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# CORPORATE DIRECTORY

## COMPANY DIRECTORY

### DIRECTORS

Gary James Roper (Managing Director)

Leith Beal

David Ian Chalmers

### SECRETARY

Peter Reynold Ironside

### REGISTERED AND PRINCIPAL OFFICE

125 Edward Street

Perth WA 6000

Telephone: (08) 9328 4622

Facsimile: (08) 9328 2869

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### WEBSITE

[www.audax.com.au](http://www.audax.com.au)

### SHARE REGISTRY

Computershare Investor Services Pty Ltd

45 St George's Terrace

Perth WA 6000

Telephone: (08) 9323 2000

### SOLICITORS

Corsers

19th Floor

109 St Georges Terrace

Perth WA 6000

### BANKERS

National Australia Bank

50 St Georges Tce

Perth WA 6000

### HOME STOCK EXCHANGE

Australian Stock Exchange Ltd

2 The Esplanade

Perth WA 6000

ASX Code: ADX

### AUDITORS

Rothsay Chartered Accountants

Level 12

220 George Street

Sydney NSW 2000

# REPORT TO SHAREHOLDERS

The Bronzewing South dispute finally reached the High Court of Australia this year with Hot Holdings Pty Ltd (with the backing of AuDAX) being granted Leave to Appeal on October 24, 2001 and having its case heard by the Full Bench (7 judges) in April 2002.

As expected, the High Court reserved its decision and at the time of writing this report we have received no indication of when a decision may be expected. The Leave to Appeal sought by Mark Creasy was refused by the High Court and therefore his specific arguments against Hot Holdings receiving a title to the ground have now been dismissed at the highest level.

A decision will be handed down shortly which should enable AuDAX to take advantage of the current gold price and the increasing uncertainty which must exist with respect to the future of the Bronzewing Mine. Bronzewing continues to produce in excess of 300,000 oz's of gold per annum, however it would appear that without further ore being discovered, the mine may be exhausted within a couple of years.

Newmont (which took over Normandy, and hence the Bronzewing Mine) has sought a close relationship with the AuDAX management in the hope of being able to enter some mutual arrangement to ensure access to the Bronzewing South immediately a title is granted. The Board has accepted invitations to visit the Mine and Newmont has been very forthright in its disclosure of the geology and that company's objectives.

The Board will maintain the relationship and keep an open mind to the possibilities which may arise from it.

The Directors wish to thank those shareholders who participated in the "Share Purchase Plan" which raised a healthy \$550,000 and ensures the Company has adequate funds to commence exploration once the title is granted.

Although the Company has been dogged by the ongoing dispute the Board is continually encouraged by the support of the many shareholders who contact the office to express their loyalty and determination to see it through to the end.

This support not only indicates what a loyal group you are, but makes it extremely important for us, your Directors, to achieve a positive outcome and create a Company we can all be proud of.



*Gary J. Roper*  
*Managing Director*

# REVIEW OF OPERATIONS

## REVIEW OF OPERATIONS

### MILLROSE

E53/600,M(A)53/788,M(A)53/882-886

AuDAX Resources Ltd 47.5%

Mines & Resources Aust. Pty Ltd 52.5%

E(A)53/904 AuDAX Resources Ltd 100%

The tenements are located on Millrose station in the eastern Yandal Belt approximately 80km east north east of Wiluna and 30km east of the Jundee/Nimary Mines. Access to and within the property is by graded road and station tracks. The main prospect is located 4km from Millrose homestead.

EL53/600 was granted in October 1996 and comprises 48 sub-blocks with a total area of approximately 140sq.km. A mining lease of 1000ha has been applied for over the main zone of mineralisation within the licence area.

The main controlling feature is interpreted to be the central part of a major, steep, east dipping shear zone, where shearing and silicification are of most interest. The host lithologies are frequently mylonitic, with little relict texture remaining, however the lithological package within the shear zone generally comprises intermediate to felsic volcanics, tuffs and epiclastic sediments with two narrow BIF units on the western margin of the mineralised zone. The BIF's are very useful marker beds and were helpful in the compilation of the geological model for the deposit.

A compilation of all drilling data resulted in a preliminary resource estimate being completed for the northern Old Camp area.

A 3D lode type interpretation was invoked using all RC and diamond drilling data and a lode model was created to represent an anastomosing shear system.

Resource modelling was compiled on four distinct geological domains using different specific gravity (SG) values to a vertical depth of approximately 200 metres.

Flat Transported Ore	SG=1.7
Flat Supergene Ore	SG=2.0
Steep Primary Ore (in weathered horizon)	SG=2.5
Steep Primary Ore (in fresh rock)	SG=2.7

Ordinary kriging was used to interpolate gold grades into blocks in the interpreted lodes in the resource model and SG assigned for each domain. The fresh ore SG was determined by field measurements but the SG were assumed for all other domains. No correction for high grades was undertaken.

