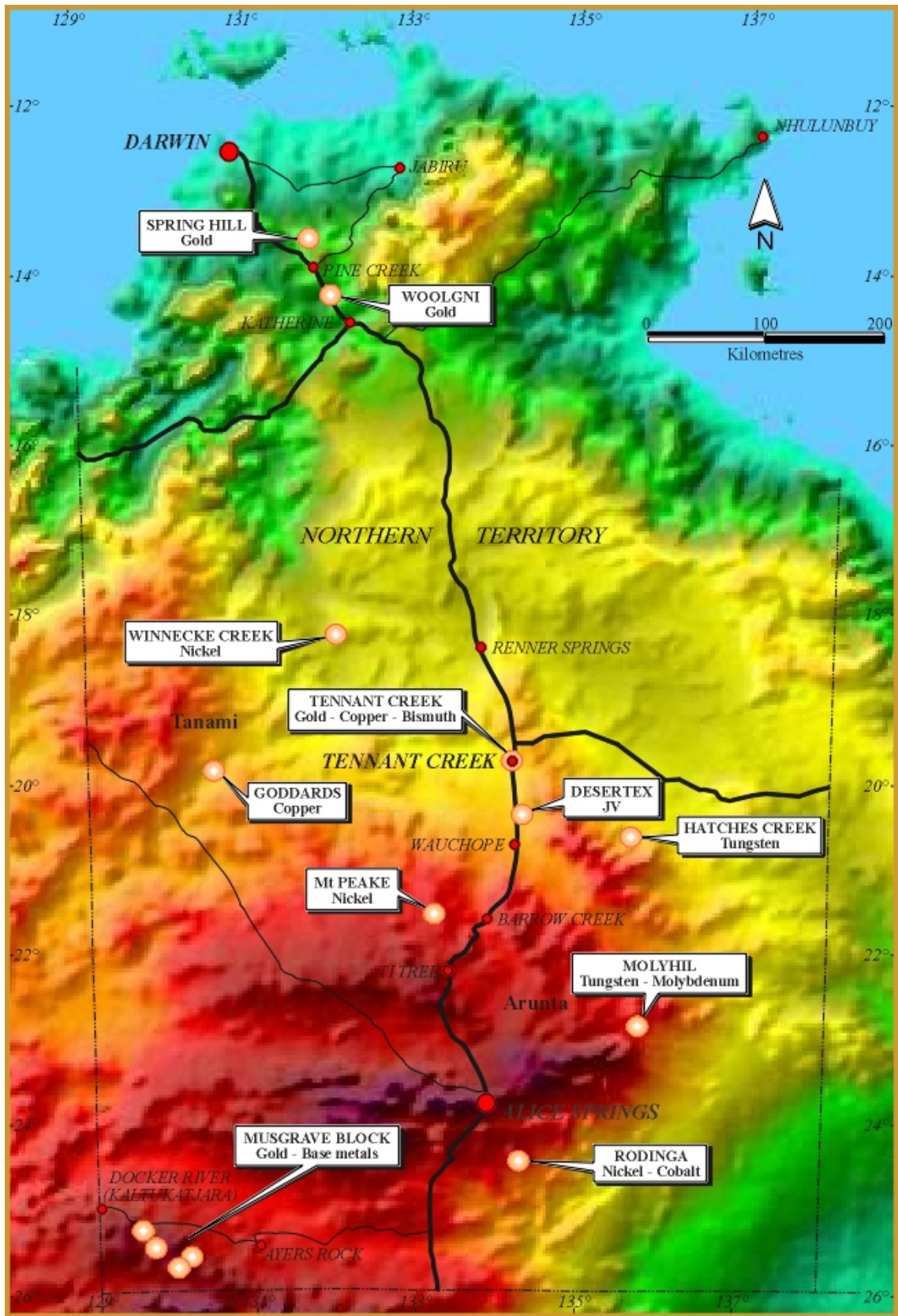




**Tennant Creek**  
GOLD LIMITED

**ABN 12 000 817 023**

**ANNUAL REPORT 2004**



Northern Territory Project locations

## Corporate Particulars

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### **DIRECTORS**

John W Barr (Chairman)  
Neil Biddle (Managing Director)  
Michael Bowen (Non-Executive Director)  
Terence Smith (Non-Executive Director)

### **COMPANY SECRETARY**

Christopher Bath

### **REGISTERED OFFICE**

Level 3, 30 Richardson Street  
West Perth Western Australia 6005

PO Box 1176  
West Perth Western Australia 6872

Telephone: (08) 9327 0900  
Facsimile: (08) 9327 0901  
Website: [www.tennantcreekgold.com.au](http://www.tennantcreekgold.com.au)  
Email: [corporate@tennantcreekgold.com.au](mailto:corporate@tennantcreekgold.com.au)

### **SHARE REGISTRY**

Computershare Investor Services Pty Limited  
Level 2  
45 St George's Terrace  
Perth Western Australia 6000

Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

### **AUDITORS**

KPMG

### **AUSTRALIAN STOCK EXCHANGE**

ASX Code:

Shares TNG

**OVERVIEW**

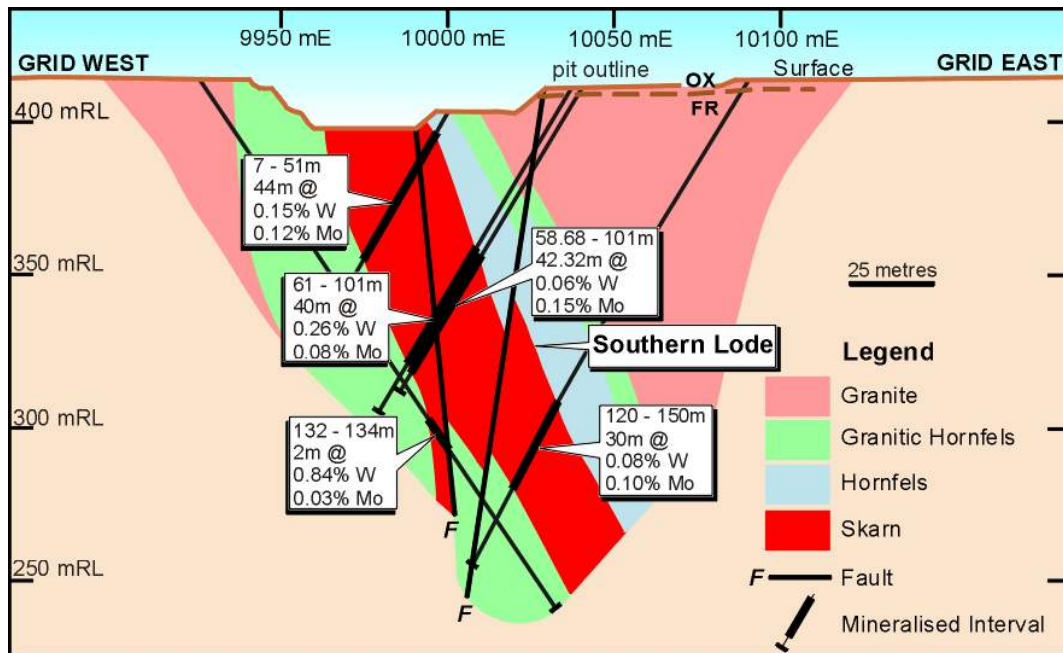
**1. Molyhil Project**

**Location and history**

Molyhil is located 220 kilometres north-east of Alice Springs within the prospective polymetallic province of the Proterozoic Eastern Arunta Block NT.

The granted exploration licence covers in excess of 820 square km. The most advanced area lies within the mining lease application (MLA23825) where extensive exploration activities were focused during the year.

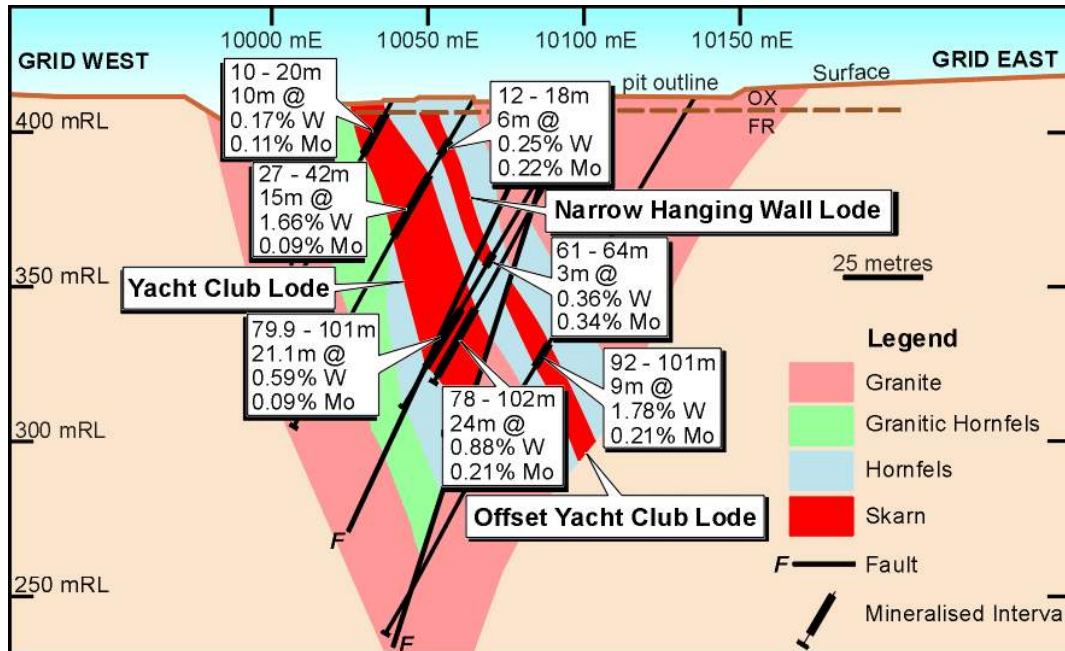
The Molyhil Scheelite-Molybdenite deposit has been the focal point of historical exploration within the licence area. Exploration conducted by the Mines Branch in 1976/77 led to the discovery of the Southern orebody which resulted in Petrocarb NL acquiring the project in 1978. Petrocarb conducted exploration and mining activities until 1982. Mining operations were suspended in 1982 due to the collapse of the tungsten price. Very little subsequent work has been undertaken until Tennant Creek Gold began its exploration programme in June 2004.



**Southern Lode Cross Section 19995**

**Local Geology and Mineralisation**

The Molyhil deposit lies within a magnetite-rich skarn (10-40m wide) with associated calc-silicate hornfels and granitic intrusives. Shearing, faulting, and folding are all present within the pit. The sequence strikes north and dips to the east and plunges south at about 70°. The deposit comprises two distinct lodes called the “Southern” and “Yacht Club” lodes. The aerial extent of both lodes is approximately 160m x 100m. Continental Resource Management have estimated an inferred resource of 900,000 tonnes at 0.4% Scheelite and 0.25% molybdenite to a depth of about 110m. This estimate is based on Petrocarb’s 1977-1981 diamond and percussion drilling. Petrocarb’s resource/reserve estimates contained much higher grades and were based on statistical evidence from mined head grades which substantially exceeded drill indicated grades.



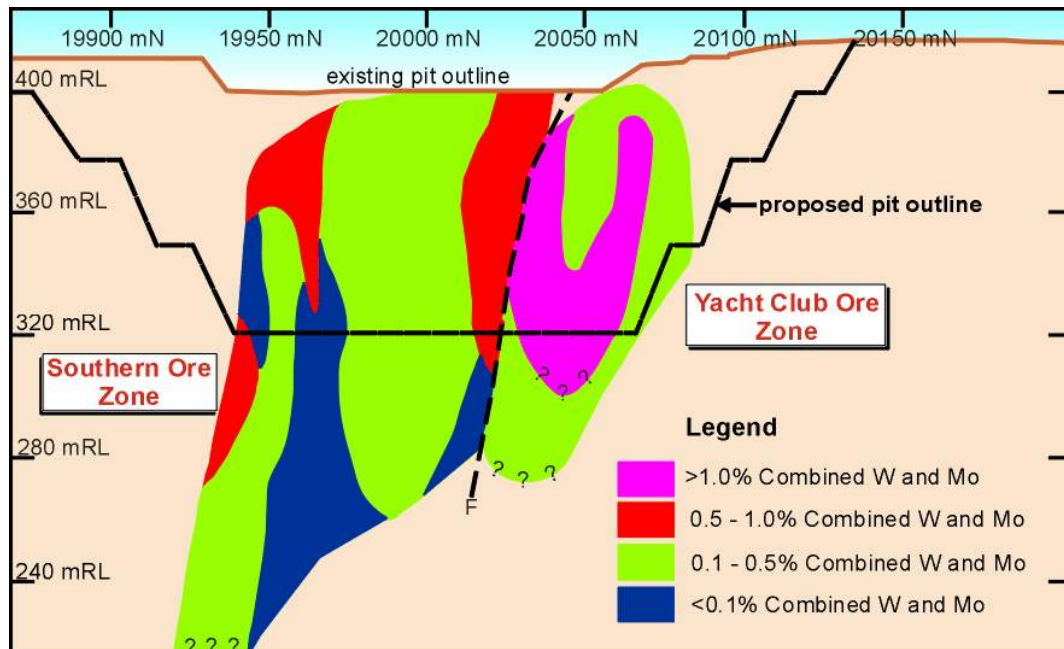
Yacht Club - Cross Section 20055

**Exploration-development Programme**

During June and July 2004, Tennant Creek Gold completed a detailed RC and diamond drill programme over the Molyhil deposit in conjunction with an aeromagnetic survey and metallurgical and engineering studies.

