ATTACHMENT 4

Proforma Consolidated Statement of Financial Position

&

Update on International Financial Reporting Standards

A. Proforma Statement of Financial Position

	Actual 31 May 2004 $	*Pro Forma 31 May 2004 $*
CURRENT ASSETS		
Cash assets	457,735	3,452,735
Receivables	10,755	10,755
Total current assets	468,490	3,463,490
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	2,020,685	2,225,685
Property, plant and equipment	11,714	158,714
Total non-current assets	2,032,399	2,384,399
Total assets	2,500,889	5,847,889
CURRENT LIABILITIES		
Payables	37,892	37,892
Total current liabilities	37,892	37,892
Total liabilities	37,892	37,892
NET ASSETS	2,462,997	5,809,997
EQUITY		
Contributed equity	2,712,487	6,059,487
Loss for the period since registration	(249,490)	(249,490)
TOTAL EQUITY	2,462,997	5,809,997

The pro forma consolidated statement of financial position has been derived from the historical consolidated statement of financial position as at 31 May 2004 as adjusted to give effect to the following significant transactions that have occurred or are proposed to occur after 31 May 2004:

i) the issue by the Company pursuant to the Prospectus dated 14 July 2004 of 18,585,000 ordinary fully paid shares at 20 cents each and 9,292,500 free attaching options to raise $3,717,000;

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(Continued)

ii) the payment and write off to the contributed equity account of other Prospectus costs, not already paid by or provided for by 31 May 2004, of approximately $370,000;

iii) the acquisition of the remaining 20% interest in the Grumesa Joint Venture for approximately $205,000; and

iv) the acquisition of plant and equipment for approximately $147,000.

B. Update on International Financial Reporting Standards ("IFRS")

With respect to Note 2 of the Independent Accountant's Report on page 101 of the Company's Prospectus dated 14 July 2004, we advise that the International Accounting Standards Board has yet to release an IFRS based on Exposure Draft 6 "Exploration for and evaluation of Mineral Resources".

Recent updates from the International Accounting Standards Board confirm that there remains uncertainty as to whether or not costs incurred in relation to acquisition, exploration and evaluation of mineral assets can continue to be capitalised and carried forward as deferred costs in statements of financial position.