The Identified Mineral Resources, quoted at the appropriate levels of precision, are as follows:

# REVIEW OF OPERATIONS

## RESOURCES at 0.7g/t Gold Cut off Grade

	INDICATED			INFERRED			TOTAL		
	Tonnes	Grade	Metal (oz)	Tonnes	Grade	Metal (oz)	Tonnes	Grade	Metal (oz)
Transported	143,000	1.55	7,000	83,000	1.53	4,000	226,000	1.54	11,000
Supergene	62,600	3.23	65,000	55,000	3.20	6,000	681,000	3.22	71,000
Oxide	563,000	1.83	33,000	37,000	2.06	2,000	600,000	1.84	35,000
Fresh	1,681,000	1.65	89,000	1,704,000	1.43	78,000	3,385,000	1.54	167,000
<b>TOTAL</b>	<b>3,013,000</b>	<b>2.00</b>	<b>194,000</b>	<b>1,879,000</b>	<b>1.50</b>	<b>90,000</b>	<b>4,892,000</b>	<b>1.81</b>	<b>284,000</b>

## RESOURCES at 1.0g/t Gold Cut off Grade

	INDICATED			INFERRED			TOTAL		
	Tonnes	Grade	Metal (oz)	Tonnes	Grade	Metal (oz)	Tonnes	Grade	Metal (oz)
Transported	104,000	1.81	6,000	75,000	1.60	4,000	179,000	1.72	10,000
Supergene	542,000	3.59	63,000	36,000	4.43	5,000	578,000	3.64	68,000
Oxide	464,000	2.02	30,000	29,000	2.38	2,000	493,000	2.04	32,000
Fresh	1,305,000	1.88	79,000	1,106,000	1.74	62,000	2,411,000	1.82	141,000
<b>TOTAL</b>	<b>2,415,000</b>	<b>2.29</b>	<b>178,000</b>	<b>1,246,000</b>	<b>1.83</b>	<b>73,000</b>	<b>3,661,000</b>	<b>2.13</b>	<b>251,000</b>

The resources estimate was conducted and classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, JORC, 1996 by a Senior Resource Geologist for Mines and Resources Australia Pty Ltd, who is a Member of the Australian Institute of Geoscientists.

further exploration of the Millrose project, however, although there has been some interest it has not met the expectations of the partners. AuDAX will retain its interest and target the on strike potential of the project when funds permit.

This resource estimate was compiled over the northern 700m of the Old Camp Prospect only as drill hole spacing is inadequate elsewhere. A further 900m of mineralised strike length remains to be tested by RC/diamond drilling. There is therefore significant potential to upgrade these resources in the future. Also the structure hosting the mineralisation, the Celia Lineament is present throughout the length of the project area but remains untested for the majority of its length.

The Joint Venture has sought expressions of interest from parties willing to commit to

# REVIEW OF OPERATIONS

## REVIEW OF OPERATIONS

### BRONZEWING SOUTH

E(A)36/215

**AuDAX Resources Ltd option to acquire 80%,  
Hot Holdings Pty Ltd 20%**

**A**uDAX continues to seek a resolution to the dispute over the title to this area which commenced in October 1992, and followed a decision by the Warden to conduct a ballot between four parties to determine the order of priority for the ground adjacent to the significant Bronzewing Gold Mine owned and operated by Newmont Australia.

The Mining Act provides for a ballot to determine priority when the Warden is satisfied that applications were lodged “at the same time”, and this method of determining priority was chosen despite the Warden identifying an application by Hot Holdings Pty Ltd (“Hot”) as having been lodged first in time.

The Company acquired an option to purchase 80% of any interest Hot might ultimately gain in the ground.

Following the Warden’s decision and lengthy appeals to the Supreme Court of Western Australia and to the High Court of Australia, priority to the tenement was eventually determined by ballot on 15 December 1997 with Hot being the holder of the winning marble. Although the ballot winner is awarded priority, the Minister for Mines is the granting authority and has discretion as to which applicant should be granted a title. The Minister received a number of submissions and responses from the parties before determining to grant title to Hot.

Early in 2000 Australian Resources Ltd (in Liquidation) (“ARL”) and Mark Creasy jointly appealed to the Supreme Court of Western Australia in an attempt to have the Minister’s decision quashed.

On the 23 May 2000 the matter was heard by the Full Court of the Supreme Court of Western Australia, with the decision being handed down on 4 August 2000.

The challenge was based on three claims, namely, (a) that Hot’s licence application did not comply with the requirements of section 118 of the Act, (b) that there was a reasonable apprehension that the Minister had not brought a fair and unprejudiced mind to the determination of the application (apprehended bias) and (c) that the Minister had failed to take account of a relevant consideration and acting on erroneous advice had not considered the merits of the competing applications.

In relation to the first claim the Court decided that the Minister has the power to grant the application and that any non-compliance with section 118 did not render Hot Holding’s application ineffective.

On the second claim the Court quashed the Minister’s decision as it found that the decision was infected even though he acted unwittingly on tainted advice. The Court found that “the fair minded and informed member of the public must be taken to know that the Minister’s decision was likely to be influenced by the Director General’s minute in the preparation of which one person with a pecuniary interest, had taken part” (i.e. an officer of the Department of Mineral and Petroleum Resources had a direct shareholding in AuDAX).

All this falls under the general umbrella of a reasonable apprehension of bias.

In relation to the third issue the Court found that there was no basis for concluding that the Minister failed to take all relevant matters into consideration before deciding to grant the application to Hot Holdings.

# REVIEW OF OPERATIONS

As a result of the Court's findings the matter was ordered back to the Minister "to be determined according to law".

As expected, Creasy, (but without the support of Australian Resources Ltd), applied for Special Leave to Appeal to the High Court of Australia to overturn the decision. AuDAX, on behalf of Hot Holdings, also sought Leave to Appeal in relation to the Supreme Court's finding in relation the issue of apprehended bias.

On October 24, 2001 the High Court refused the leave sought by Creasy thus ending his arguments against the grant of a title to Hot. At the same time the High Court granted Leave to Appeal to Hot in relation to the question of bias.

The matter was heard by the Full Bench of the High Court on 16 and 17 April 2002 with the decision being reserved.

The Directors remain confident of a positive outcome whether it be by way of the High Court decision or by the Mines Minister granting "according to law" as directed by the Supreme Court.

