Connell, Melvyn Quiller and Christopher Hall retire from the Board by rotation and being eligible offers themselves for re-election. Brian Hall will offer himself for election to the board.

The Directors and secretary who held office at the year end had no interest, either direct or beneficial, other than those shown below, in the shares of the Company.

| | 28 June '13 | 31 Dec '12 | 1 Jan '12 |
|---|---|---|---|
| **Directors** | | | |
| Emmett O'Connell (Director & Secretary) | 8,910,343 | 8,910,343 | 5,802,818 |
| Emmett O'Connell (Pension Fund) | 1,900,000 | 1,900,000 | 1,650,000 |
| Melvyn Quiller | 1,847,813 | 1,847,813 | 1,847,813 |
| Brian Hall | 333,333 | 333,333 | - |
| Nial Ring | 850,000 | 850,000 | 850,000 |
| Robert O'Connell | 5,201,365 | 5,201,365 | 5,201,365 |
| Robert O'Connell (Pension Fund) | 250,000 | 250,000 | 250,000 |
| Christopher Hall | - | - | - |

**Transactions Involving Directors**

There have been no contracts or arrangements of significance during the year in which Directors of the Company were interested other than as disclosed in Notes 17, 18 and 19 to the financial statements.

**Significant Shareholders**

The Company has been informed that, in addition to the interests of the Directors, at 31 December 2012 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 | |
|---|---|---|
| | 28 June '13 | 31 Dec '12 |
| Pershing International Nominees Ltd | 6.46% | 6.46% |
| Goodbody Stockbrokers Nominees Limited | 4.50% | 4.50% |
| Ashdale Investment Trust Services | 23.11% | 23.11% |

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

**Group undertakings**
Details of the Company's subsidiary are set out in Note 10 to the financial statements.

**Political donations**
The Company did not make any political donations during the year (2011 : €Nil).

**Going Concern**
The future of the Group is dependent on the successful future outcome of its exploration interests. The Directors have carried out a review of budgets and cash flows for the twelve months after the date of this report and on the basis of that review, consider that the Group and the Company, based on current exploration activity, will have adequate financial resources to continue in operation for the foreseeable future. As exploration activity is expanded, further funding will be required.

The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

**Corporate governance**
The Directors are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group.

***The Board***
The Board is responsible for the supervision and control of the Company and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Board currently has six Directors, comprising three executive Directors and three non-executive Directors. The Board met formally on fourteen occasions during the year ended 31 December 2012. An agenda and supporting documentation was circulated in advance of each meeting. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry.

***Audit Committee***
The Audit Committee comprises Brian Hall (Chairman) and Christopher Hall. It may examine any matters relating to the financial affairs of the Group and the Group's audits. This includes reviews of the annual financial statements and announcements, internal control procedures, accounting procedures, accounting policies, the appointment, independence, objectivity, terms of reference and fees of external auditors and such other related functions as the Board may require.

***Remuneration Committee***
The Remuneration Committee comprises Brian Hall (Chairman) and Christopher Hall. It determines the terms and conditions of employment and annual remuneration of the executive directors. It consults with the Chief Executive Officer, takes into consideration external data and comparative third party remuneration and has access to professional advice outside the Company.

The key policy objectives of the Remuneration Committee in respect of the Company's executive directors are:

- to ensure that individuals are fairly rewarded for their personal contributions to the Company's overall performance; and
- to act as the independent committee ensuring that due regard is given to the interest of the Company's shareholders and to finacial and commercial health of the Company.

Directors' Remuneration, including employer's PRSI, during the year ended 31 December 2012 was as follows:

| | 2012 Total € | 2011 Total € |
|---|---|---|
| Remuneration and other emoluments - Executive Directors | 76,611 | 192,629 |
| Remuneration and other emoluments - Non-Executive Directors | 41,271 | 8,620 |
| | 117,882 | 201,249 |

**Nomination Committee**

At present, as the Board of Directors is small, no formal Nomination Committee has been established. The authority to nominate new Directors for appointment vests with the Board of Directors. All Directors co-opted to the Board during any financial period are subject to election by shareholders at the first opportunity following their appointment. Consideration to setting up a Nomination Committee is under continuous review.