Excellent down-hole molybdenum and tungsten grades are often seen in magnetite-rich hornfels or skarn, and commonly along skarn-granite or skarn-hornfels contact zones.

Improvements in interpretation, better sampling, and improved drilling techniques have resulted in the development by Tennant Creek Gold of a more reliable geological model than previously generated by Petrocarb.



Southern & Yacht Club- Long Section

Initial metallurgy and geotechnical studies are well advanced with reports due in October. Plans are underway to extract 10-20 tonne of mineralised skarn for metallurgical assessment to be run concurrently with smaller scale test work. Once all the assays have been received, resource calculations and pit optimisation studies will be completed.

Discussions have commenced with potential buyers of Tungsten and Molybdenum concentrates and strong expressions of interest have been received from four parties including major smelting groups from the USA and China.

The present high prices for Molybdenum and Tungsten have resulted from a global deficit for both metals with stockpiles depleted and current mining production levels struggling to meet demand, a situation which many analysts are predicting may last for several years.

### **Molyhil Exploration Potential**

Drilling to date has intersected high grade mineralisation below the limits of open pit mining within both the Yacht Club and Southern lodes, and indicates excellent potential for future underground mining.

Geophysical modeling suggests the magnetite rich Molyhil lodes extend to over 400m depth. Numerous other magnetic and rock chip anomalies lie within the EL, in particular additional work will soon commence on aeromagnetic anomalies at Thring Creek (potential magnetic skarn) and Black Ridge prospect.

### **About Molybdenum**

Molybdenum is a metallic element which is most frequently used as an alloying element in stainless steels and various alloys. Its alloying versatility is unmatched because its addition enhances strength, harden-ability, weld-ability, toughness and elevated temperature strength and corrosion resistance. Although Molybdenum is primarily used in steels, its complex and unique properties have proved invaluable in a constantly expanding range of other alloy systems and chemicals. One of the unique features of Molybdenum, as distinct from other heavy metals, is that laboratory tests have shown its compounds to be of low toxicity.

Global production of Molybdenum in 2003 totaled approximately 127,000 tonnes. The three main producing countries are USA (29%), Chile (25%), and China (22%).

### **About Tungsten**

Tungsten is a most distinctive metal with some extreme physical properties:

- It is the hardest of all metals
- The strongest of all metals
- Highest melting point of all metals and the second highest of all elements
- Extremely heavy: SG 19
- High resistance to corrosion
- Environmentally friendly very low toxicity
- High thermal and electrical conducting

Tungsten has a wide range of industrial uses. The largest use is as Tungsten carbide in cemented carbides. Cemented carbides (also called hardmetals) are wear-resistant materials used by the metalworking, mining and construction industries. Cemented carbides account for about 60% of consumption for Tungsten and are, therefore, the main driving factor behind Tungsten demand.

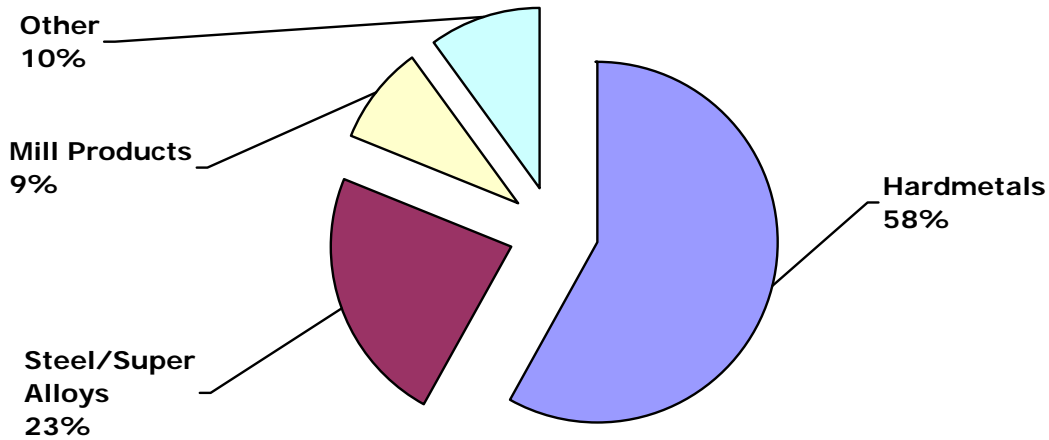
Tungsten is used to make tool steels, wear-resistant alloy parts and coatings, super alloys for turbine blades, and heavy metal alloys for armaments, heat sinks, and high-density applications, such as weights and counterweights. The steels and alloying sector represents almost 25% of global Tungsten consumption.

Tungsten metal wires, electrodes, and/or contacts are used in lighting, electronic, electrical, heating and welding applications. Collectively, these are known as mill products, which are mainly used in the lamp industry and for electrical and electronic contacts, and represent about 8% of Tungsten consumption.

Chemical uses of Tungsten include catalysts, inorganic pigments, and high-temperature lubricants and other uses account for the remaining Tungsten end demand.

World consumption of Tungsten is currently approximately 47,000 tonnes per annum of which 80% is supplied by China.

## Tungsten Uses



### 2. Spring Hill/Woolgni:

Spring Hill is located approximately 200 kilometres south of Darwin and contains a JORC compliant Indicated Resource of 3.6 million tonnes @ 2.34 g/t Au for 274,000 oz's of contained gold.

Historically, high-grade lodes at Spring Hill were mined in the early part of the last century. More recently the tenements have been the subject of extensive exploration by Territory Resources NL, Billiton Australia ("Billiton"), and Ross Mining NL ("Ross Mining") for bulk tonnage-low grade gold deposits.

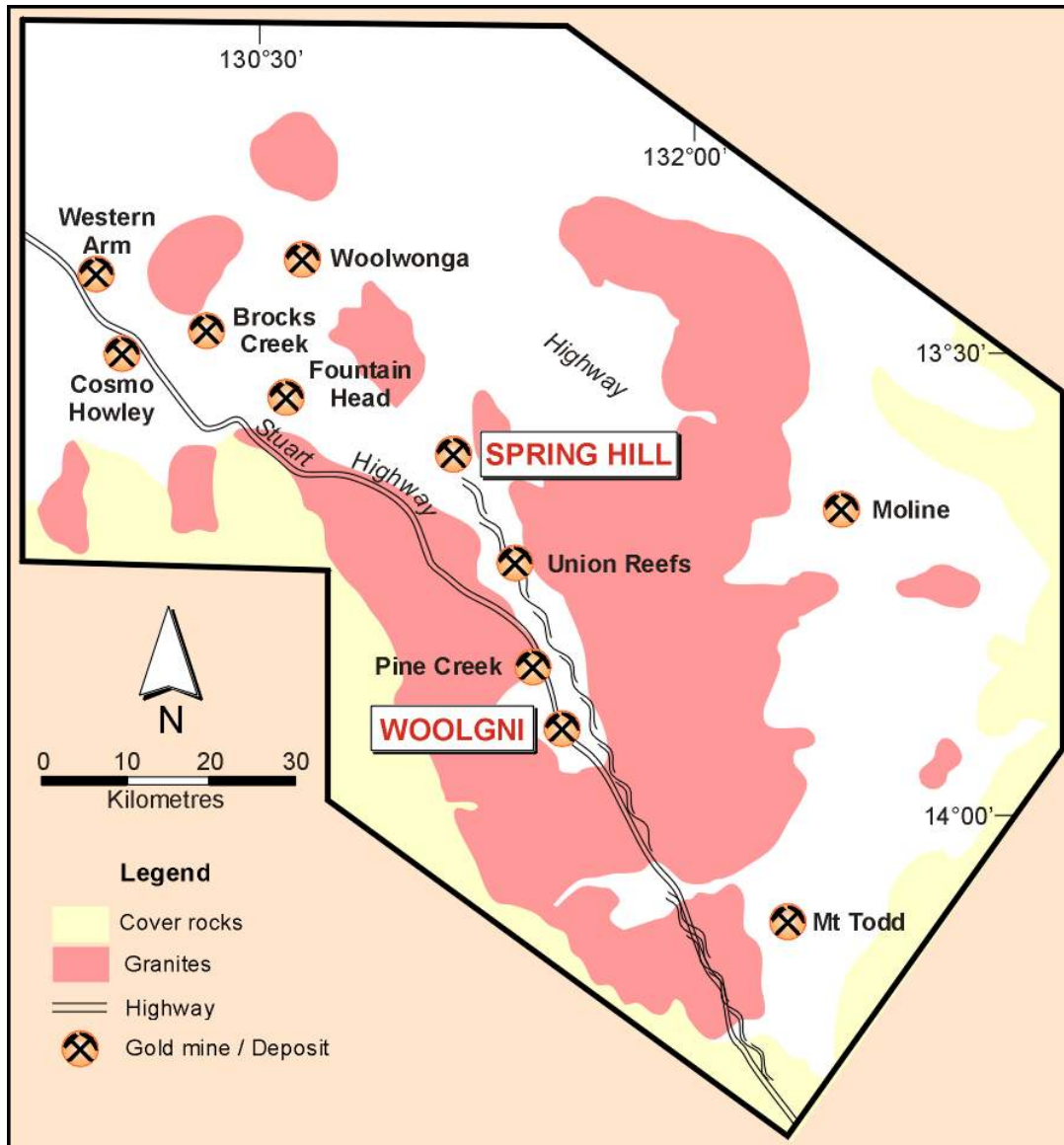
Additional previously published resources are non-JORC compliant however are indicative of the promising exploration potential to rapidly increase the resource base. Tennant Creek Gold plans to commence exploration shortly and is also reviewing several regional acquisition opportunities.

The Spring Hill Project is located in close proximity to the Union Reefs CIP treatment plant, which was recently purchased by Northern Gold Limited. Tennant Creek Gold is currently assessing the potential for toll treating Spring Hill ore at the Union Reefs CIP plant. The Project has the potential to be developed as a substantial regional gold producer.

The Woolgni Goldfield is located on the south bank of the Fergusson River 30 kilometres south of Pine Creek. Alluvial mining commenced in 1897 with numerous shafts, with hand picked ore averaging 30 oz's/tonne. Recorded production to 1905 was 3,840 oz's.

Exploration in the modern era commenced in 1981 with the Zappopan NL/Seventh State Mines NL JV with the farm in of Hilltop Enterprises in 1990. After extensive exploration which included drilling and costeaning, an inferred resource was calculated at 150,000 tonne averaging 2.7 g/t Au using a 1.0 g/t cut-off or 280,000 tonnes averaging 2.3 g/t, Au using a 0.5 g/t cut-off.

The Spring Hill and Woolgni Project contains several regional targets, which have been generated from regional geochemistry, airborne magnetics, structural interpretations and geological modelling. Focus of exploration will be concentrated on gold mineralisation along these highly prospective corridors.



**Spring Hill/Woolgni location map**

**3. Tennant Creek:**

Tennant Creek comprises the Rover and MacLaren Creek JVs and the Bonney Well Prospect which form part of the massive Desertex JV managed by Newmont Mining. Tennant Creek Gold has an 8% free carried to production interest in these projects which are located approximately 60 kilometres south of Tennant Creek.

Tennant Creek Gold also has a 100% interest in tenements covering magnetic bulls eye targets designated M18, M19 and M20, which are analogous to the nearby world class gold-gold/copper deposits of White Devil and Warrego.

**4. Hatches Creek:**

Hatches Creek is located approximately 100 kilometres south east of Tennant Creek. Review of historic data has outlined extensive tungsten, copper and gold workings within the Hatches Creek Field.

Three phases of mining occurred stimulated by an increased demand for tungsten i.e. 1913 to 1923, 1934 to 1944 and 1946 to 1957.

At the Pioneer Mine (largest working on the field) gold was found in both the wolframite (2.68 g/t Au) and copper enriched zones (3.42 g/t). The best gold assay was however from the Diamond Group of Wolfram workings 4 kilometres south of the Pioneer Mine (20.9 g/t gold).