## OTHER RESOURCE PROJECTS

Due to the difficulty in raising significant funds and the pending decision of the High Court, the Company did not carry out any ground work on its remaining resource projects during the year. It has however, maintained its interest in a number of prospective areas with the intention of conducting fresh exploration programmes as the market becomes more conducive to resource projects and the Company's fund raising capabilities are improved due to the expected positive outcome in relation to Bronzewing South. Projects in this category include a substantial land holding in the Marymia/Plutonic region, Barnicoat, Eucalyptus and Gindalbie.



# CORPORATE GOVERNANCE STATEMENT

## CORPORATE GOVERNANCE

The Board of Directors of AuDAX Resources Ltd is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company, on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Directors have the authority to delegate any of their powers to committees consisting of such Directors as they think fit. However, as a result of the Company's current position in respect to the composition of the Board, the size of the Company and the minimal complexities involved in its financial activities, the Company is not in a position to justify the establishment of a nomination, remuneration or audit committee, which would consist entirely of non-Executive Directors.

To ensure the Board is equipped to discharge its responsibilities, it has established guidelines for the operation of the Board. Set out below are the Company's main corporate governance practices as they currently operate, as well as its long term objectives for when the need and opportunity arises to implement further practices.

Unless otherwise stated, all these practices were in place for the entire year.

### BOARD OF DIRECTORS

The names of the Directors of the Company in office at the date of this statement are set out in the Directors' Report.

- The Board of Directors operates in accordance with the following broad principles:  
the board should comprise at least 3 directors, but no more than 9. The number of directors may be increased where it is felt that additional expertise is required in

specific areas, or where an outstanding candidate is identified;

- the board should comprise of Directors with an appropriate range of qualifications, expertise and a broad range of experience;
- at every Annual General Meeting, one third (1/3) of the Directors (except a Managing Director) shall retire from office, so that no Director shall retain office for more than three years. At the time of rotation a Director may submit himself for re-election;
- the Board should meet regularly, and have available all necessary information to participate in an informed discussion of agenda items;

The Board appreciates the current trend towards more non-executive Directors and as a consequence the Company's objectives in terms of the composition of the Board for the future are, in addition to the above, as follows:

- the maximum age for Directors of 70;
- on appointment, Directors should desirably be able to serve a minimum of 3 years before retirement;
- non-executive Directors should agree not to seek re-election after 15 years service.

The composition of the Board is reviewed at least annually by Directors, to ensure that the Board has the approximate mix of expertise, experience and non-executives to meet the requirements of the Company.

### INDEPENDENT PROFESSIONAL ADVICE

Under the Articles of Association, the Directors are entitled to be paid expenses incurred in connection with the execution of their duties as Directors. As a result of this, each Director is able to seek independent professional advice

# CORPORATE GOVERNANCE STATEMENT

## CORPORATE GOVERNANCE

at the Company's expense, where it is in connection with his duties and responsibilities as a Director. The Company policy is for the Director to obtain written approval of the Chairman, which will not be unreasonably withheld.

### NOMINATION

In the event a vacancy exists, or where it is considered that the Company would benefit from the services of a new Director with particular skills, the Board will appoint a Director from a panel of candidates with the appropriate expertise and experience.

The potential candidates will be identified by the Board (or committee of Directors, if delegated) and advice may be obtained from an external consultant. The Board then appoints the most suitable candidate, who shall hold office until the next Annual General Meeting, where the appointee is required to stand for re-election.

### REMUNERATION

The Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The role also includes responsibility for share option schemes, superannuation entitlements, retirement and termination entitlements, fringe benefits policies, liability insurance and other terms of employment.

The Board will review the arrangements having regard to performance, relevant comparative information and may at its discretion obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels that are intended to attract and retain Executives capable of managing the Company's activities.

In the event that share options are allotted to a

Director, the allotment will be ratified at a General Meeting of Shareholders. Further details of Directors and Executives remuneration are set out in the notes to the accounts.

### AUDIT

Due to the size of the Company and the minimal complexities involved in its financial activities, the Company is not in a position to justify the establishment of an audit committee. In addition, the composition of the Board would not allow for such a committee to consist entirely of non-executive Directors. All matters which might be properly dealt with by such a committee are the subject of scrutiny at Board meetings. Matters that are considered include:

- reviewing the annual report, financial statements and other information distributed externally
- reviewing audit reports and letters to the Board from the external auditors;
- liaising with external auditors and ensuring the annual and half year audits are conducted in an effective manner;
- nomination of the external auditor and reviewing the adequacy of the scope and quality of annual and half year audits;
- monitoring the establishment of an appropriate internal control framework;
- improving the quality of the accounting function; and
- monitoring compliance with the Corporations Law, Stock Exchange Listing Rules, and any matters outstanding with other regulatory and financial authorities.

# CORPORATE GOVERNANCE STATEMENT

## CORPORATE GOVERNANCE

### ETHICAL STANDARDS

All Directors, Executives, Managers and Employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

### RISK ASSESSMENT AND MANAGEMENT

The Board of Directors has identified that as the Company awaits a final resolution to the Bronzewing dispute, there are issues and risks that arise which need to be addressed promptly. Consequently, a management committee was established on 5 July 1996 comprising Mr Gary Roper (Managing Director) and Mr Peter Ironside (Company Secretary) to monitor the management of issues and risks previously identified, and to identify new risks or issues, and implement appropriate action to manage them. The committee is expected to meet in person or by phone at least fortnightly.