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable Irish law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. As permitted by company law, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU (EU IFRS) and have elected to prepare the Company financial statements in accordance with EU IFRS, as applied in accordance with the provisions of the Companies Acts, 1963 to 2012.

The Group and Company financial statements are required by law and EU IFRS to present fairly the position and performance of the Group; the Companies Acts provide, in relation to such financial statements, that references in the relevant part of the Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- declare and explain any material departures from applicable accounting standards;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company, and the Group as a whole, will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and which enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2012, the European Communities (Companies: Group Accounts) Regulations 1992 and all regulations to be construed as one with those Acts.

They are responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Accounting records**
The measures taken by the Directors to ensure compliance with the requirements of Section 202, Companies Act 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the Company are maintained at Raheenduff House, Foulksmills, Co. Wexford.

**Auditors**
The auditors, LHM Casey McGrath, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the board

Emmett O'Connell

Melvyn Quiller

Date: 21 June 2013

# Independent Auditors' Report to the Shareholders of Great Western Mining Corporation PLC

We have audited the Group and Company financial statements (the "financial statements") of Great Western Mining Corporation PLC for the year ended 31 December 2012 which comprise of the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, and notes thereon. These financial statements have been prepared under the accounting policies set out on pages 20 to 25.

This report is made solely to the Company's members as a body in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company or the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and auditors**

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS") are set out in the Statement of Directors' Responsibilities on pages 8 and 9.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the Companies Acts 1963 to 2012. We also report to you to whether, in our opinion; proper books of account have been kept by the Company; whether at the Statement of Financial Position date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company's financial position is in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law or the listing rules of AIM regarding Directors' remuneration and Directors' transactions is not given and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement and Review of Activities. We consider the implications for our audit report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2012 and of its loss for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2012, of the state of the Company's affairs as at 31 December 2012 ; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company Statement of Financial Position is in agreement with the books of account.

In our opinion the information given in the Directors' Report on pages 5 to 9 is consistent with the financial statements.

The net assets of the Company, as at the financial position date, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which under Section 40(1) of the Companies (Amendment) Act 1983 may require the convening of an extraordinary general meeting of the Company.

**Emphasis of Matter - Going Concern**

In forming our opinion on the financial statements, which is not modified, we considered:

(1) the adequacy of disclosures made in Note 9 to the financial statements in relation to the Directors' assessment of the carrying value of the Group's deferred exploration costs amounting to €1,564,210.

(2) the adequacy of the disclosures made in Note 2 to the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a net loss of €369,186 for the year ended 31 December 2012.

These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

**Brendan Murtagh**
**For and on behalf of**

**LHM Casey McGrath**

Chartered Certified Accountants
Statutory Audit Firm
6 Northbrook Road, Dublin 6.

Date: 21 June 2013

## Consolidated Statement of Comprehensive Income
**for the year ended 31 December 2012**

| **Continuing Operations** | **Notes** | **2012** € | **2011** € |
|---|---|---|---|
| Administrative expenses | (365,386) | (787,342) | |
| Finance costs | 5 | (3,800) | (5,809) |
| **Loss for the year before tax** | | **(369,186)** | **(793,151)** |
| Income tax expense | 7 | - | - |
| **Total Comprehensive Loss for the year** | | **(369,186)** | **(793,151)** |
| **Loss attributable to:** | | | |
| Equity holders of the Company | | (369,186) | (793,151) |
| | | (369,186) | (793,151) |
| **Total Comprehensive Loss attributable to:** | | | |
| Equity holders of the Company | | (369,186) | (793,151) |
| | | (369,186) | (793,151) |
| **Earnings per share from continuing operations** | | | |
| Basic and Diluted loss per share (cent) | 8 | (0.81) | (1.98) |

All activities derived from continuing operations. All losses and total comprehensive losses for the period are attributable to the owners of the Company.

The Company has no recognised gains or losses other than those dealt with in the statement of comprehensive income.