Negotiations have been completed to allow granted tenure and access further exploration of the underground potential beneath the old workings. Hatches Creek may provide a supplementary tungsten source for the Molyhil Project.

### **5. Mount Peake:**

Mount Peake is located in the Arunta Province 80 kilometres north east of Alice Springs. Subject to a farm-in Agreement, Falconbridge may earn a 60% interest. Ultramafic intrusions are known in the area which may be the source of more than one discrete magnetic anomaly. Airborne EM and magnetic surveys have indicated possible ultramafic nickel targets.

### **6. Rodinga:**

Rodinga occurs in the Amadaeus Basin 140 kilometres south east of Alice Springs. Regional assay results from previous exploration present highly anomalous Ni-Co-Cu-Pb-Zn over the central and western side of the exploration license. Within the northern boundary lies an extremely large magnetic anomaly that remains untested.

### **7. Peterman's (Musgrave Block):**

The Peterman's tenements occupy approximately 5,000 square kilometres within a complex structural setting dominated by a major thrust fault zone. The exploration potential for nickel, Mississippi Valley type lead-zinc deposits, gold and diamonds is considered high. The carbonate-rich beds are regarded as highly prospective for structurally controlled Paleozoic gold deposits similar to White Range and Winnecke on the northern boundary of the Amadeus Basin.

This area has never been explored beyond basic interpretation of regional remote sensing and is regarded as a high priority for systematic exploration subject to grant of Mining Titles.

### **8. Tanami East:**

Tanami East is also known as Goddard's Prospect where significant malachite mineralisation outcrops over a strike length of 1,200 metres. Numerous values over 1% Cu and 100 ppb Au were obtained from rock chip samples from 1970's Geopeko exploration and represents significant exploration potential for copper-gold deposits.

## **Western Australia - Nickel production at Cawse Extended**

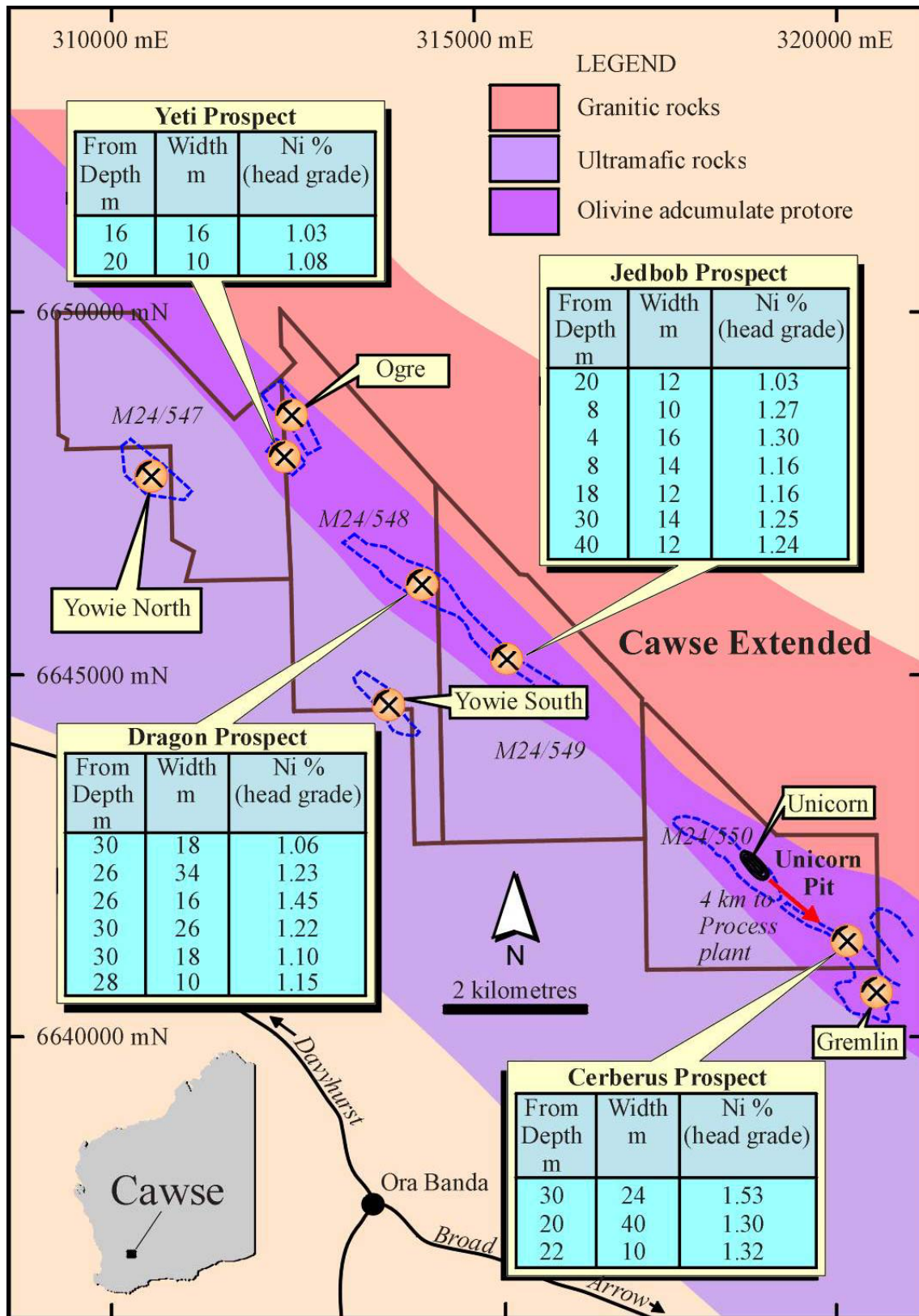
The OM Group Inc. (OMG) owns and manages the Cawse Nickel-Cobalt Operation. OMG and Tennant Creek Gold jointly own the adjacent Cawse Extended Project. Tennant Creek Gold's interest in the Cawse Extended Project is 20% free-carried to production, convertible at Tennant Creek Gold's election to a 2% net smelter return.

In 2003 Tennant Creek Gold entered into an Agreement with OMG to commence mining at the Unicorn Pit located on the Cawse Extended tenements. The agreement is for a wet tonne royalty payment, which replaces the current agreement only for ore mined from the Unicorn Pit and transported to the Cawse ROM pad prior to processing. The Agreement has been structured to allow for variations in the nickel price and the AUD/USD exchange rate such that the wet tonne payment is variable within the range AU\$0.50/wt and AU\$0.90/wt. OMG commenced mining at Unicorn in September 2003.

The total royalty earned in the period to 30 June 2004 was \$245,695. Tennant Creek Gold expects mining at the Unicorn Pit to continue through to at least the March 2005 quarter. Infill drilling around Unicorn Pit has been completed and OMG have advised they are currently undertaking further work in order to delineate an additional cutback.

OMG have further advised exploration drilling has been undertaken at several new prospects within Cawse Extended. In 2004 OMG drilled a total of 7,657 metres at Cerberus, Dragon, Jedbob, Ogre and Yeti with further work to be undertaken in the September quarter.

The drilling includes infill exploration at the Jedbob Prospect to allow further drilling to identify the most prospective location for an initial pit.



Cawse Extended tenement location map

### **Other Western Australian tenements**

Tennant Creek Gold holds an interest in three other tenement groups and in each case is not contributing towards exploration expenditure, the projects being subject to joint venture, or options for sale.

#### **Duplex Hill South**

Tennant Creek Gold owns tenements and has previously entered into an option agreement to sell these tenements.

#### **Kintore East**

Tennant Creek Gold holds tenements covering an area of 789 hectares north west of Kalgoorlie. Joint Venture partner, Mines and Resources Australia Pty Ltd (MRA) manage the project. MRA are not currently undertaking any significant exploration on this project.

#### **McTavish**

Tennant Creek Gold's interest is a 3% gross royalty.

### **Corporate & Investment Activities**

#### **Dividend**

In February 2004 Tennant Creek Gold declared a fully franked dividend, satisfied by the issue of one share in Batavia Mining Limited for every ten Tennant Creek Gold shares held. The dividend payment equated to 1.25 cents per share.

#### **Tennant Creek Gold Acquisition**

The acquisition of 100% of Tennant Creek Gold (NT) Pty Ltd was approved by shareholders and satisfied by the issue of 10 million ordinary fully paid shares. Settlement of the acquisition occurred in July 2004.

#### **Batavia Mining Limited**

The Company has been a significant shareholder in Batavia Mining Limited (BTV) as part of sponsoring the reconstruction of BTV and the subsequent re-listing on the Australian Stock Exchange.

During the year Tennant Creek Gold exercised its convertible note holding in BTV and also subsequently participated as sub underwriter as part of a rights issue undertaken by BTV. These transactions resulted in the Company's holding increasing to 20.004%. As a consequence the Company adopted equity accounting in the December quarter for its holding in BTV until the distribution of shares via the dividend in February 2004.

Shareholders have participated in two tax free distributions of BTV shares during the year. In July 2003 shareholders received shares in BTV on the basis of receiving one share in BTV for every one share held in the Company. This distribution met the de-merger rules under the income tax legislation meaning the distribution was tax free. The second distribution was via the fully franked dividend paid in February 2004. The total return to shareholders based on the value distributed equated to 7.25 cents per Tennant Creek Gold share.

At year end the Company held 30.6 million shares held at a cost of \$1,570,736 and a market value of \$2,303,792.

**INTRODUCTION**

Tennant Creek Gold Limited ("**Company**") has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

The following additional information about the Company's corporate governance practices is set out on the Company's website at [www.tennantcreekgold.com.au](http://www.tennantcreekgold.com.au):

- Corporate governance disclosures and explanations;
- Statement of Board and Management Functions;
- Nomination Committee Charter;
- policy and procedure for selection and appointment of new directors;
- summary of code of conduct for directors and key executives;
- summary of policy on securities trading;
- Audit Committee Charter;
- policy and procedure for selection of external auditor and rotation of audit engagement partners;
- summary of policy and procedure for compliance with continuous disclosure requirements;
- summary of arrangements regarding communication with and participation of shareholders;
- summary of Company's risk management policy and internal compliance and control system;
- process for performance evaluation of the Board, Board committees, individual directors and key executives;
- Remuneration Committee Charter; and
- Corporate Code of Conduct.

**CORPORATE GOVERNANCE DISCLOSURES**

During the Company's 2003/2004 financial year ("**Reporting Period**") the Company complied with each of the Ten Essential Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council, other than in relation to the matters specified below.

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
2	2.1, 2.2	No Director is independent.	There were no independent directors during the Reporting Period. The Board appointed Mr T Smith as a director on 1 July 2004. Mr Smith has been appointed as an independent director. The Board considers that its structure has been, and continues to be, appropriate in the context of the Company's history. The Company considers that each of the non-independent directors possess skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and appoint further independent directors as appropriate.
2	2.4	A separate Nomination Committee has not been formed.	The role of the Nomination Committee is carried out by the full Board. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.
4	4.2; 4.3	A separate Audit Committee has not been formed.	The role of the Audit Committee is carried out by the full Board. The Board considers that given its size and stage of development, no efficiencies or other benefits would be gained by establishing a separate Audit Committee. The Board will reconsider establishing a separate Audit Committee as the Company's operations grow.

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
7	7.1	A formal risk management policy was not documented prior to 28 June 2004.	The Company had an internal control framework covering areas of financial reporting, continuous disclosure to the ASX, and personnel. During the Reporting Period, the managing director was responsible for monitoring risks and reporting to the Board on risk management on a monthly basis. The Company has now documented a policy that centralises the existing individual policies. The Company intends for the new policy to be enhanced as its operations grow and evolve.
8	8.1	The process for evaluation of the Board, individual directors and key executives was not disclosed until the last quarter of the Reporting Period.	The process was not disclosed, however an evaluation of the Board, directors and key executives did occur during the Reporting Period.
9	9.1	The Company's remuneration policy was not disclosed until 28 June 2004.	Although the policy was not disclosed it did exist and was applied during the Reporting Period.
9	9.2	There was no separate Remuneration Committee.	The full Board carried out the functions of the Remuneration Committee. All matters of remuneration were determined by the Board in accordance with Corporations Act requirements, especially in respect of related party transactions. That is, no directors participated in any deliberation regarding his own remuneration or related issues.

#### Skills, experience, expertise and term of office of each Director

A profile of each director containing the applicable information is set out in the Directors' Report.

#### Identification of Independent Directors

Mr T Smith was appointed on 1 July 2004. Mr Smith is independent in accordance with the criteria set out in Box 2.1 of the ASX Principles and Recommendations.