# TENEMENT SCHEDULE

## TENEMENT SCHEDULE

AS AT 30 JUNE 2002

Prospect	Tenement	Interest
Bronzewing South	E(A)36/215	Option over 80%
	M(A)36/602	(Agreement with Leith Beal - Hot Holdings Pty Ltd)
	M(A)36/613	Not Yet Approved
Dulcie	E77/351	20% Sons of Gwalia Ltd 80%
Eucalyptus	E39/480	50% Enterprise Gold Mines NL 50%
	E(A)39/815	50% Enterprise Gold Mines NL 50% Not Yet Approved
	M(A)39/464	50% Enterprise Gold Mines NL 50% Not Yet Approved
	M(A)39/465	50% Enterprise Gold Mines NL 50% Not Yet Approved
	M(A)39/466	50% Enterprise Gold Mines NL 50% Not Yet Approved
Gindalbie	E(A)31/491	100% Not Yet Approved
	E(A)31/492	100% Not Yet Approved
Marymia	E(A)52/1433	100% Not Yet Approved
	E(A)52/1434	100% Not Yet Approved
Midway	E(A)53/835	100% Not Yet Approved
	E(A)53/836	100% Not Yet Approved
Millrose	E(A)53/904	100% Not Yet Approved
	E53/600	47.5% Mines & Resources Aust Pty Ltd 52.5%
	M(A)53/788	47.5% Mines & Resources Aust Pty Ltd 52.5% Not Yet Approved
	M(A)53/882	47.5% Mines & Resources Aust Pty Ltd 52.5% Not Yet Approved
	M(A)53/883	47.5% Mines & Resources Aust Pty Ltd 52.5% Not Yet Approved
	M(A)53/884	47.5% Mines & Resources Aust Pty Ltd 52.5% Not Yet Approved
	M(A)53/885	47.5% Mines & Resources Aust Pty Ltd 52.5% Not Yet Approved
M(A)53/886	47.5% Mines & Resources Aust Pty Ltd 52.5% Not Yet Approved	
Mt Barnicoat	M(A)38/406	80% BD Richardson 20% Not Yet Approved
	M(A)38/713	80% BD Richardson 20% Not Yet Approved
	M(A)38/714	80% BD Richardson 20% Not Yet Approved
	M(A)38/715	80% BD Richardson 20% Not Yet Approved
West Yandal	E36/404	49% Newmont 51% (right to earn up to 80%)

# DIRECTORS' REPORT

## DIRECTORS' REPORT

The Directors present their report on the results of the Company for the year ended 30 June 2002 and the state of affairs at that date.

### DIRECTORS

The names of the Directors in office at the date of this report are:

Mr Gary James Roper

Mr Leith Beal

Mr David Ian Chalmers

### PRINCIPAL ACTIVITY

The principal activities of the Company in the course of the year were the acquisition of mineral tenements, mineral exploration and investment.

### OPERATING RESULTS

The net loss of the Company for the year, after income tax was \$624,758 [2001: \$2,216,768]

### DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends.

### REVIEW OF OPERATIONS

A review of the operations of the Company for the year together with future prospects which form part of this report are set out on pages 4 to 7.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to the financial year ended 30 June, 2002.

Subsequent to the end of the financial year, the company issued 1,824,329 fully paid shares at an issue price of 30 cents raising \$550,000 pursuant to the Share Purchase Plan dated 20 August 2002.

The financial effect of this capital raising has not been brought to account.

### LIKELY DEVELOPMENTS

The Company intends to continue its exploration programme on its existing tenements, and to acquire further suitable tenements for exploration.

### MEETINGS OF DIRECTORS

During the financial year, 6 meetings of directors were held. The number of meetings attended by each director during the year is as follows:

Mr Gary James Roper	6
Mr Leith Beal	6
Mr David Ian Chalmers	6

# DIRECTORS' QUALIFICATIONS AND EXPERIENCE

## DIRECTORS' QUALIFICATIONS

### ROPER, GARY JAMES

*(Executive Managing Director)*

Mr Roper has had extensive administrative experience in both government and commerce, principally in the areas of tenement management and co-ordination of exploration staff and programmes. He was a founding Director of AuDAX and has been Managing Director since 1987.

### BEAL, LEITH

*(Non-Executive Director)*

Mr Beal is a Mining Tenement Consultant with many years experience in the mining industry. He spent 12 years with the Western Australia Department of Mineral and Petroleum Resources and has been an independent tenement management consultant for various companies.

### CHALMERS, DAVID IAN

MSc, FAusIMM, FIMM, FSEG, FAIG, FAICD, MGSA  
*(Non-Executive Director)*

Mr Chalmers is a geologist with a Master of Science degree. He has worked in the mining and exploration industry for over 32 years, many with international corporations, during which time he has had experience in all facets of exploration from grass roots through feasibility and development up to the production phase. He is currently a principal of Multi Metal Consultants Pty Ltd and is a director of Alkane Exploration Ltd.

### AUDIT COMMITTEE

No audit committee has been established due to the small size of the Company, the number of Directors, and the fact that the auditor has full access to the Board throughout the year.

### ENVIRONMENTAL ISSUES

The Company would be subject to performance bonds for the rehabilitation of a mining tenement. These performance bonds

are required by the Department of Mineral and Petroleum Resources to cover environmental regulation rehabilitation.

### DIRECTORS' INTERESTS AND BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or received as the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than:

- a) consulting fees paid to Runyon Pty Ltd, an entity of which Mr Leith Beal is a director and shareholder; and
- b) consulting fees and disbursements paid to Multi Metal Consultants Pty Ltd of which Mr Ian Chalmers is a director and shareholder.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in the Company's accounts, prepared in accordance with the Corporations Regulations, or the fixed salary of a full-time employee.