The accompanying notes on pages 20 to 41 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 21 June 2013 and signed on its behalf by:

Emmett O'Connell

Melvyn Quiller

# Consolidated Statement of Changes in Equity

**for the year ended 31 December 2012**

| | Share Capital € | Share Premium € | Retained Losses € | Total € |
|---|---|---|---|---|
| Balance at 1 January 2011 | 282,536 | 1,602,234 | (1,474,362) | 410,408 |
| **Total comprehensive income for the year** | | | | |
| Loss for the year | - | - | (793,151) | (793,151) |
| Total comprehensive income for the year | - | - | (793,151) | (793,151) |
| **Transactions with owners, recorded directly in equity** | | | | |
| Shares issued | 182,368 | 1,888,023 | - | 2,070,391 |
| Total transactions with owners | 182,368 | 1,888,023 | - | 2,070,391 |
| Balance at 31 December 2011 | 464,904 | 3,490,257 | (2,267,513) | 1,687,648 |
| Balance at 1 January 2012 | 464,904 | 3,490,257 | (2,267,513) | 1,687,648 |
| **Total comprehensive income for the year** | | | | |
| Loss for the year | - | - | (369,186) | (369,186) |
| Share options granted in the year | - | - | - | - |
| Total comprehensive income for the year | - | - | (369,186) | (369,186) |
| **Transactions with owners, recorded directly in equity** | | | | |
| Shares issued | 183,334 | 488,003 | - | 671,337 |
| Total transactions with owners | 183,334 | 488,003 | - | 671,337 |
| **Balance at 31 December 2012** | **648,238** | **3,978,260** | **(2,636,699)** | **1,989,799** |

Net equity is attributable to the holders of the ordinary shares in the Group.

The accompanying notes on pages 20 to 41 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 21 June 2013 and signed on its behalf by

Emmett O'Connell

Melvyn Quiller

# Company Statement of Changes in Equity
**for the year ended 31 December 2012**

| | Share Capital € | Share Premium € | Retained Losses € | Total € |
|---|---|---|---|---|
| Balance at 1 January 2011 | 282,536 | 1,602,234 | (1,467,122) | 417,648 |
| **Total comprehensive income for the year** | | | | |
| Loss for the year | - | - | (820,560) | (820,560) |
| Total comprehensive income for the year | - | - | (820,560) | (820,560) |
| **Transactions with owners, recorded directly in equity** | | | | |
| Shares issued | 182,368 | 1,888,023 | - | 2,070,391 |
| Total transactions with owners | 182,368 | 1,888,023 | - | 2,070,391 |
| Balance at 31 December 2011 | 464,904 | 3,490,257 | (2,287,682) | 1,667,479 |
| Balance at 1 January 2012 | 464,904 | 3,490,257 | (2,287,682) | 1,667,479 |
| **Total comprehensive income for the year** | | | | |
| Loss for the year | - | - | (346,105) | (346,105) |
| Total comprehensive income for the year | - | - | (346,105) | (346,105) |
| **Transactions with owners, recorded directly in equity** | | | | |
| Shares issued | 183,334 | 488,003 | - | 671,337 |
| Total transactions with owners | 183,334 | 488,003 | - | 671,337 |
| **Balance at 31 December 2012** | **648,238** | **3,978,260** | **(2,633,787)** | **1,992,711** |

Net equity is attributable to the holders of the ordinary shares in the Company.

The accompanying notes on pages 20 to 41 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 21 June 2013 and signed on its behalf by

Emmett O'Connell

Melvyn Quiller

## Consolidated Statement of Financial Position

**as at 31 December 2012**

| | Notes | 2012 € | 2011 € |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Intangible assets | 9 | 1,564,210 | 1,231,607 |
| Total Non-Current Assets | | 1,564,210 | 1,231,607 |
| **Current Assets** | | | |
| Trade and other receivables | 11 | 12,254 | - |
| Cash and cash equivalents | 12 | 712,501 | 656,057 |
| Total Current Assets | | 724,755 | 656,057 |
| **Total Assets** | | 2,288,965 | 1,887,664 |
| **Equity** | | | |
| **Capital and Reserves** | | | |
| Share capital | 14 | 648,238 | 464,904 |
| Share premium | 14 | 3,978,260 | 3,490,257 |
| Retained loss | 16 | (2,636,699) | (2,267,513) |
| Attributable to owners of the Company | | 1,989,799 | 1,687,648 |
| **Total Equity** | | 1,989,799 | 1,687,648 |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 13 | 299,166 | 200,016 |
| Total Liabilities | | 299,166 | 200,016 |
| **Total Equity and Liabilities** | | **2,288,965** | **1,887,664** |

