

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

| Note | Consolidated | | Company | |
|------|--------------|------|---------|------|
| | 2000 | 1999 | 2000 | 1999 |
| | \$ | \$ | \$ | \$ |

Fully Paid Ordinary Share Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends

Share Options

On 21 June 1999, a total of 6,500,000 listed options were issued, being 1 option for every 2 shares allotted to the investor on Initial Public Offering. These options are exercisable by 30 November 2000 at an exercise price of 75 cents each.

Refer to Note 21 for details of the Employee Share Option Incentive Plan.

18. RESERVES

| | | | | |
|--|-----------|-----------|---|---|
| Asset revaluation reserve | 3,763,956 | 3,763,956 | – | – |
| The movement during the Financial Year is reconciled as follows: | | | | |
| Balance at the beginning of the Financial Year | 3,763,956 | – | – | – |
| Revaluation of King Bay Supply Base Lease | – | 3,763,956 | – | – |
| Balance at the end of the Financial Year | 3,763,956 | 3,763,956 | – | – |

19. STATEMENT OF CASH FLOWS

(a) Reconciliation of the operating (loss) profit after income tax to the net cash flows from operations

| | | | | |
|--|-----------|-----------|---------|-------------|
| Operating (loss) profit after income tax | (207,957) | 2,454,919 | 190,559 | 1,106,907 |
| Depreciation of non current assets | 1,078,314 | 1,179,156 | – | – |
| Amortisation of non current assets | – | 95,105 | – | – |
| Provision for employee entitlements | (247,618) | 50,562 | – | – |
| (Profit)/Loss on sale of property, plant and equipment | (20,280) | 17,405 | – | – |
| Write off of shares - other corporations | – | 2,647 | – | – |
| Write back of loan | (93,581) | (120,419) | – | – |
| Dividend received from controlled entity | – | – | – | (1,100,000) |