### SHARE OPTIONS

During the financial year 186,666 shares were issued at 15 cents each with one free attaching option for every 2 shares exercisable at 30 cents each on or before 31 December 2003.

Options issued during the financial year:

3,033,333 Options exercisable at 30 cents each on or before 31 December 2003

# DIRECTORS' QUALIFICATIONS AND EXPERIENCE

## DIRECTORS' QUALIFICATIONS

### DIRECTORS' AND EXECUTIVES' EMOLUMENTS

The Board decides on remuneration policies and practices generally.

Executive remuneration and other terms of employment are reviewed annually by the Directors having regard to performance against goals set at the start of the year, and take into account relevant comparative information. As well as a base salary, remuneration packages include superannuation, retirement and termination entitlements, performance-related bonuses and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the consolidated entity's diverse operations.

Remuneration of non-executive Directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Non-executive Directors are also entitled to retirement benefits in accordance with a shareholder-approved scheme.

Details of the nature and amount of each element of each Director and each of the officers of the company receiving the highest emoluments are set out in the following tables.

# DIRECTORS' QUALIFICATIONS AND EXPERIENCE

## DIRECTORS' QUALIFICATIONS

### EXECUTIVE DIRECTOR OF AUDAX RESOURCES LTD

Name	Director's Base Salary	Consulting Fee	Superannuation	Total
	\$	\$	\$	\$
Gary Roper	130,000	-	10,400	140,400

### NON-EXECUTIVE DIRECTORS OF AUDAX RESOURCES LTD

Name	Director's Base Fee	Fees for Services	Superannuation	Total
	\$	\$	\$	\$
Leith Beal	19,500	73,661	1,365	94,526
Ian Chalmers	19,500	4,918	1,365	25,783

### OTHER EXECUTIVES OF AUDAX RESOURCES LTD

Name	Base Salary		Superannuation	Total
	\$	\$	\$	\$
Peter Ironside (Company Secretary)	19,800		-	19,800

There are no other executives of AuDAX Resources Ltd.

There are no options issued as part of the remuneration of directors of AuDAX Resources Ltd.



# DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

AS AT THE DATE OF THIS REPORT

Name of Director	Shares Held Directly	Shares Held Indirectly	Options Held Directly	Options Held Indirectly
Gary James Roper	1,775,390		2,375,195	
Leith Beal	2,062,302	2,108,500	2,671,150	1,054,250
David Ian Chalmers			87,334	1,038,667

Signed at Perth in accordance with a resolution of Directors.



Director



Director

Dated this 27th day of September 2002

# DIRECTORS' DECLARATION

In the opinion of the Directors of AuDAX Resources Ltd:

- (a) the financial statements and notes, set out on the following pages are in accordance with the Corporations Act 2001 including:
- i. giving a true and fair view of the financial position of the Company as at 30 June 2002 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date, and
  - ii complying with Accounting Standards, other mandatory professional reporting requirements and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Perth in accordance with a resolution of the Directors:



*G. Roper*  
Director

Dated this 27th day of September 2002

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE, 2002

	NOTES	2002 \$	2001 \$
<b>CURRENT ASSETS</b>			
Cash assets		35,635	10,651
Receivables	4	2,118	134,110
Other financial assets	5	210,938	388,789
Other	6	–	369,774
<b>TOTAL CURRENT ASSETS</b>		<u>248,691</u>	<u>903,324</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	7	106,388	119,108
Deferred exploration and Evaluation costs	8	4,067,618	3,822,145
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,174,006</u>	<u>3,941,253</u>
<b>TOTAL ASSETS</b>		<u>4,422,697</u>	<u>4,844,577</u>
<b>CURRENT LIABILITIES</b>			
Payables	9	48,224	38,717
Provisions	10	6,540	5,769
<b>TOTAL CURRENT LIABILITIES</b>		<u>54,764</u>	<u>44,486</u>
<b>TOTAL LIABILITIES</b>		<u>54,764</u>	<u>44,486</u>
<b>NET ASSETS</b>		<u>4,367,933</u>	<u>4,800,091</u>
<b>EQUITY</b>			
Contributed equity	2	16,038,717	15,846,117
Reserves	3	3,165,542	3,165,542
Accumulated losses	15	(14,836,326)	(14,211,568)
<b>TOTAL EQUITY</b>		<u>4,367,933</u>	<u>4,800,091</u>

The accompanying notes form part of these accounts.

# STATEMENT OF FINANCIAL PERFORMANCE

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE, 2002

	NOTES	2002 \$	2001 \$
Revenue from ordinary activities	11	69,285	206,723
Audit fees		(11,000)	(4,000)
Bad debt		(93,000)	–
Consultants fees		(20,049)	(27,928)
Depreciation expense		(12,708)	(29,808)
Employee expenses		(264,374)	(152,366)
Exploration written-off		–	–
Diminution in investments		(44,577)	(2,011,092)
Legal fees		(19,244)	(4,035)
Motor vehicle costs		(22,292)	(26,028)
Office maintenance costs		(21,092)	(17,445)
Public relations		(12,318)	(1,036)
Stock exchange and registry fees		(39,137)	(19,024)
Other expenses from ordinary activities		(131,252)	(130,729)
<hr/>			
(Loss) from ordinary activities before income tax expense	12	(624,758)	(2,216,768)
Income tax expense	13	–	–
<hr/>			
Net (Loss) attributable to members of AuDAX Resources Ltd		(624,758)	(2,216,768)
<hr/>			
Earnings per share - basic	14	–	–
<hr/>			

The accompanying notes form part of these accounts.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE, 2002

		Inflow/ (Outflow) 2002 \$	Inflow/ (Outflow) 2001 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Payments to suppliers & employees		(543,555)	(382,594)
Interest received		7,211	38,542
Rental income		3,660	4,440
Dividends received		546	2,150
Net cash provided (utilised) by operating activities	23(b)	<u>(532,138)</u>	<u>(337,462)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for investments		–	(1,003,294)
Payment for exploration and evaluation		(245,473)	(144,061)
Proceeds from sale of investments		243,941	392,078
		<u>(1,532)</u>	<u>(755,277)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares and options		188,880	509,803
Loans repaid		–	–
		<u>188,880</u>	<u>509,803</u>
Net increase in Cash held		(344,790)	(582,936)
Cash at 1 July 2001		<u>380,425</u>	<u>963,361</u>
Cash at 30 June 2002	23(a)	<u><u>35,635</u></u>	<u><u>380,425</u></u>

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

### NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

This financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Corporations Law.