#### Statement concerning availability of independent professional advice

Subject to the approval of the chairman, an individual director may engage an outside adviser at the expense of Tennant Creek Gold for the purposes of seeking independent advice in appropriate circumstances.

#### Names of nomination committee members and their attendance at committee meetings

The full Board carries out the functions of the Nomination Committee. The Board did not convene formally as the Nomination Committee during the Reporting Period, but rather, discussed relevant issues on an as-required basis.

#### Names and qualifications of audit committee members

The full Board performs the functions of the Audit Committee. Mr Barr and Mr Bowen are financially literate. Mr Barr and Mr Bowen both possess financial expertise by virtue of their academic qualifications.

### **Number of audit committee meetings and names of attendees**

During the Reporting Period Mr Barr met with the external auditors in respect of the half year and full year financial reports.

### **Confirmation whether performance evaluation of the Board and its members have taken place and how conducted**

During the Reporting Period an evaluation of the Board was conducted as an informal review during regular meetings of the Board. The executive directors were reviewed on an individual basis by the Chairman.

### **Company's remuneration policies**

All of the directors received a separate directors' fee of \$20,000 per annum, plus statutory superannuation.

In addition:

- Kensington Consulting Pty Ltd receives a consulting fee for Mr Barr's services; and
- Hatched Creek Pty Ltd and Biddle Partners Pty Ltd receive consulting fees for Mr Biddle's services.

There is no direct link between remuneration paid to any of the directors and corporate performance such as bonus payments for achievements of key performance indicators.

Remuneration of directors and key executives is competitively set with the assistance of externally prepared surveys and reports, taking into account the experience and qualifications of each individual.

### **Names of remuneration committee members and their attendance at committee meetings**

The full Board carried out the function of the Remuneration Committee. During the Reporting Period, the Board did not convene formally as the Remuneration Committee, but rather, dealt with remuneration-related issues on an as-required basis during regular meetings of the Board.

### **Existence and terms of any schemes for retirement benefits for non-executive directors**

There are no retirement benefits for non-executive directors.

## Directors' Report

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The Directors present their report together with the financial report of Tennant Creek Gold Limited ("the Company"), formerly Hallmark Consolidated Limited, and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2004 and the auditor's report thereon.

### DIRECTORS

The Directors of the Company at any time during or since the end of financial year are:

**John W Barr CA, FAICD  
Chairman**

Mr John W Barr is a Chartered Accountant and Fellow of the Australian Institute of Company Directors. He has extensive Australian and international experience with exposure to manufacturing, mining and mineral exploration and development in respect to several commodities including gold, platinum, nickel and copper.

Mr Barr has managed his own consultancy business since 1987 which specialises in the management of public companies including advice on capital raisings, mergers and acquisitions, negotiating onshore and offshore acquisitions and joint ventures, negotiating commodity based funding, and compliance with corporate and stock exchange requirements.

Mr Barr is also Chairman of Batavia Mining Limited and Cavendish Corporation Limited.

Appointed December 1998.

**Neil Biddle B.App.Sc(Geology), M.Aus.IMM  
Managing Director**

Mr Neil Biddle is a geologist and company director with over 16 years professional and management experience in listed public companies involved in mining and exploration and was formerly managing director of Border Gold Ltd (1995-1999) and Consolidated Victorian Mines NL (1991-1995).

Appointed December 1998.

**Michael Bowen B.Juris, B.Law, B.Com  
Non-Executive director**

Mr Michael Bowen graduated from the University of Western Australia with Bachelors of Law, Jurisprudence and Commerce. He has been admitted as barrister and solicitor of the Supreme Court of Western Australia and is an Associate and Certified Practising Accountant of the Australian Society of Accountants.

Mr Bowen is a partner of the law firm Hardy Bowen, practising primarily corporate, commercial and securities law with an emphasis on mergers, acquisitions, capital raisings and resources.

Mr Bowen also has experience in merchant banking and accounting and is a director of IMF (Australia) Ltd.

Appointed 8 January 2004.

**Terence Smith Dip.Bus  
Independent Non-Executive Director**

Mr Smith is the founding partner of Smith Coffey Group which provides taxation, accounting and financial advice to clients. This group has been operating in Perth for 31 years, has 11 partners and a staff of 50. He has a wide range of business skills in the areas of financial planning and corporate management. Mr Smith holds a number of directorships in a number of companies in the wine industry.

Appointed 1 July 2004.

**S Adrian Corp**

Mr Corp resigned as a director on 8 January 2004.

**DIRECTORS MEETINGS**

The number of Director's meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

<b>Director</b>	<b>Number of meetings held during the time the Director held office</b>	<b>Number of meetings attended</b>
J W Barr	13	13
N G Biddle	13	13
M P Bowen	7	7
S A Corp	6	6

**PRINCIPAL ACTIVITIES**

The principal activities of the consolidated entity during the course of the financial year were the review of advanced exploration projects for acquisition; the management of its exploration properties; management of the Company's interest in the Cawse Extended Project and the management of the re-listing of Batavia Mining Limited.

There were no other significant changes in the nature of the activities of the consolidated entity during the year.

**REVIEW AND RESULTS OF OPERATIONS**

The operating loss of the consolidated entity after income tax for the year was \$454,063 (2003: Profit of \$1,233,570).

A review of the operations during the financial year is set out on pages 3 to 10.

**DIVIDENDS**

In February 2004 the Company paid a fully franked dividend of \$668,479, satisfied by the issue of one share in Batavia Mining Limited for every ten Tennant Creek Gold shares held. The dividend payment equates to 1.25 cents per share. The date of payment was 13 February 2004. The dividend was franked at 30%.

**STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

**ENVIRONMENTAL REGULATIONS**

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

**LIKELY DEVELOPMENTS**

The consolidated entity will continue to develop its Northern Territory exploration projects, manage its interest in Cawse Extended and manage its investment in Batavia Mining Limited.

Additional comments on likely developments of the consolidated entity are included under the review of operations and activities on pages 3 to 10 of this report.

**DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION**

The Board will review the remuneration packages and policies applicable to the executive directors, senior executives and non-executive directors on an annual basis. Remuneration levels will be competitively set to attract qualified, experienced Directors and senior executives. Where necessary the Board will obtain independent advice on the appropriateness of remuneration packages.

The following table discloses the remuneration of the directors and officers of the Company and the consolidated entity:

	Base Remuneration (Salary & Fees) \$	Consulting Fees \$	Super Contributions \$	Options Issued \$	Total \$
<b>Director</b>					
<i>Executive</i>					
J W Barr	20,000	72,930	1,800	–	94,730
N G Biddle	20,000	141,250	1,800	–	163,050
<i>Non-Executive</i>					
M P Bowen	9,534	–	–	–	9,534
S A Corp	10,440	21,000	940	–	32,380
<b>Executive Officer</b>					
C J Bath	126,692	–	14,161	–	140,853

**Options granted to directors and senior executives**

No options were granted during the year to directors or senior executives.

Since the end of financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following Directors and Officers:

Director/Officer	Number of Options	Exercise Price	Expiry Date
J W Barr	500,000	\$0.15	31 May 2007
N G Biddle	5,000,000	\$0.15	31 May 2007
M P Bowen	500,000	\$0.15	31 May 2007
T N Smith	500,000	\$0.15	31 May 2007
C J Bath	400,000	\$0.15	31 May 2007

Shareholders approved the issue of options in July 2004. All options were granted subsequent to the end of the financial year.

**Share Options**

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	Exercise price	Number of options
31 May 2007	\$0.15	8,710,000

No shares were issued on the exercise of options during the year.

The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

### DIRECTORS' INTEREST

The relevant interest of each Director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the consolidated entity and other related body corporates, as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary Shares	Options over Ordinary Shares
J W Barr	8,700,000	500,000
N G Biddle	6,043,372	5,000,000
M P Bowen	793,747	500,000
T N Smith	938,946	500,000

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has previously agreed to indemnify the following current directors and officers, J W Barr, N Biddle, M Bowen, T Smith and C Bath and former director S Corp against all liabilities to another person (other than the Company or a related body corporate), including legal expenses that may arise from their position as directors and officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or for a pecuniary penalty under section 1317G or a compensation order under section 1317H of the Corporations Act 2001.

### INSURANCE PREMIUMS

Since the end of the previous financial year the Company has not paid any insurance premiums (2003: Nil) in respect of directors' and officers' liability insurance for current directors and officers.

### EVENTS SUBSEQUENT TO REPORTING DATE

In July 2004 the Company acquired 100% of the issued shares of Tennant Creek Gold (NT) Pty Ltd which has advanced molybdenum-tungsten & gold development projects and extensive gold, nickel and base metal exploration interests in its 15,000km<sup>2</sup> Northern Territory tenement portfolio. Consideration was 10,000,000 ordinary shares at \$0.12 per share in Tennant Creek Gold Limited.

In July 2004 the Company completed a placement to raise \$600,000 by the issue of 6,000,000 shares.

For reporting periods starting on or after 1 July 2005, the consolidated entity must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. At balance date, it was not possible to quantify the effect of the convergence to IFRS as key IASs and AASBs are currently under development. Further information is set out in note 31 to the financial report.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

Signed in accordance with a resolution of the Directors.



**John W Barr**  
Chairman

21 September 2004

**Statements of Financial Performance  
For the Year Ended 30 June 2004**

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Other revenues from ordinary activities	2	<b>1,170,198</b>	4,619,506	<b>1,299,503</b>	4,066,161
Total revenue		<b>1,170,198</b>	4,619,506	<b>1,299,503</b>	4,066,161
Occupancy costs		<b>53,073</b>	91,454	<b>49,601</b>	91,454
Administrative costs		<b>239,553</b>	294,783	<b>216,998</b>	276,961
Corporate costs		<b>525,144</b>	416,434	<b>481,948</b>	379,042
Other					
Provision for diminution in listed investments	3(a)	–	78,134	–	78,134
Carrying amount of controlled entities/investments disposed		–	1,857,642	–	2,096,927
Carrying amount of non-current assets disposed	3(a)	<b>442,220</b>	500,452	<b>472,220</b>	635
Share of net losses of associates accounted using the equity method		<b>115,997</b>	–	–	–
Exploration evaluation and development expenditure written off	3(a)	<b>131,847</b>	106,840	<b>50,000</b>	1,251
Amortisation of exploration costs in production phase	3(b)	<b>115,845</b>	–	–	–
Other expenses from ordinary activities		<b>582</b>	40,197	<b>1,729</b>	44,178
<b>Profit/(loss) from ordinary activities before related income tax expense</b>		<b>(454,063)</b>	1,233,570	<b>27,007</b>	1,097,579
Income tax expense relating to ordinary activities	5	–	–	–	–
<b>Profit/(loss) from ordinary activities after related income tax expense</b>		<b>(454,063)</b>	1,233,570	<b>27,007</b>	1,097,579
<b>Net Profit/(loss) attributable to members of the parent entity</b>	19	<b>(454,063)</b>	1,233,570	<b>27,007</b>	1,097,579
Basic earnings per share	6	(\$0.008)			
Diluted earnings per share	6	(\$0.008)			

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 21 to 50.

**Statements of Financial Position**  
**As at 30 June 2004**

	<b>Note</b>	<b>Consolidated</b>		<b>Parent Entity</b>	
		<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>					
Cash assets	8	<b>1,712,693</b>	2,303,422	<b>1,592,869</b>	2,299,759
Receivables	9	<b>183,779</b>	988,755	<b>81,240</b>	988,057
Other	11	<b>7,275</b>	5,824	<b>7,275</b>	5,824
<b>Total Current Assets</b>		<b>1,903,747</b>	3,298,001	<b>1,681,384</b>	3,293,640
<b>Non-Current Assets</b>					
Receivables	9	<b>475,123</b>	–	<b>475,123</b>	–
Other financial assets	10	<b>1,615,075</b>	1,242,025	<b>2,101,069</b>	1,642,025
Plant and equipment	12	<b>71,395</b>	69,050	<b>70,531</b>	67,841
Exploration, evaluation and development expenditure	13	<b>4,843,368</b>	5,088,187	<b>20,000</b>	70,000
<b>Total Non-Current Assets</b>		<b>7,004,961</b>	6,399,262	<b>2,666,723</b>	1,779,866
<b>Total Assets</b>		<b>8,908,708</b>	9,697,263	<b>4,348,107</b>	5,073,506
<b>Current Liabilities</b>					
Payables	14	<b>441,598</b>	116,433	<b>422,956</b>	116,393
Provisions	16	<b>32,556</b>	23,734	<b>32,556</b>	23,734
<b>Total Current Liabilities</b>		<b>474,154</b>	140,167	<b>455,512</b>	140,127
<b>Non-Current Liabilities</b>					
Non-interest bearing liabilities	15	–	–	<b>76,754</b>	476,066
<b>Total Non-Current Liabilities</b>		–	–	<b>76,754</b>	476,066
<b>Total Liabilities</b>		<b>474,154</b>	140,167	<b>532,266</b>	616,193
<b>NET ASSETS</b>		<b>8,434,554</b>	9,557,096	<b>3,815,841</b>	4,457,313
<b>Equity</b>					
Contributed equity	17	<b>3,471,866</b>	3,471,866	<b>3,471,866</b>	3,471,866
Reserves	18	<b>4,653,656</b>	4,653,656	<b>70,000</b>	70,000
Retained profits	19	<b>309,032</b>	1,431,574	<b>273,975</b>	915,447
<b>TOTAL EQUITY</b>		<b>8,434,554</b>	9,557,096	<b>3,815,841</b>	4,457,313

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 21 to 50.