The accompanying notes on pages 20 to 41 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 21 June 2013 and signed on its behalf by

Emmett O'Connell

Melvyn Quiller

# Company Statement of Financial Position

**as at 31 December 2012**

| **Assets** | **Notes** | **2012**<br>€ | **2011**<br>€ |
|---|---|---|---|
| **Non-Current Assets** | | | |
| Investment in Subsidiaries | 10 | 500,000 | 500,000 |
| Total Non-Current Assets | | 500,000 | 500,000 |
| **Current Assets** | | | |
| Trade and other receivables | 11 | 1,059,817 | 738,684 |
| Cash and cash equivalents | 12 | 704,283 | 628,734 |
| Total Current Assets | | 1,764,100 | 1,367,418 |
| **Total Assets** | | 2,264,100 | 1,867,418 |
| **Equity** | | | |
| **Capital and Reserves** | | | |
| Share capital | 14 | 648,238 | 464,904 |
| Share premium | 14 | 3,978,260 | 3,490,257 |
| Retained loss | 16 | (2,633,787) | (2,287,682) |
| **Equity Attributable to equity shareholders** | | 1,992,711 | 1,667,479 |
| **Total Equity** | | 1,992,711 | 1,667,479 |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 13 | 271,389 | 199,939 |
| **Total Liabilities** | | 271,389 | 199,939 |
| **Total Equity and Liabilities** | | **2,264,100** | **1,867,418** |

The accompanying notes on pages 20 to 41 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 21 June 2013 and signed on its behalf by

Emmett O'Connell

Melvyn Quiller

## Consolidated Statement of Cash Flows

**for the year ended 31st December 2012**

| | Notes | 2012 € | 2011 € |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss for the year | | (365,386) | (787,342) |
| Movement in trade and other receivables | | (12,254) | - |
| Movement in trade and other payables | | 97,548 | (193,594) |
| **Cash flows from operating activities** | | (280,092) | (980,936) |
| **Cash flows from investing activities** | | | |
| Expenditure on intangible assets | | (332,603) | (433,950) |
| Interest paid | | (3,800) | (5,809) |
| **Cash flow from investing activities** | | (336,403) | (439,759) |
| **Cash flows from financing activities** | | | |
| Proceeds from the issue of new shares | | 671,337 | 2,070,391 |
| **Net cash used in financing activities** | | 671,337 | 2,070,391 |
| **Movement in cash and cash equivalents** | | 54,842 | 649,696 |
| **Cash and cash equivalents at beginning of year** | 12 | 656,057 | 6,361 |
| **Cash and cash equivalents at end of year** | 12 | 710,899 | 656,057 |

The accompanying notes on pages 20 to 41 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 21 June 2013 and signed on its behalf by

Emmett O'Connell

Melvyn Quiller

# Company Statement of Cash Flows

**for the year ended 31st December 2012**

| | Notes | 2012<br>€ | 2011<br>€ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss for the year | | (342,305) | (814,751) |
| Movement in trade and other receivables | | (321,133) | (448,024) |
| Movement in trade and other payables | | 69,848 | (176,759) |
| Finance costs | | (3,800) | (5,809) |
| **Cash flows from operating activities** | | (597,390) | (1,445,343) |
| **Cash flows from financing activities** | | | |
| Proceeds from the issue of new shares | | 671,337 | 2,070,391 |
| **Net cash used in financing activities** | | 671,337 | 2,070,391 |
| **Movement in cash and cash equivalents in the year** | | 73,947 | 625,048 |
| **Cash and cash equivalents at the beginning of year** | 12 | 628,734 | 3,686 |
| **Cash and cash equivalents at the end of year** | 12 | 702,681 | 628,734 |

The accompanying notes on pages 20 to 41 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 21 June 2013 and signed on its behalf by

Emmett O'Connell

Melvyn Quiller

# Notes to the Financial Statements
**for the year ended 31st December 2012**

### 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 subsidiary (together referred to as the "Group").

The Group and Company financial statements were authorised for issue by the Directors on 21 June 2013.

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 2012 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 2012.