It has been prepared on the basis of historical costs, and except where stated, does not take into account changing money values or current valuation of non-current assets. The following specific accounting policies have been consistently applied, unless otherwise stated.

#### A. INCOME TAX

The Company adopts the liability method of tax effect accounting whereby the income tax expense shown in the statement of financial performance is based on the operating profit before tax, adjusted for permanent differences. Timing differences which arise due to the different accounting years in which items of revenue and expense are included in the determination of operating profit and taxable income are brought to account as either provision for deferred income tax or an asset described as future income tax benefit. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law to permit a future income tax benefit to be obtained.

#### B. EXPLORATION EXPENSES

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. Such costs are carried forward where they are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or where activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

The ultimate recoupment of costs related to areas of interest in the exploration and/or evaluation phase is dependent on the successful development and commercial exploitation or sale of the relevant areas. A provision is charged to the statement of financial performance until the expenditure results in the development of a mining operation. Costs related to areas of interest in the development stage are amortised upon the commencement of production.

Each area of interest is reviewed annually to determine whether costs should continue to be carried forward in respect of that area of interest. Where it is decided to abandon an area of interest, costs carried forward in respect of that area are written off in full in the year in which the decision is taken. Otherwise, such costs are amortised over the life of the area of interest

# NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

based on the rate of depletion of the economically recoverable reserves. Provision for the cost of restoration of sites is made at the various relevant stages and included in the cost of that stage.

## C. PROPERTY, PLANT & EQUIPMENT

These are included at cost. Buildings, plant and equipment are depreciated using the straight line method over their estimated useful life commencing from the time the asset is first used or held ready for use. The depreciation rates used for each class of asset are as follows:

Buildings	5%
Plant & Equipment	22.5%

## D. JOINT VENTURES

The Company's interest in joint ventures is brought to account by including the appropriate proportions of the relevant assets, liabilities and costs of the joint venture into the respective categories in the accounts of the Company.

## E. MARKETABLE SECURITIES

Shares in listed companies held as current assets are valued at market value at balance date. The gains or losses, whether realised or unrealised, are included in operating profit before income tax.

## F. MINERAL TENEMENTS

The Company's activities in the mining industry are subject to regulations and approvals including mining heritage, environmental regulation, the implications of the High Court of Australia decision in what is known generally as the "Mabo" case and any State or Federal legislation regarding native and mining titles. Approvals, although granted in most cases, are discretionary. The question of native title has yet to be determined and could effect any mining title area whether granted by the State or not.

## G. EMPLOYEE BENEFITS

Provision is made in respect of the Company's liability for annual leave at balance date.

## NOTE 2 - CONTRIBUTED EQUITY

	2002	2001
	\$	\$
A. ISSUED CAPITAL		
57,592,442 ordinary shares fully paid		
(2001 - 56,651,176 ordinary shares of 25 cents)	16,038,717	15,846,117

During the year 186,666 ordinary shares were issued at 15 cents, in consideration for consulting services.

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

### B. SHARE OPTIONS

As of 30 June, there were 34,507,792 options outstanding as follows:

- i 33,207,792 options exercisable at 30 cents each until 31 December 2003
- ii 300,000 options exercisable at 35 cents each until 31 December 2003
- iii 1,000,000 options exercisable at 25 cents each until 14 November 2002

### C. ORDINARY SHARES - TERMS AND CONDITIONS

Ordinary Shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

### NOTE 3 - RESERVES

	2002	2001
	\$	\$
Option Premium	2,915,542	2,915,542
Asset Revaluation	250,000	250,000
	<u>3,165,542</u>	<u>3,165,542</u>

#### A. OPTION PREMIUM

The option premium reserve includes premiums on the exercise of options into fully paid shares.

#### B. ASSET REVALUATION

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non current assets measured at fair value in accordance with AASB 1041.

### NOTE 4 - CURRENT ASSETS - RECEIVABLES

Trade Debtors	–	121,062
GST receivable	2,118	13,048
	<u>2,118</u>	<u>134,110</u>

### NOTE 5 - CURRENT ASSETS - OTHER FINANCIAL ASSETS

Shares in Corporations listed on a prescribed stock exchange at market value	<u>210,938</u>	<u>388,789</u>
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# NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

## NOTE 6 - CURRENT ASSETS - OTHER

	2002	2001
	\$	\$
Short Term Deposits	—	369,774

## NOTE 7 - PROPERTY, PLANT & EQUIPMENT

Land & buildings - at cost	251,517	251,517
Less: Accumulated depreciation	(145,129)	(132,553)
	<u>106,388</u>	<u>118,964</u>
Equipment and motor vehicles - at cost	407,245	407,245
Less: Accumulated depreciation	(407,245)	(407,101)
	<u>—</u>	<u>144</u>
Total property, plant & equipment	<u>106,388</u>	<u>119,108</u>

## NOTE 8 - DEFERRED EXPLORATION AND EVALUATION COSTS

Exploration & evaluation expenditure costs carried forward in respect of areas of interest	<u>4,067,618</u>	<u>3,822,145</u>
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During the year ended 30 June 2002 the Directors reviewed the valuation of the Company's interests in mining tenements to reflect the future exploration and income potential of the areas.