**Statements of Cash Flows**  
**For the Year Ended 30 June 2004**

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Cash payments in the course of operations		(744,887)	(757,912)	(688,799)	(699,536)
Interest received		132,502	264,340	132,502	222,801
Proceeds from royalties		153,873	—	—	—
Income taxes paid	5(b)	—	(37,999)	—	(37,999)
<b>Net cash used in operating activities</b>	27(b)	<b>(458,512)</b>	<b>(531,571)</b>	<b>(556,297)</b>	<b>(514,734)</b>
<b>Cash flows from investing activities</b>					
Proceeds on disposal of non-current assets		4,412	300	4,412	300
Proceeds on disposal of controlled entities (net of cash disposed)	25(b)	—	1,297,712	—	1,346,925
Proceeds on sale of investments		105,752	—	105,752	—
Proceeds on repayment of advances to other parties		1,526,374	753,075	1,526,374	653,075
Loan to controlled entities		—	—	(21,146)	(2,196,069)
Advances to other parties		(806,920)	(2,090,860)	(806,920)	(914,110)
Advances from other parties		—	286,643	—	—
Payments for plant and equipment		(35,430)	(27,513)	(35,430)	(26,096)
Payments for investments		(923,635)	(348,140)	(923,635)	(348,140)
Payments for exploration and development expenditure		(2,770)	(1,429,438)	—	(1,252)
<b>Net cash used in investing activities</b>		<b>(132,217)</b>	<b>(1,558,221)</b>	<b>(150,593)</b>	<b>(1,485,367)</b>
<b>Net decrease in cash held</b>		<b>(590,729)</b>	<b>(2,089,792)</b>	<b>(706,890)</b>	<b>(2,000,101)</b>
Cash at the beginning of the financial year		2,303,422	4,393,214	2,299,759	4,299,860
<b>Cash at the end of the financial year</b>	27(a)	<b>1,712,693</b>	<b>2,303,422</b>	<b>1,592,869</b>	<b>2,299,759</b>

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 21 to 50.

**1 Statement of significant accounting policies**

The significant accounting policies which have been adopted in the preparation of this financial report are:

**(a) Basis of preparation**

The 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 Corporations Act 2001.

The financial report has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy are consistent with those of the previous year.

**(b) Principles of consolidation**

***Controlled entities***

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

***Associates***

Associates are those entities, other than partnerships, over which the consolidated entity exercises significant influence and which are not intended for sale in the near future.

In the consolidated financial statements, investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date significant influence commenced until the date significant influence ceased. Other movements in reserves are recognised directly in consolidated reserves.

***Transactions eliminated on consolidation***

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

Unrealised gains resulting from transactions with associates and joint ventures are eliminated to the extent of the consolidated entity's interest. Unrealised gains relating to associates and joint venture entities are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence a recoverable amount impairment.

**(c) Revenue recognition – Note 2**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

***Sale of goods and services***

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Revenue from services is recognised at the time the service is provided.

***Interest revenue***

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

***Sale of non-current assets***

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

***Dividends***

Revenue from dividends from controlled entities is recognised by the parent entity when they are declared by the controlled entities.

Revenue from dividends from associates and other investments is recognised when dividends are received.

**(d) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(e) Borrowing costs**

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Borrowing costs are expensed as incurred unless they relate to qualifying assets.

**(f) Taxation – Note 5**

The consolidated entity adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effects of capital losses are not recorded unless realisation is virtually certain.

Capital gains tax, if applicable, is provided for in establishing period income tax when an asset is sold.

***Tax Consolidation***

The Company is the head entity in the tax-consolidated group comprising all the Australian wholly-owned subsidiaries set out in Note 25. The implementation date for the tax-consolidated group is 1 July 2003. The head entity recognises all of the current and deferred tax assets and liabilities of the tax-consolidated group (after elimination of intragroup transactions).

**(g) Acquisition of assets**

All assets acquired including plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

***Subsequent additional costs***

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

**(h) Receivables – Note 9**

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

***Trade debtors***

Trade debtors to be settled within 60 days are carried at amounts due.

**(i) Investments**

***Controlled entities***

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

***Associates***

In the Company's financial statements investments in associates are carried at the lower of cost and recoverable amount.

***Other entities***

Investments in other listed and unlisted entities are carried at lower of cost and recoverable amount.

**(j) Leased assets**

Leases under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

***Operating leases***

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

**(k) Exploration expenditure**

Exploration costs are accumulated in respect of each separate area of interest.

Exploration costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

**(l) Recoverable amount of non-current assets valued on cost basis**

The carrying amounts of non-current assets valued on the cost basis, other than exploration expenditure carried forward (refer note 1(k)), are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

**(m) Depreciation and amortisation**

***Useful lives***

All assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives, taking into account estimated residual values, with the exception of carried forward exploration in the production phase which is amortised on a units of production basis over the life of economically recoverable reserves and finance lease assets which are amortised over the term of the relevant lease or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset.

Assets are depreciated or amortised from the date of acquisition.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until commercial production commences.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

The depreciation/amortisation rates for each class of assets are as follows:

	<b>2004</b>	<b>2003</b>
<i>Property, plant and equipment</i>		
Leasehold improvements	33-50%	33-50%
Plant and equipment	20-40%	20-40%
<i>Exploration, evaluation and development expenditure</i>		
Production phase (units of production)	2,538 t	–

**(n) Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

**(o) Employee benefits**

***Wages, salaries, annual leave and sick leave and non monetary benefits***

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

Non-accumulating non-monetary benefits, such as interest free loans, are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by the employees.

***Employee share and option plans***

Where shares or options are issued to employees as remuneration for past services, the difference between fair value of the shares or options issued and the consideration received, if any, from the employee is expensed. The fair value of the shares or options issued is recorded in contributed equity.

Other share or options issued to employees are recorded in contributed equity at the fair value of consideration received, if any.

Transactional costs associated with issuing shares and options are recognised in equity subject to the extent of the proceeds received, otherwise expensed. Other administrative costs are expensed.

***Superannuation plans***

The Company and controlled entities contribute to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

**(p) Joint ventures**

The consolidated entity's interest in an unincorporated joint venture is brought to account by including its interest in the following amounts in the appropriate categories in the statement of financial position and statement of financial performance:

- each of the individual assets employed in the joint venture
- liabilities incurred by the consolidated entity in relation to the joint venture and the liabilities for which it is jointly and/or severally liable
- expenses incurred in relation to the joint venture
- revenue from sale of output.

**(q) Earnings per share**

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

**(r) Use and revision of accounting estimates**

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on best estimates and historical experience that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>2 Revenue from ordinary activities</b>				
<b>Other revenues:</b>				
<i>From operating activities</i>				
Interest:				
Other parties	128,903	260,475	128,903	218,936
Royalties	245,695	–	–	–
Consideration on distribution of investments	668,479	–	668,479	–
<i>From outside operating activities</i>				
Gross proceeds from sale of non-current assets	110,165	4,347,225	485,165	3,847,225
Other	16,956	11,806	16,956	–
<b>Total revenue from ordinary activities</b>	<b>1,170,198</b>	<b>4,619,506</b>	<b>1,299,503</b>	<b>4,066,161</b>
<b>3 Profit/(Loss) from ordinary activities before income tax expense</b>				
<b>(a) Individually significant items included in profit/(loss) from ordinary activities before income tax expense</b>				
Proceeds from sale of controlled entities	–	(3,846,925)	–	(3,846,925)
Carrying amount of controlled entities	–	1,857,642	–	2,096,927
Proceeds and consideration from sale of non current assets	(778,644)	–	(1,153,644)	–
Carrying amount of non current assets sold	442,220	–	472,220	–
Net (gain)/loss	(336,424)	(1,989,283)	(681,424)	(1,749,998)
Proceeds from sale of mineral assets	–	(500,000)	–	–
Carrying amount of mineral assets sold	–	499,817	–	–
Net gain	–	(183)	–	–
Exploration expenditure written-off	131,847	106,840	50,000	1,251
Provision for diminution in listed investments	–	78,134	–	78,134

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>3 Profit/(loss) from ordinary activities before income tax expense (continued)</b>				
<b>(b) Profit/(Loss) from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:</b>				
Depreciation of:				
Plant and equipment	<b>32,878</b>	23,653	<b>32,533</b>	23,482
Amortisation of:				
Exploration costs	<b>115,845</b>	–	–	–
Leasehold improvements	<b>4,041</b>	2,027	<b>4,041</b>	2,027
Total depreciation and amortisation	<b>152,764</b>	25,680	<b>36,574</b>	25,509
Net expense/(benefit) from movements in provision for:				
Employee entitlements	<b>(8,821)</b>	(3,059)	<b>(8,821)</b>	(3,059)
Operating lease rental expense:				
Minimum lease payments	<b>89,849</b>	92,456	<b>89,849</b>	92,456
Net gain/(loss) on disposal of non-current assets:				
Plant and equipment	<b>(618)</b>	335	<b>(618)</b>	335
Mineral assets	–	(183)	–	–
Controlled entities	–	(1,989,283)	–	(1,749,998)
Investments	<b>337,042</b>	–	<b>682,042</b>	–
	<b>336,424</b>	(1,989,131)	<b>681,424</b>	(1,749,663)
<b>4 Auditors' remuneration</b>				
Auditors of the Company				
<i>KPMG Australia:</i>				
Audit and review of financial reports	<b>34,700</b>	23,250	<b>34,700</b>	23,250

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>5 Taxation</b>				
<b>(a) Income tax expense</b>				
Prima facie income tax expense/(benefit) calculated at 30% (2003: 30%) on the profit/(loss) from ordinary activities	(136,219)	370,071	8,102	329,274
Increase in income tax expense due to:				
Entertainment	1,640	2,579	1,640	2,579
Legal costs	7,448	10,596	7,448	10,596
Write down in value of investments	–	23,440	–	23,440
Share of associates net loss	34,799	–	–	–
Write down mining exploration tenements	39,355	–	15,000	–
Profit on sale of listed investment	(4,217)	–	(4,217)	–
Other	(581)	7,437	130	7,812
Decrease in income tax expense due to:				
Non assessable profit on disposal of controlled entity	–	(596,785)	–	(524,999)
Capital loss brought to account	(105,328)	–	(105,328)	–
Income tax expense related to current and deferred tax transactions of the wholly owned subsidiaries in the tax consolidated group	–	–	(85,878)	–
Income tax benefit not brought to account	163,103	182,662	163,103	151,298
Income tax expense benefit attributable to operating profit/(loss)	–	–	–	–
<b>(b) Current tax liabilities</b>				
<b>Provision for current income tax</b>				
Movements during the year:				
Balance at beginning of year	–	37,999	–	37,999
Income tax paid	–	(37,999)	–	(37,999)
Current year's income tax expense on operating profit	–	–	–	–
<b>(c) Future income tax benefit not taken to account</b>				
The potential future income tax benefit arising from tax losses has not been recognised as an asset because recovery of tax losses is not virtually certain	442,304	299,655	442,304	237,266

Capital losses of \$191,302 (2003: \$184,061) have not been brought to account .

5 Taxation (continued)

The potential future income tax benefit will only be obtained if:

- (i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) the relevant company continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the relevant company in realising the benefit.

6 Earnings per share

*Classification of securities as ordinary shares*

The consolidated entity has only one category of ordinary shares included in basic earnings per share.

*Classification of securities as potential ordinary shares*

*Options outstanding under the Executive Share Option Plan*

The Executive Share Options have not been included in the calculation of diluted earnings per share as they are not dilutive. Refer Note 17(b).

	<b>Consolidated</b>	
	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Earnings reconciliation</b>		
<b>The net profit/(loss) is equal to basic earnings.</b>		
<b>Basic earnings/(losses)</b>	<u>(454,063)</u>	1,233,570
<b>Diluted earnings/(losses)</b>	<u>(454,063)</u>	1,233,570
	<b>Number</b>	<b>Number</b>
<b>Weighted average number of shares used as the denominator</b>		
<b>Number for basic earnings per share</b>	<u>53,478,270</u>	53,478,270
<b>Number for diluted earnings per share</b>		
Ordinary shares	<u>53,478,270</u>	53,478,270

## 7 Segment Reporting

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

### Business Segments

The consolidated entity comprises the following main business segments, based on the consolidated entity's management reporting system.