**Standards and amendments to existing standards effective 1 January 2012**
The following standards, amendments and interpretations which became effective in 2012 are of relevance to the Group:

| Standard | Content | Applicable for years beginning on/after |
|---|---|---|
| IAS 1 | Presentation of Financial Statements (Amendment) | 1 January 2012 |
| IAS 12 | Income Taxes (Amendment) | 1 January 2012 |

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

| Standard/ Interpretation | Content | Applicable for years beginning on/after |
|---|---|---|
| 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 10 | Consolidated Financial Statements | 1 January 2013 |
| IFRS 9 | Financial Instruments | 1 January 2015 |
| IFRS 7 | Financial Instruments: Disclosures | 1 January 2013 |

In 2012, 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

**Basis of Consolidation**

The consolidated financial statements comprise the financial statements of Great Western Mining Corporation PLC and its subsidiary undertaking for the year ended 31 December 2012.

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.

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.

**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.

**Convertible loan note**
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 in 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.

**2. Going Concern**

The financial statements are prepared on a going concern basis. The group incurred a loss of €369,186 during the year ended 31 December 2012. 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 directors intend to raise additional finance in 2013 which will be used to continue the exploration and evaluation programme which 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.

### 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** | |
|---|---|---|---|---|
| | **2012** | **2011** | **2012** | **2011** |
| | € | € | € | € |
| **Exploration - Nevada** | - | - | (369,186) | (793,151) |
| Total for continuing operations | - | - | (369,186) | (793,151) |
| Investment income | | | - | - |
| Loss before tax (continuing operations) | | | (369,186) | (793,151) |
| Income tax expense | | | - | - |
| Loss after tax | | | (369,186) | (793,151) |

**Segment assets and liabilities**

| **Segment Assets** | 2012 | 2011 |
|---|---|---|
| | € | € |
| Exploration - Nevada | 2,288,965 | 1,887,664 |
| Consolidated assets | 2,288,965 | 1,887,664 |

| **Segment Liabilities** | | |
|---|---|---|
| Exploration - Nevada | 299,166 | 200,016 |
| Consolidated liabilities | 299,166 | 200,016 |

**Other segment information**

| | Depreciation and amortisation | | Additions to non-current assets | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| | € | € | € | € |
| Exploration - Nevada | - | - | 332,603 | 433,950 |

**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:

| | 2012 | 2011 |
|---|---|---|
| | € | € |
| Ireland | - | - |
| Nevada | 1,564,210 | 1,231,607 |
| | 1,564,210 | 1,231,607 |

### 4. Loss on ordinary activities before taxation

| Group | 2012<br>€ | 2011<br>€ |
|---|---|---|
| ***This is arrived at after charging:*** | | |
| Directors' emoluments | 117,882 | 201,249 |
| Auditors' remuneration | 26,102 | 23,689 |
| Auditors' remuneration from non-audit work | 246 | 56,271 |
| ***and after crediting:*** | | |
| Profit on foreign currencies | 4,142 | 62,712 |

| Company | 2012<br>€ | 2011<br>€ |
|---|---|---|
| ***This is arrived at after charging:*** | | |
| Auditors' remuneration | 26,102 | 23,689 |

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** | 2012<br>€ | 2011<br>€ |
|---|---|---|
| On loans from Directors | 3,800 | 5,809 |
| | 3,800 | 5,809 |

## 6. Employees

***Number of employees***

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

| | 2012 Number | 2011 Number |
|---|---|---|
| Executive Directors | 3 | 3 |
| Non-Executive Directors | 2 | 1 |
| | 5 | 4 |

## 6.1. Directors' emoluments

| | 2012 € | 2011 € |
|---|---|---|
| Directors' remuneration | 87,882 | 201,249 |
| Other emoluments | 30,000 | - |
| | 117,882 | 201,249 |

## 7. Income Tax relating to continuing operations

| | 2012 | 2011 |
|---|---|---|
| | € | € |
| **Current tax** | | |
| Current tax expense in respect of the current year | - | - |
| Total tax expense | - | - |

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

| | 2012 | 2011 |
|---|---|---|
| | € | € |
| Loss from continuing operations | (369,186) | (793,151) |
| Income tax expense calculated at 12.5% (2011: 12.5%) | (46,148) | (99,144) |
| **Effects of:** | | |
| Unused tax losses not recognised as deferred tax assets | 46,148 | 99,144 |
| 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 €2,601,085 (31 December 2011: €2,254,980) available for offset against future profits which equates to a deferred tax asset of €325,136 (31 December 2011: €281,873). No deferred tax asset has been recognised due to the unpredictability of future profit streams. Unused tax losses may be carried forward indefinitely.