## NOTE 9 - CURRENT LIABILITIES - PAYABLES

Trade creditors	<u>48,224</u>	<u>38,717</u>
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## NOTE 10 - CURRENT LIABILITIES - PROVISIONS

Employee entitlements	<u>6,540</u>	<u>5,769</u>
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## NOTE 11 - OPERATING REVENUE

Interest received - other persons	7,211	38,542
Dividends received	546	2,150
Profit on sale of shares	57,868	161,591
Other revenues from ordinary activities	3,660	4,440
	<u>69,285</u>	<u>206,723</u>

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

### NOTE 12 - OPERATING LOSS

The Operating Loss from ordinary activities has been determined after including as charges:

Auditors' remuneration

- auditing the accounts
- other services

(the auditors received no other benefits)

Provision for employee entitlements

	2002	2001
	\$	\$
	12,000	12,000
	-	-
	771	(7,307)

### NOTE 13 - INCOME TAX EXPENSE

Estimated future income tax benefits attributable to tax losses and timing differences available to be carried forward amount to \$6,094,676 (2001: \$5,907,249).

This benefit which has not been brought to account, will only be obtained if the Company:

- a. derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- b. continues to comply with the conditions for deductibility imposed by the law; and
- c. there are no changes in the tax legislation affecting the Company in realising the benefit.

### NOTE 14 - EARNINGS PER SHARE

Basic earnings per share (cents per share)

Nil

Nil

Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

57,592,442

56,651,176

The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of the options would result in a decrease in the net loss per share.

### NOTE 15 - ACCUMULATED LOSSES

Accumulated Losses at the beginning of the year

(14,211,568) (11,994,800)

Net Loss for the year

(624,758) (2,216,768)

Accumulated Losses at the end of the year

(14,836,326) (14,211,568)

### NOTE 16 - CAPITAL COMMITMENTS

In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the WA State Government. The estimated exploration and joint venture expenditure commitments for the ensuing year amount to \$150,000 (2001: \$150,000). This expenditure will only be incurred should the Company retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted.

# NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

The Company has potential commitments in accordance with the acquisition agreement for EL53/600 as follows:

- payment of \$500,000 and the issue of 5 million shares (credited as fully paid) on the tenement being found to contain at least 400,000 proven ounces of gold; and
- payment of \$1 million and the issue of 5 million shares (credited as fully paid) on the tenement being found to contain at least 600,000 proven ounces of gold.

## NOTE 17 - SEGMENT INFORMATION

The Company derives income from investments and the exploration and exploitation of mining tenements predominantly in Western Australia.

## NOTE 18 - INTEREST IN JOINT VENTURES

	2002	2001
Joint Venture:	%	%
i) Millrose	47.5	47.5
ii) Dulcie	20	20
iii) Eucalyptus	50	50
iv) West Yandal	49	49

- i) AuDAX is diluting its interest.
- ii) AuDAX is contributing to maintain its 20% interest.
- iii) Equally contributing Joint Venture with Enterprise Gold Mines NL.
- iv) AuDAX is diluting its interest

The Joint Ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit.

## NOTE 19 - REMUNERATION OF DIRECTORS

Directors' income paid or payable or otherwise made available to Directors of the Company

179,400	169,000
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Number of Directors whose remuneration was within the following bands:

\$10,000 – \$19,999	2	2
\$140,000 – \$149,999	1	1

## NOTE 20 - EXECUTIVES' REMUNERATION

Total income received, or due and receivable by Executives of the Company

\$140,000	130,000
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Number of Executives whose remuneration was within the following bands:

\$140,000 – \$149,999	1	1
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# NOTES TO AND FORMING PART OF THE ACCOUNTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

### NOTE 21 - RELATED PARTY TRANSACTIONS

Mr Beal is a director and shareholder of Runyon Pty Ltd a company that was paid \$73,661 (2001 \$80,800) for tenement consulting services in the normal course of business at commercial rates.

Mr Chalmers is a director and shareholder of Multi Metal Consultants Pty Ltd a company that was paid \$4,918 (2001 \$4,046) for geological consulting services in the normal course of business at commercial rates.

#### **Bronzewing South E(A)36/215**

The Company has entered into an option agreement dated 4 March, 1994 with Mr Beal, a Director of the Company, to acquire 80% of Exploration Licence 36/215. The Company may exercise the option within 12 months after the date of grant of the tenement or such further time as the parties may agree. The exercise price will be satisfied by the allotment and issue of a further 10,000,000 ordinary fully paid 25 cent shares.

#### **Millrose E53/600**

Mr Beal has an interest in Exploration Licence 53/600. Further details relating to this Joint Venture are detailed in Note 16.

### DIRECTORS' AND DIRECTOR RELATED ENTITIES' SHAREHOLDINGS

The interests of Directors and their Director related entities in shares and share options at year end are as follows:

	2002	2001
Ordinary shares	6,033,526	6,158,526
Options over ordinary shares	7,139,262	2,500,000

### NOTE 22 - FINANCIAL INSTRUMENTS

#### **Significant Accounting Policies**

Details of significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the accounts.