Exploration                      Exploration and development on tenements.  
Investments                      Investments in publicly listed and other companies.

### Geographical segments

The consolidated entity's business segments all operate in Australia.

Primary Reporting Business Segments	Exploration \$	Investments \$	Eliminations \$	Total \$
<b>2004</b>				
<b>Revenue</b>				
External segment revenue	245,695	790,083	–	1,035,778
Total segment revenue	245,695	790,083		1,035,778
Other unallocated revenue				134,420
<b>Total revenue</b>				<b><u>1,170,198</u></b>
<b>Result</b>				
Segment result	(1,997)	236,896	–	234,899
Unallocated corporate expenses				(688,962)
Loss from ordinary activities before income tax				(454,063)
Income tax expense				–
<b>Net profit/(loss)</b>				<b><u>(454,063)</u></b>
<b>Depreciation and amortisation</b>	115,845	–	–	115,845
<b>Unallocated corporate depreciation and amortisation</b>	–	–	–	36,919
				152,764
<b>Individually significant items</b>				
Exploration expenditure written off	131,847	–	–	131,847
Net gain on disposal of investments	–	337,042	–	337,042
<b>Assets</b>				
Segment assets	4,843,368	1,615,073	–	6,458,441
Unallocated corporate assets				2,450,267
<b>Consolidated total assets</b>				<b><u>8,908,708</u></b>
<b>Liabilities</b>				
Segment liabilities	–	–	–	–
Unallocated corporate liabilities				474,154
<b>Consolidated total liabilities</b>				<b><u>474,154</u></b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2004**

**7 Segment Reporting** (continued)

<b>Primary Reporting Business Segments</b>	<b>Exploration \$</b>	<b>Investments \$</b>	<b>Eliminations \$</b>	<b>Total \$</b>
<b>2003</b>				
<b>Revenue</b>				
External segment revenue	500,000	–	–	500,000
Total segment revenue	500,000	–	–	500,000
Other unallocated revenue				4,119,506
<b>Total revenue</b>				<b><u>4,619,506</u></b>
<b>Result</b>				
Segment result	(106,657)	(102,474)	–	(209,131)
Unallocated corporate expenses				1,442,701
Profit from ordinary activities before income tax				1,233,570
Income tax expense				–
<b>Net profit</b>				<b><u>1,233,570</u></b>
<b>Individually significant items</b>				
Exploration expenditure written off	106,840	–	–	106,840
Provision for diminution in listed investments	–	78,134	–	78,134
<b>Assets</b>				
Segment assets	5,088,187	182,025	–	5,270,212
Unallocated corporate assets				4,427,051
<b>Consolidated total assets</b>				<b><u>9,697,263</u></b>
<b>Liabilities</b>				
Segment liabilities	–	–	–	–
Unallocated corporate liabilities				140,167
<b>Consolidated total liabilities</b>				<b><u>140,167</u></b>

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>8 Cash assets</b>					
Cash		200,790	7,089	80,966	3,426
Bank short term deposits		1,511,903	2,296,333	1,511,903	2,296,333
		<b>1,712,693</b>	<b>2,303,422</b>	<b>1,592,869</b>	<b>2,299,759</b>

The bank short term deposits, maturing within 90 days and paying interest at a weighted average interest rate of 5.33% at 30 June 2004 (2003 4.73%).

**9 Receivables**

**Current**

Trade debtors		19,961	9,157	19,961	9,157
Other debtors		163,818	979,598	61,279	978,900
		<b>183,779</b>	<b>988,755</b>	<b>81,240</b>	<b>988,057</b>

**Non current**

Loans to controlled entities		–	–	1,754,381	1,753,236
Less: Provision for doubtful debts		–	–	(1,754,381)	(1,753,236)
Loans to other entities		475,123	–	475,123	–
		<b>475,123</b>	<b>–</b>	<b>475,123</b>	<b>–</b>

The Company advanced moneys to Tennant Creek Gold (NT) Pty Ltd to fund exploration activities. Total exploration spent to 30 June 2004 was \$400,000. Subsequent to year end the Company acquired a 100% interest in Tennant Creek Gold (NT) Pty Ltd

**10 Other financial assets**

**Non Current**

Investments in controlled entities	25				
<i>Unlisted shares at cost</i>		–	–	1,235,938	1,235,938
<i>Less: Provision for diminution</i>		–	–	(835,938)	(835,938)
		–	–	<b>400,000</b>	<b>400,000</b>
Investments in other entities					
<i>Listed shares/options at cost</i>	26	1,570,736	543,204	1,656,730	543,204
<i>Less: Provision for diminution</i>		–	(361,179)	–	(361,179)
<i>Unlisted shares at cost</i>		44,339	–	44,339	–
		<b>1,615,075</b>	<b>182,025</b>	<b>1,701,069</b>	<b>182,025</b>
<i>Convertible Note</i>	26	–	1,060,000	–	1,060,000
		<b>1,615,075</b>	<b>1,242,025</b>	<b>2,101,069</b>	<b>1,642,025</b>

The market value of listed shares as at 30 June 2004 was \$2,303,792 (2003: \$182,025). The market value at 30 June 2003 included 6.5 million shares in Batavia Mining Limited at a cost of \$65,217.

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>11 Other current assets</b>				
Prepayments	<b>7,275</b>	5,824	<b>7,275</b>	5,824
<b>12 Plant &amp; equipment</b>				
Leasehold improvements				
At cost	<b>20,566</b>	16,525	<b>20,566</b>	16,525
Accumulated amortisation	<b>(20,566)</b>	(16,525)	<b>(20,566)</b>	(16,525)
	<b>-</b>	-	<b>-</b>	-
Plant and equipment				
At cost	<b>205,898</b>	177,694	<b>204,518</b>	176,314
Accumulated depreciation	<b>(134,503)</b>	(108,644)	<b>(133,987)</b>	(108,473)
	<b>71,395</b>	69,050	<b>70,531</b>	67,841
Total plant and equipment net book value	<b>71,395</b>	69,050	<b>70,531</b>	67,841
<b>Reconciliations</b>				
Reconciliations of the carrying amounts for each class of plant and equipment are set out below:				
<b>Leasehold improvements</b>				
Carrying amount at beginning of year	-	2,027	-	2,027
Additions	<b>4,041</b>	-	<b>4,041</b>	-
Amortisation	<b>(4,041)</b>	(2,027)	<b>(4,041)</b>	(2,027)
Carrying amount at end of year	<b>-</b>	-	<b>-</b>	-
<b>Plant &amp; equipment</b>				
Carrying amount at beginning of year	<b>69,050</b>	289,130	<b>67,841</b>	59,617
Additions	<b>40,252</b>	33,723	<b>40,252</b>	32,341
Disposals	<b>(5,029)</b>	(635)	<b>(5,029)</b>	(635)
Depreciation	<b>(32,878)</b>	(23,653)	<b>(32,533)</b>	(23,482)
Disposal of entity	-	(229,515)	-	-
Carrying amount at end of year	<b>71,395</b>	69,050	<b>70,531</b>	67,841

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>13 Exploration, evaluation and development expenditure</b>				
Costs carried forward in respect of areas of interest in:				
Production phase				
<i>At cost</i>	<b>1,287,418</b>	–	–	–
<i>Accumulated amortisation</i>	<b>(115,845)</b>	–	–	–
	<b>1,171,573</b>	–	–	–
Exploration phase – at cost	<b>3,671,795</b>	5,088,187	<b>20,000</b>	70,000
Total exploration, evaluation and development expenditure	<b>4,843,368</b>	5,088,187	<b>20,000</b>	70,000

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

*Valuation*

An independent valuation was carried out in January 2000 by Continental Resource Management Pty Ltd and used the Prospectivity Enhancement Multiplier method, which is based on previous exploration expenditure and, in the case of Cawse Extended, the yardstick, or comparative deal method. The Cawse Extended valuation was also cross checked against the discounted insitu contained metal value of the tenement. The Directors are of the opinion that this basis provides a reasonable estimate of recoverable amount.

In June 2002 Continental Resource Management Pty Ltd provided an updated valuation of Cawse Extended. CRM concluded that the value of Cawse Extended falls within the range of \$4,800,000 to \$8,600,000, with a preferred value of \$7,200,000.

The commencement of mining at the Unicorn Pit at Cawse Extended represents a very positive step forward for this project. The Directors believe this further supports the carrying value of this asset.

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>14 Payables</b>					
<b>Current</b>					
Trade creditors		<b>324,949</b>	43,181	<b>324,836</b>	43,181
Other creditors and accruals		<b>116,649</b>	73,252	<b>98,120</b>	73,212
		<b>441,598</b>	116,433	<b>422,956</b>	116,393
<b>15 Non-interest bearing liabilities</b>					
<b>Non-Current</b>					
Other loans – controlled entities	30 (a)	–	–	<b>76,754</b>	476,066
<b>16 Provisions</b>					
<b>Current</b>					
Employee entitlements	28	<b>32,556</b>	23,734	<b>32,556</b>	23,734
<b>Number of employees</b>					
Number of employees at year end		<b>5</b>	4	<b>5</b>	4
<b>17 Contributed equity</b>					
<b>Issued and paid-up share capital</b>					
53,478,270 (2003: 53,478,270) ordinary shares, fully paid		<b>3,471,866</b>	3,471,866	<b>3,471,866</b>	3,471,866

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>17 Contributed equity</b> (continued)					
<b>(a) Ordinary shares</b>					
Balance at the beginning of year		3,471,866	6,706,650	3,471,866	6,706,650
Capital Reduction					
In specie distribution		—	(3,234,784)	—	(3,234,784)
Balance at end of year		<u>3,471,866</u>	<u>3,471,866</u>	<u>3,471,866</u>	<u>3,471,866</u>

*Terms and conditions*

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds from liquidation.

**(b) Options**

Movements in issued options of the Company during the last two years were as follows:

Date	Details	Number of options
30.06.02	Opening Balance	3,280,000
11.10.02	Options issued	1,180,000
30.06.04	Options Expired	<u>(4,460,000)</u>
30.06.04	Closing Balance	<u>—</u>

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>18 Reserves</b>				
Asset revaluation	<u>4,653,656</u>	4,653,656	<u>70,000</u>	70,000

There was no movement in the asset revaluation reserve during the year.

**Nature and purpose of reserves**

**Asset Revaluation**

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with AASB 1041. An amount of \$4,653,656 (the Company: \$70,000) is not available for future asset write-downs as a result of using the deemed cost election for exploration expenditure when adopting AASB 1041.

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>19 Retained profits</b>				
Retained profits/(losses) at beginning of year	1,431,574	198,004	915,447	(182,132)
Net profit/(loss) attributable to members of the parent entity	(454,063)	1,233,570	27,007	1,097,579
Dividends recognised during the year	20 (668,479)	–	(668,479)	–
Retained profits at the end of the year	<u>309,032</u>	<u>1,431,574</u>	<u>273,975</u>	<u>915,447</u>

**20 Dividends**

Dividends recognised in the current year by the Company are:

2004	Cents per share	Total Amount \$	Franked/Unfranked	Date of Payment
Ordinary	1.25	<u>668,479</u>	Franked	13 February 2004
Total Amount		<u>668,479</u>		

**2003**

No dividends were declared or paid during the 2003 financial year.

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Dividend franking account	Parent	
	2004	2003
	\$	\$
30% Franking credits available to shareholders of Tennant Creek Gold Ltd for subsequent financial years	<u>750,571</u>	<u>1,037,062</u>

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare the dividends.

**Tax Consolidation legislation**

On 1 July 2003, Tennant Creek Gold Limited and its wholly-owned subsidiaries adopted the Tax Consolidation legislation which requires a tax-consolidated group to keep a single franking account. The amount of franking credits available to shareholders of the parent entity (being the head entity in the tax-consolidated group) disclosed at 30 June 2004 has been measured under the new legislation as those available from the tax-consolidated group.