**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:

| | 2012 | 2011 |
|---|---|---|
| | € | € |
| Loss for the period attributable to equity holders of the parent | **(369,186)** | (793,151) |
| Number of ordinary shares at start of year | **46,490,475** | 28,253,628 |
| Ordinary shares issues during the year | **18,333,334** | 18,236,847 |
| Ordinary shares in issue at end of year | **64,823,809** | 46,490,475 |
| Effect of shares issued during the year | **2,360,731** | 11,817,878 |
| Weighted average number of ordinary shares for the purposes of basic earning per share | **48,851,206** | 40,071,506 |
| Basic loss per ordinary share (cent) | ***(0.76)*** | (1.98) |

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

## 9. Intangible assets - Group

| | 2012 | 2011 |
|---|---|---|
| | € | € |
| Cost | **1,564,210** | 1,231,607 |
| Accumulated amortisation and impairment | **-** | - |
| | **1,564,210** | 1,231,607 |

| | Exploration and Evaluation Assets | Total |
|---|---|---|
| | € | € |
| **Cost** | | |
| At 1 January 2012 | **1,231,607** | 1,231,607 |
| Additions | **332,603** | 332,603 |
| At 31 December 2012 | **1,564,210** | 1,564,210 |

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 2012. 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.

## 10. Financial assets - Company

| | 2012 | 2011 |
|---|---|---|
| | € | € |
| **Group undertakings - unlisted:** | | |
| Shares at cost | **500,000** | 500,000 |

In the opinion of the Directors' the carrying value of the investment is appropriate.

At 31 December 2012 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% |

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 | (46,106) | (11,141) | 31 December 2012 |

## 11. Trade and other receivables

| | Group 2012 | Group 2011 | Company 2012 | Company 2011 |
|---|---|---|---|---|
| | € | € | € | € |
| ***Amounts falling due within one year:*** | | | | |
| Amounts owed by Group undertaking | - | - | **1,047,563** | 738,684 |
| Prepayments and accrued income | **12,254** | - | **12,254** | - |
| | **12,254** | - | **1,059,817** | 738,684 |

All receivables are current and there have been no impairment losses during the year (2011: Nil).

## 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:

| | Group 2012 € | Group 2011 € | Company 2012 € | Company 2011 € |
|---|---|---|---|---|
| Cash and Cash equivalents per statement of cash flows | **710,899** | 656,057 | **702,681** | 628,734 |
| Bank overdraft | **1,602** | - | **1,602** | - |
| Cash and Cash Equivalents | **712,501** | 656,057 | 704,283 | 628,734 |

## 13. Trade and other payables

| | Group 2012 € | Group 2011 € | Company 2012 € | Company 2011 € |
|---|---|---|---|---|
| Amounts falling due within one year | | | | |
| Bank loans and overdrafts | **1,602** | - | **1,602** | - |
| Trade payables | **25,780** | 432 | **9,452** | 432 |
| Convertible debt | **100,000** | 100,000 | **100,000** | 100,000 |
| Other payables | **77,394** | 56,159 | **66,021** | 56,159 |
| Accruals and deferred income | **94,390** | 43,425 | **94,314** | 43,348 |
| | **299,166** | 200,016 | **271,389** | 199,939 |

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.

| **14. Share capital** | **2012** | **2011** |
|---|---|---|
| | € | € |
| **Authorised equity** | | |
| 100,000,000 Ordinary shares of €0.01 each | **1,000,000** | 1,000,000 |
| | **1,000,000** | 1,000,000 |

**Issued, called up and fully paid:**

| | **No. of issued Shares** | **Share Capital** | **Share Premium** | **Total Capital** |
|---|---|---|---|---|
| | | € | € | € |
| **At 1 January 2011** | 28,253,628 | 282,536 | 1,602,234 | 1,884,770 |
| **Total comprehensive income for the year** | | | | |
| Loss for the year | - | - | - | - |
| **Transactions with shareholders, recorded directly in equity** | | | | |
| Shares issued | 18,236,847 | 182,368 | 1,888,023 | 2,070,391 |
| **At 1 January 2012** | 46,490,475 | 464,904 | 3,490,257 | 3,955,161 |
| **Total comprehensive income for the year** | | | | |
| Loss for the year | - | - | - | - |
| **Transactions with shareholders, recorded directly in equity** | | | | |
| Shares issued for cash | 18,333,334 | 183,334 | 488,003 | 671,337 |
| **As at 31 December 2012** | **64,823,809** | **648,238** | **3,978,260** | **4,626,498** |