#### **Interest Rate Risk**

The following table details the Company's exposure to interest rate risk as at the reporting date:

2002	Average Interest Rate	Variable Interest Rate	Fixed Interest Rate Maturity	Non-interest Bearing	Total
	%	1 Year	Less than 1 year		
		\$	\$	\$	\$
Cash		35,435			35,435
Receivables				2,118	2,118
Accounts Payable				48,224	48,224

# NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

## **Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair basis.

The Company does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

## **Net Fair Value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the accounts.

# NOTES TO AND FORMING PART OF THE ACCOUNTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2002

### NOTE 23 - NOTES TO THE STATEMENT OF CASH FLOWS

#### (A) RECONCILIATION OF CASH

For the purposes of this Statement of Cash Flows, cash includes:

Cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts and investments in money market instruments.

Cash at the end of the year is shown in the balance sheet as:

	2002	2001
	\$	\$
Cash on Hand	200	200
Cash at Bank	35,435	10,451
Cash on Deposit	–	369,774
	<u>35,635</u>	<u>380,425</u>

#### (B) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING PROFIT(LOSS) AFTER INCOME TAX

Operating profit (loss) after income tax	(624,758)	(2,216,768)
Non cash flows in operating profit(loss)		
Depreciation	12,708	29,808
Movements in provisions	771	(7,307)
Diminution in value of shares	44,577	2,001,092
Exploration writedown		–
Profit on sale of shares	(57,868)	(161,592)
Other	93,466	–
Decrease (Increase) in receivables	(10,541)	(5,187)
(Decrease) Increase in accounts payable	9,507	22,492
Net cash provided (utilised) by operating activities	<u>(532,138)</u>	<u>(337,462)</u>

# ROTHSAY

Level 12, 220 George St, Sydney NSW 2000 G.P.O Box 2759, Sydney NSW 1043  
Phone 8274 3183 Facsimile 9247 2444 E-mail swan2000@bigpond.com.au

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AuDAX RESOURCES LTD ACN 009 058 646

### SCOPE

We have audited the accompanying financial report of AuDAX Resources Ltd, for the year ended 30 June 2002, consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes and the directors' declaration. The Company's Directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with accounting standards and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### AUDIT OPINION

In our opinion, the financial statements of AuDAX Resources Ltd, is in accordance with:

- a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2002 and its performance for the year ended on that date; and
  - ii) complying with Accounting Standards and the Corporations Regulations; and
- b) other mandatory professional reporting requirements.



ROTHSAY



GRAHAM R. SWAN

Dated this 27th day of September 2002



Chartered Accountants

Liability limited by the Accountants Scheme, approved  
under the Professional Standards Act 1994 (NSW).

# SHAREHOLDER INFORMATION

## SHAREHOLDER INFORMATION

Pursuant of the Listing Rules of Australian Stock Exchange Limited as at 30 September 2002 the following information is provided.

(a) Substantial Shareholders

Shareholder	Shareholding
Saltbush Nominees Pty Ltd	2,300,000
Runyon Pty Ltd	2,108,500
Mr Leith Beal	2,000,277
Mr Wayne Jones	1,687,500

(b) Shareholder Distribution Schedule

1 – 1000	113
1001 – 5000	587
5001 – 10000	436
10001 and over	791
Total	<u>1,927</u>

There are 142 shareholders who hold less than a marketable parcel of 2000 ordinary shares.

(c) Voting Rights

- (i) at meetings of members entitled to vote each member may vote in person or by proxy or attorney, or in the case of a member which is a body corporate, by representative duly appointed under section 250D;
- (ii) on a show of hands every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote;
- (iii) on a poll every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is the holder and in the case of contributing shares, until fully paid, shall have voting rights pro rata to the amount paid up or credited as paid up on each such share: and
- (iv) a member shall not be entitled to vote at general meeting or be reckoned in a quorum in respect of any shares upon which any call or other sum presently payable by him is unpaid.



# SHAREHOLDER INFORMATION

## SHAREHOLDER INFORMATION

Shareholder Information as at 30 September 2002

(d) The names of the twenty largest holders of quoted equity securities are listed below:

Name	Number Held	Percentage of issued shares
1. Saltbush Nominees Pty Ltd	2,300,000	3.87
2. Runyon Pty Ltd	2,108,500	3.55
3. Mr Leith Beal	2,000,277	3.36
4. Mr Wayne Jones	1,687,500	2.84
5. Mr Gary J. Roper	1,687,365	2.83
6. HSBC Custody Nominees	1,567,000	2.64
7. Mr Lewis A. & Mrs Janet A. Draper	1,000,000	1.70
8. Wogeboy Pty Ltd	531,001	.90
9. Mr Matthew J. Clohessy	532,000	.89
10. Belmark Investments Pty Ltd	500,000	.86
11. Jeam Pty Ltd	500,000	.86
12. Ship Agencies Australia Pty Ltd	500,000	.86
13. Barley Holdings Pty Ltd	500,000	.84
14. Mr Laurence J. Gelmi	500,000	.84
15. FH Nominees Pty Ltd	471,048	.84
16. Mr David H. Webster	455,000	.78
17. Mrs Elizabeth A. Howard	450,000	.77
18. Mr David E. Thompson	400,000	.69
19. Natnina Pty Ltd	390,000	.66
20. Lorenz Investments Pty Ltd	378,000	.65
<b>Total</b>	<b>18,457,691</b>	

The twenty largest Shareholders hold 31.23% of the total shares issued.

(e) Employee Option Scheme - 300,000 exercisable at 35 cents each until 31 December 2003

1. Peter Ironside	200,000
2. Wendy Donegan	100,000

(f) Employee Option Scheme - 300,000 exercisable at 30 cents each until 31 December 2003

1. Peter Ironside	200,000
2. Wendy Donegan	100,000