**21 Additional financial instruments disclosure**

**(a) Interest rate risk**

**Interest rate risk exposures**

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted average interest rate %	Floating Interest rate 1 year or less \$	Non interest Bearing \$	Total \$
<b>2004</b>					
<i>Financial Assets</i>					
Cash at bank	8	2.96	200,490	300	200,790
Interest bearing deposits	8	5.33	1,511,903	–	1,511,903
Receivables	9	–	–	658,902	658,902
Other financial assets	10	–	–	1,621,073	1,621,073
			<u>1,712,393</u>	<u>2,280,275</u>	<u>3,992,668</u>
<i>Financial Liabilities</i>					
Payables	14	–	–	441,598	441,598
Employee benefits	16	–	–	32,556	32,556
			<u>–</u>	<u>474,154</u>	<u>474,154</u>
<b>2003</b>					
<i>Financial Assets</i>					
Cash at bank	8	0.01	6,789	300	7,089
Interest bearing deposits	8	4.73	2,296,333	–	2,296,333
Receivables	9	–	–	988,755	988,755
Other financial assets	10	–	–	1,242,025	1,242,025
			<u>2,303,122</u>	<u>2,231,080</u>	<u>4,534,202</u>
<i>Financial Liabilities</i>					
Payables	14	–	–	116,433	116,433
Employee benefits	16	–	–	23,734	23,734
			<u>–</u>	<u>140,167</u>	<u>140,167</u>

	2004		2003	
	Carrying amount \$	Net fair value \$	Carrying Amount \$	Net fair Value \$
<b>21 Additional financial instruments disclosure</b> (continued)				
<b>Net fair values of financial assets and liabilities</b>				
<b>Net fair values</b>				
<i>Recognised financial instruments</i>				
The carrying amounts and net fair values of financial assets and liabilities as at the reporting date are as follows:				
<i>Financial assets</i>				
Cash assets	200,790	200,790	7,089	7,089
Interest bearing deposits	1,511,903	1,511,903	2,296,333	2,296,333
Receivables	183,779	183,779	988,755	988,755
Loans to other entities	475,123	475,123	–	–
Other financial assets:				
Investments in other entities - listed	1,576,734	2,303,792	182,025	182,025
Investments in other entities - unlisted	44,339	44,339	–	–
Convertible notes	–	–	1,060,000	1,060,000
<i>Financial liabilities</i>				
Payables	324,949	324,949	116,433	116,433
Employee entitlements	32,556	32,556	23,734	23,734

Valuation approach

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following basis:

Recognised financial instruments

The net fair value of listed shares are determined by valuing them at the current quoted market bid price adjusted for transaction costs necessary to realise the asset.

**22 Commitments**

**Exploration expenditure commitments**

In order to maintain current rights of tenure to exploration tenements, the Company and the consolidated entity are required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

	Consolidated		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
Exploration commitments not provided for in the financial report payable:				
Within one year	20,000	71,800	–	–

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>22 Commitments (continued)</b>				
<b>Non-cancellable operating lease expense commitments</b>				
Future operating lease commitments not provided for in the financial statements and payable:				
Within one year	104,509	98,504	104,509	98,504
One year or later and no later than five years	22,947	22,642	22,947	22,642
	<b>127,456</b>	121,146	<b>127,456</b>	121,146

The consolidated entity leases property under non-cancellable operating leases expiring within two years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are re-negotiated.

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>23 Contingent liabilities</b>				
The details and estimated maximum amounts of contingent liabilities that may become payable are set out below. The Directors are not aware of any circumstance or information which could lead them to believe that these liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.				
<b>Litigation</b>				
Constructive trust claim over the Kanowna Securities. Refer below.	277,000	277,000	277,000	277,000
<b>Guarantees</b>				
A guarantee has been provided to support unconditional environmental performance bonds	70,000	–	70,000	–
<b>Indemnities</b>				
Indemnities have been provided to Directors and certain executive officers of the Company in respect of liabilities to third parties arising from their positions, except where the liability arises out of conduct involving a lack of good faith. No monetary limit applies to these agreements and there are no known obligations outstanding at 30 June 2004.	–	–	–	–
<b>Total estimated contingent liabilities</b>	<b>347,000</b>	277,000	<b>347,000</b>	277,000

**Resolution of matters arising from 1998**

In the period September to December 1998 management control of Tennant Creek Gold was held by interests associated with Davis Samuel Pty Ltd (Davis Samuel). The Davis Samuel nominee directors committed Tennant Creek Gold to a series of transactions involving expenditure totalling \$1,526,000. The Australian Stock Exchange Ltd (ASX) ruled that the transactions required shareholder approval. Shareholders subsequently voted against approving the transactions.

**23 Contingent liabilities** (continued)

In December 1998, Tennant Creek Gold entered into a settlement agreement with Davis Samuel and its directors which effectively provided for the repayment of the funds expended, and Tennant Creek Gold would in turn transfer its shares and options in Kanowna Lights Limited (the Kanowna Securities) to Davis Samuel.

The Commonwealth of Australia (the Commonwealth) in proceedings in the Supreme Court of the Australian Capital Territory claimed that it was entitled to a constructive trust over the Kanowna Securities and obtained an injunction preventing Tennant Creek Gold from selling or otherwise disposing of them. The Commonwealth has claimed that as constructive trustee, the Commonwealth claims Tennant Creek Gold is liable to account for the market value of the shares at the time they were acquired. The Commonwealth gave an undertaking as to damages.

Subsequently, in September 1999, Davis Samuel purported to rescind the December 1998 Settlement Agreement.

The Commonwealth is on notice that if Tennant Creek Gold suffers damages as a result of the Commonwealth's injunction, and the Commonwealth ultimately fails to prove its constructive trust claim, Tennant Creek Gold will claim the damages from the Commonwealth.

**Legal action against Davis Samuel**

Tennant Creek Gold, as a party to the proceedings instituted by the Commonwealth, issued cross-claims against Davis Samuel and several other parties including Messrs Allan Endresz, Peter Cain, William Forge, David Muir and Peter Clark.

In July 2001 Messrs William Forge, David Muir and Peter Clark were charged in relation to offences under the Corporations Law of Western Australia relating to the October 1998 transactions, pursuant to which Tennant Creek Gold expended \$1,526,000. In March 2004 Messrs Forge & Clarke were convicted and sentenced on charges of making improper use of their positions as company directors.

Tennant Creek Gold made an application to the Court for a reparation order to be made against Mr Forge and Mr Clark however the Court declined to make a reparation order.

**24 Deed of cross guarantee**

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998 the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act 2001, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are Connaught Mining NL and Enigma Mining Limited.

In accordance with the terms of the Class Order a consolidated statement of financial performance and consolidated statement of financial position comprising the entities that are party to the Deed should be disclosed.

A consolidated statement of financial performance and consolidated statement of financial position, comprising the Company and subsidiaries which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2004 is set out on the following page.

	Consolidated	
	2004	2003
	\$	\$
<b>24 Deed of cross guarantee (continued)</b>		
<b>Statement of financial performance</b>		
<i>Profit/(loss) from ordinary activities before income tax</i>	(454,063)	953,560
Income tax benefit relating to ordinary activities	—	—
<b><i>Profit/(loss) from ordinary activities after related income tax expense</i></b>	<b>(454,063)</b>	<b>953,560</b>
<b><i>Net profit/(loss)</i></b>	<b>(454,063)</b>	<b>953,560</b>
Retained profits at beginning of year	1,431,574	478,014
Dividends recognised during the year	(668,479)	—
<b><i>Retained profits at end of year</i></b>	<b>309,032</b>	<b>1,431,574</b>
<b>Statement of financial position</b>		
Cash assets	1,712,693	2,303,422
Receivables	183,779	988,755
Other	7,275	5,824
<b><i>Total current assets</i></b>	<b>1,903,747</b>	<b>3,298,001</b>
Receivables	475,123	—
Other financial assets	1,615,075	1,242,025
Plant & equipment	71,395	69,050
Exploration, evaluation and development expenditure	4,843,368	5,088,187
<b><i>Total non-current assets</i></b>	<b>7,004,961</b>	<b>6,399,262</b>
<b><i>Total assets</i></b>	<b>8,908,708</b>	<b>9,697,263</b>
Payables	441,598	116,433
Provisions	32,556	23,734
<b><i>Total current liabilities</i></b>	<b>474,154</b>	<b>140,167</b>
<b><i>Total non-current liabilities</i></b>	<b>—</b>	<b>—</b>
<b><i>Total liabilities</i></b>	<b>474,154</b>	<b>140,167</b>
<b><i>Net assets</i></b>	<b>8,434,554</b>	<b>9,557,096</b>
Contributed equity	3,471,866	3,471,866
Reserves	4,653,656	4,653,656
Retained profits	309,032	1,431,574
<b><i>Total Equity</i></b>	<b>8,434,554</b>	<b>9,557,096</b>



**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>27 Notes to the statements of cash flows</b>					
<b>(a) Reconciliation of cash</b>					
For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial positions as follows:					
Cash assets	8	<b>1,712,693</b>	2,303,422	<b>1,592,869</b>	2,299,759
<b>(b) Reconciliation of profit/(loss) from ordinary activities after income tax to net cash provided by operating activities</b>					
Profit/(loss) from ordinary activities after income tax		<b>(454,063)</b>	1,233,570	<b>27,007</b>	1,097,579
Add/(less) items classified as investing/financing activities:					
Profit on sale investments		<b>(337,042)</b>	–	<b>(682,042)</b>	–
Profit on sale of controlled entities		–	(1,989,283)	–	(1,749,998)
Loss on sale of non-current assets		<b>618</b>	152	<b>618</b>	335
Add/(less) non-cash items:					
Depreciation/amortisation		<b>152,764</b>	25,680	<b>36,574</b>	25,509
Diminution in value of investments		–	78,134	–	78,134
Write-down in value of investments		–	24,340	–	24,340
Provision for non recovery of loan		–	–	<b>1,145</b>	4,282
Share of associates net loss		<b>115,997</b>	–	–	–
Exploration expenditure written off		<b>131,847</b>	106,840	<b>50,000</b>	1,251
Net cash used by operating activities before change in assets and liabilities		<b>(389,879)</b>	(520,567)	<b>(566,698)</b>	(518,568)
Change in assets and liabilities adjusted for effects of sale of controlled entity during the financial year:					
(Increase)/decrease in prepayments		<b>(1,451)</b>	2,838	<b>(1,451)</b>	2,838
(Increase)/decrease in debtors		<b>(150,300)</b>	30,470	<b>(56,702)</b>	35,353
Decrease in provision for income tax		–	(37,999)	–	(37,999)
(Decrease)/increase in accounts payable		<b>74,296</b>	(9,372)	<b>59,732</b>	583
Increase in provisions		<b>8,822</b>	3,059	<b>8,822</b>	3,059
Net cash used in operating activities		<b>(458,512)</b>	(531,571)	<b>(556,297)</b>	(514,734)
<b>(c) Non-cash financing and investing activities</b>					
On 5 September 2003 the Company lodged a notice of conversion to convert its 10.6 million convertible notes to 21.2 million Batavia shares. The notes were converted at a conversion price of five cents.					
On 13 February the Company paid a dividend, satisfied by the distribution of shares held as part of its investment in Batavia Mining Limited. Refer note 20.					

**Notes to the Financial Statements  
For the Year Ended 30 June 2004**

	Note	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>28 Employee Benefits</b>					
Aggregate liability for employee benefits, including on-costs					
<i>Current</i>					
Employee benefits provision	16	<b>32,556</b>	23,734	<b>32,556</b>	23,734
		<b>32,556</b>	23,734	<b>32,556</b>	23,734

**Equity-based plans**

***Employee share option plan***

All options were previously issued under the Hallmark Incentive Option Scheme. These options expired on 30 June 2004. This scheme has been replaced by the Tennant Creek Gold Limited 2004 Employee and Consultant Option Scheme, approved by shareholders on 1 July 2004.

Each option is convertible to one ordinary share. The exercise price of the options, determined in accordance with the rules of the plan, are based on the weighted average price of the Company's shares traded during the five business days preceding the date of granting the option.

All options expire on the earlier of their expiry date or termination of the employee's or Director's relationship with the Company or a subsidiary, other than by reason of death, retirement or retrenchment of that participant.

28 Employee Benefits (continued)

*Summary of options over unissued ordinary shares*

Consolidated and Company  
2004

Grant dates	Expiry date	Exercise price \$	Number of options at the beginning of year	Options granted	Options lapsed	Options exercised	Number of options at end of year on issue
30 June 2000	30 June 2004	0.19	3,280,000	–	3,280,000	–	–
11 October 2002	30 June 2004	0.14	1,180,000	–	1,180,000	–	–
			<u>4,460,000</u>				<u>–</u>

Consolidated and Company  
2003

30 June 2000	30 June 2004	0.19	3,280,000	–	–	–	3,280,000
11 October 2002	30 June 2004	0.14	–	1,180,000	–	–	1,180,000
			<u>3,280,000</u>				<u>4,460,000</u>

29 Director and executive disclosures

(a) Details of specified directors and specified executives

*Specified Directors*

J W Barr (Chairman)  
N Biddle (Managing Director)  
M Bowen (Appointed 8 January 2004)  
S A Corp (Resigned 8 January 2004)

*Specified Executives*

C Bath (Company Secretary)

(b) Remuneration of directors and specified executives by the consolidated entity

Remuneration of directors and key executives is competitively set with the assistance of externally prepared surveys and reports, taking into account the experience and qualifications of each individual.