The issued share capital of the company at 31 December 2012 comprised of 64,823,809 ordinary shares of €0.01 each issued and fully paid (31 December 2011 46,490,475 issued and fully paid)

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

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

## 15. 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:

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | **Number of options** | **Weighted average exercise price** | **Number of options** | **Weighted average exercise price** |
| Balance at beginning of the year | 178,035 | 0.11 | - | - |
| Granted during the year | - | - | 178,035 | 0.11 |
| 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 |
| *of which:* | | | | |
| Exercisable at end of the year | 178,035 | 0.11 | 178,035 | 0.11 |

On 31 December 2012, no options lapsed without being exercised.

**Exercised during the year**
No options were exercised during the year.

The options outstanding at 31 December 2012 had a remaining average contractual life of 3.63 years.

## 16. Retained Losses

| | Group 2012 € | Group 2011 € | Company 2012 € | Company 2011 € |
|---|---|---|---|---|
| Loss at beginning of year | (2,267,513) | (1,474,362) | (2,287,682) | (1,467,122) |
| Loss for the year | (369,186) | (793,151) | (346,105) | (820,560) |
| **Loss at end of year** | **(2,636,699)** | **(2,267,513)** | **(2,633,787)** | **(2,287,682)** |

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 €346,105 (2011 - loss of €820,560) has been dealt with in the Statement of Comprehensive Income of the Company.

17. 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 2012 Great Western Mining Corporation PLC owed €Nil to LQ Accounting Solutions. During the year, Great Western Mining Corporation PLC received services from LQ Accounting Solutions to the value of €9,866 and they discharged €6,866 of this balance. At 31 December 2012 Great Western Mining Corporation PLC owed €3,000 to LQ Accounting Solutions.

## 18. 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 | Emmett O'Connell | Melvyn Quiller | Robert O'Connell | Total |
|---|---|---|---|---|
| Rate of interest | 0% | 0% | 0% | |
| Repayment date | on call | on call | on call | |
| Amount due to director as at 1 January 2012 | (15,398) | (5,181) | (664) | (21,243) |
| Advanced by director in year | (11,373) | (1,922) | (891) | (14,186) |
| Repaid to director in the year | - | 7,019 | - | 7,019 |
| **Amount due to director as at 31 December 2012** | **(26,771)** | **(84)** | **(1,555)** | **(28,410)** |
| Maximum outstanding in the year | (26,771) | (7,103) | (664) | (34,538) |

**Loans from directors - Company**

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

| Name of director | Emmett O'Connell | Melvyn Quiller | Robert O'Connell | Total |
|---|---|---|---|---|
| Rate of interest | 0% | 0% | 0% | |
| Repayment date | on call | on call | on call | |
| Amount due to director as at 1 January 2012 | (15,398) | (5,181) | (664) | (21,243) |
| Advanced by director in year | - | (1,922) | (891) | (2,813) |
| Repaid to director in the year | - | 7,019 | - | 7,019 |
| **Amount due to director as at 31 December 2012** | **(15,398)** | **(84)** | **(1,555)** | **(17,037)** |
| Maximum outstanding in the year | (15,398) | (7,103) | (664) | (23,165) |

## 19. Convertible debt

| | 2012 | 2011 |
|---|---|---|
| | € | € |
| Redeemable loan | **100,000** | 100,000 |
| | **100,000** | 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.

## 20. Events after the reporting date

There were no significant post balance sheet events

## 21. 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 2012 and 2011 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 2012 and 31 December 2011, 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 2012.

The Group and Company's financial liabilities as at 31 December 2012 and 31 December 2011 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 2012 and 31 December 2011 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 2012 and 31 December 2011.

**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 2012 and 31 December 2011. 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 2012 and 31 December 2011, the Group had no outstanding contracts designated as hedges.

## 22. Approval of financial statements

The financial statements were approved by the board on 21 June 2013.