All of the directors received a separate directors' fee of \$20,000 per annum, plus statutory superannuation.

In addition:

Kensington Consulting Pty Ltd receives a consulting fee for Mr Barr's services; and  
Biddle Partners Pty Ltd receives a consulting fee for Mr Biddle's services.

There is no direct link between remuneration paid to any of the directors and corporate performance such as bonus payments for achievements of key performance indicators.

29 Director and executive disclosures (continued)

		Primary				Equity Compensation	
Directors		Directors Fees	Consulting Fees	Salary	Super	Value of options (A)	Total
<b>Specified Directors</b>							
<i>Executive</i>							
J W Barr	2004	20,000	72,930	–	1,800	–	94,730
	2003	20,000	93,500	–	1,800	–	115,300
N Biddle	2004	20,000	141,250	–	1,800	–	163,050
	2003	20,000	102,245	–	1,800	–	124,045
<i>Non-Executive</i>							
M Bowen	2004	9,534	–	–	–	–	9,534
	2003	–	–	–	–	–	–
S A Corp	2004	10,440	21,000	–	940	–	32,380
	2003	20,000	44,500	–	1,800	40,000	106,300
G A Snow	2004	–	–	–	–	–	–
	2003	4,728	–	–	426	–	5,154
<b>Total Specified Directors</b>							
	2004	59,974	235,180	–	4,540	–	299,694
	2003	64,728	240,245	–	5,826	40,000	350,799
<b>Specified Executives</b>							
C Bath	2004	–	–	126,692	14,161	–	140,853
	2003	–	–	100,000	26,314	4,000	130,314

(A) The fair value of the options is calculated at the date of grant using a Black-Scholes model and allocated to each reporting period equally over the period from grant date to vesting date. The value disclosed above is a portion of the fair value of the options allocated to this reporting period.

Since the end of the financial year the Company has not paid any insurance premiums (2003: Nil) in respect of Directors' and Officers' liability insurance for current directors and officers.

**(c) Equity instruments**

All options refer to options over ordinary shares of Tennant Creek Gold Limited, which are exercisable on a one for one basis as approved by shareholders.

***Options and rights over equity instruments granted as remuneration***

During the reporting period, the no options over ordinary shares were granted.

6,900,000 options have been granted to directors and specified executives since the end of the year. These options have an expiration date of 31 May 2007, an exercise price of \$0.15 per share, and a fair value of \$0.0566 per option at grant date. These options were provided at no cost to the recipients.

All options expire on the earlier of their expiry date or termination of the individual's employment.

***Option holdings***

The movement during the reporting period in the number of options over ordinary shares in Tennant Creek Gold held, directly, indirectly or beneficially, by each specified director and specified executive, including their personally-related entities, is as follows:

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2004**

**29 Director and executive disclosures** (continued)

	Held at 1 July 2003	Granted as remuneration	Exercised	Other changes*	Held at 30 June 2004	Vested and exercisable at 30 June 2004
<b>Specified Directors</b>						
J W B	1,000,000	–	–	(1,000,000)	–	–
N Biddle	1,000,000	–	–	(1,000,000)	–	–
M Bowen	–	–	–	–	–	–
S A Corp	1,000,000	–	–	(1,000,000)	–	–
<b>Specified Executives</b>						
C Bath	300,000	–	–	(300,000)	–	–

No options held by specified directors or specified executives are vested but not exercisable.

\* Other changes represent options that expired or were forfeited during the year.

**Equity holdings and transactions**

The movement during the reporting period in the number of ordinary shares of Tennant Creek Gold held, directly, indirectly or beneficially, by each specified director and specified executive, including their personally-related entities is as follows:

	Held at 1 July 2003	Purchases	Received on exercise of options	Sales	Held at 30 June 2004
<b>Specified Directors</b>					
J W Barr	8,700,000	–	–	–	8,700,000
N Biddle	5,643,372	400,000	–	–	6,043,372
M Bowen	100,000 <sup>2</sup>	693,747	–	–	793,747
S A Corp	8,000,000	550,000	–	–	– <sup>1</sup>
<b>Specified Executives</b>					
C Bath	521,350	68,635	–	–	589,985

<sup>1</sup> Resigned as a director on 8 January 2004 at which date he held 8,550,000 shares.

<sup>2</sup> Held prior to being appointed to the Board on 8 January 2004.

**(d) Other transactions with the specified directors and specified executives**

A number of specified directors and specified executives, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company or its subsidiaries in the reporting period. Their terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amounts recognised during the year relating to specified directors, specified executives and their personally-related entities, were total revenue of \$Nil and total net expense after reimbursement of office costs of \$253,917. Details of the transactions are as follows:

	Transaction	Note	2004 \$
<b>Specified Directors</b>			
J W Barr	Consulting Fees	(i)	72,930
	Office Costs reimbursed	(ii)	(3,000)
N Biddle	Consulting Fees	(iii)	141,250
	Corporate Charters	(iv)	1,650
	Office Costs reimbursed	(v)	(3,000)
M Bowen	Legal Fees	(vi)	21,394
S A Corp	Consulting Fees	(vii)	21,000
<b>Specified Executives</b>			
C Bath	Purchases	(viii)	1,693

**29 Director and executive disclosures** (continued)

- (i) The Company used the management consulting services of Kensington Consulting Pty Ltd, a company of which Mr J W Barr is a director.
- (ii) The Company invoiced Cavendish Corporation Limited, a company of which Mr J W Barr is a director for the reimbursement of office and administration costs.
- (iii) The Company used the geological and management consulting services of Hatched Creek Pty Ltd and Biddle Partners Pty Ltd, companies of which Mr Neil Biddle is a director and related party respectively.
- (iv) The Company invoiced Biddle Partners Pty Ltd, a company of which Mr N Biddle is a related party for the reimbursement of office and administration costs.
- (v) The Company used the services of Hannan Street Corporate Charters, a company of which Mr N Biddle is a director.
- (vi) The Company used the management services of Flea Pty Ltd, a company of which Mr S A Corp is a director.
- (vii) The Company used the legal services of Hardy Bowen Lawyers, a legal firm of which Mr Michael Bowen is a partner.
- (viii) The Company purchased beverages from B<sup>2</sup> Corporation Pty Ltd trading as Coffeefresh, a company of which Mr C Bath is a director.

Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

**30 Non-director related parties**

**(a) Wholly owned group transactions**

Details of interest in wholly owned controlled entities are set out in Note 25. Details of these dealings are set out below.

**Loans**

Loans between entities in the wholly owned group are non-interest bearing, unsecured and are repayable upon reasonable notice having regard to the financial stability of the Company.

**Transactions**

	<b>Parent Entity</b>	
	<b>2004</b>	<b>2003</b>
	<b>\$</b>	
Balances with entities in the wholly-owned group		
Receivable – non current	<b>1,754,381</b>	1,753,236
Provision for non recovery	<b>(1,754,381)</b>	(1,753,236)
	<u>–</u>	<u>–</u>
Payables – non current	<b>76,754</b>	476,066

**(b) Other related transactions**

**Loans**

The Company had provided a short term unsecured loan of \$566,325 (2003: \$760,049) to Batavia during the year. The loan was repaid in full on 4 September 2003.

Mr Barr is a director of Batavia Mining Limited and Mr Biddle was a director until 5 February 2004.

**Convertible Notes**

In the prior year the Company was issued 10,600,000 convertible notes in Batavia in satisfaction of a loan provided by the Company. In September 2003 the Company converted its note holding to 21,200,000 ordinary shares

**Sales**

The Company invoiced Batavia Mining Limited \$240,919 (2003: \$Nil) for the reimbursement of office and administration costs.

### 30 Interests in joint venture operations

Joint venture party	Joint venture	Principal activities	Consolidated Interest		Exploration expenditure	
			2004	2003	2004	2003
			%	%	\$	
OMG Group Inc.	Cawse Extended	Nickel/Cobalt	20%	20%	1,335	12,695
Mines and Resources Australia Pty Ltd	Kintore East	Gold	23.75%	23.75%	–	1,200
Kookynie Resources Pty Ltd	McTavish	Gold	– <sup>1</sup>	10.1%	1,262	1,623

<sup>1</sup> 3% Gross royalty

Exploration expenditure represents direct expenditure incurred by the consolidated entity.

### 31 Events subsequent to balance date

#### *Acquisition of entity*

In July 2004 the Company acquired 100% of the issued shares of Tennant Creek Gold (NT) Pty Ltd which has advanced molybdenum-tungsten and gold development projects and extensive gold, nickel and base metal exploration interests in its 15,000km<sup>2</sup> Northern Territory tenement portfolio. Consideration was 10,000,000 ordinary shares in Tennant Creek Gold limited at an issue price of \$0.12 per share.

In July 2004 the Company completed a placement to raise \$600,000 by the issue of 6,000,000 shares.

#### *International Financial Reporting Standards*

For reporting periods starting on or after 1 July 2005, the consolidated entity must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. At balance date, it was not possible to quantify the effect of the convergence to IFRS as key IASs and AASBs are currently under development.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The difference between Australian GAAP and IFRS identified to date as potentially having a significant effect on the consolidated entity's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The consolidated entity has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the consolidated financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with IFRS.

Regulatory bodies that promulgate Australian GAAP and IFRS have significant ongoing projects that could affect the difference between Australian GAAP and IFRS described below and the impact of these differences relative to the consolidated entity's financial reports in the future. The potential impacts on the consolidated entity's financial performance and financial position of the adoption of IFRS, including system upgrades and other implementation costs which may be incurred have not been quantified as at the transition date of 1 July 2004 due to the short timeframe between finalisation of the IFRS standards and the date of preparing this report. The impact on future years will depend on the particular circumstances prevailing in those years.

The board has established a formal project, to achieve transition to IFRS reporting, beginning with the half-year ended 31 December 2005. The Company's implementation project consists of three phases as described below.

#### *Assessment and planning phase*

The assessment and planning phase aims to produce a high level overview of the impacts of conversion to IFRS reporting on existing accounting and reporting policies and procedures, systems and processes, business structures and staff.

*Design phase*

The design phase aims to formulate the changes required to existing accounting policies and procedures and systems and processes in order to transition to IFRS. The design phase will incorporate:

- formulating revised accounting policies and procedures for compliance with IFRS requirements
- identifying potential financial impacts as at the transition date and for subsequent reporting periods prior to adoption of IFRS
- developing revised IFRS disclosures
- designing accounting and business processes to support IFRS reporting obligations

The design phase is expected to be completed during the upcoming financial year.

*Implementation Phase*

The implementation phase will include implementation of identified changes to accounting and business procedures, processes and systems. It will enable the Company to generate the required disclosures of AASB 1 as it progresses through its transition to IFRS.

The Company expects IFRS conversion to be substantially complete by 30 June 2005.

The key potential implications of the conversion to IFRS on the consolidated entity are as follows:

- financial instruments must be recognised in the statement of financial position and most financial assets must be carried at fair value
- income tax will be calculated based on the "balance sheet" approach, which will generally result in more deferred tax assets and liabilities and, as tax effects follow the underlying transaction, some tax effects will be recognised in equity
- changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects
- the accounting policy in relation to exploration and development expenditure cannot be determined until finalisation of the relevant accounting standard and therefore it is not possible to identify whether there will be a significant impact on the financial statements as a result of the move to IFRS.

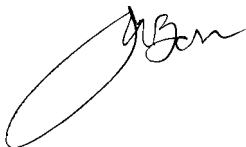
## Directors' Declaration

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- 1 In the opinion of the Directors of Tennant Creek Gold Limited:
  - (a) the financial statements and notes, set out on pages 18 to 50, are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
    - (ii) complying with Accounting Standards in Australia 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.
- 2 There are reasonable grounds to believe that the Company and the subsidiaries identified in Note 24 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to ASIC Class Order 98/1418.

Dated at Perth this 21st day of September 2004.

Signed in accordance with a resolution of the Directors:



**John W Barr**  
Chairman



## Independent audit report to members of Tennant Creek Gold Limited

### *Scope*

#### *The financial report and directors' responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Tennant Creek Gold Limited (the "Company") and the Tennant Creek Gold Group (the "Consolidated Entity"), for the year ended 30 June 2004. The Consolidated Entity comprises both the Company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit approach*

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

### *Independence*

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.





***Audit opinion***

In our opinion, the financial report of Tennant Creek Gold Limited is in accordance with:

- a) the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2004 and of their performance for the financial year ended on that date; and
  - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'D P McCOMISH'.

D P McCOMISH  
Partner

Perth  
21 September 2004