



**EQUITY-1 RESOURCES NL**

acn 010 195 972

abn 74 010 195 972

Suite 1 – Level 3, 320 Adelaide Street, Brisbane, Qld 4000  
PO Box 10672, Brisbane Adelaide Street, Qld 4000, Australia

tel +61 7 3229 2677

fax +61 7 3229 4066

e-mail [admiralty@admiraltyresources.com.au](mailto:admiralty@admiraltyresources.com.au)

website [www.admiraltyresources.com.au](http://www.admiraltyresources.com.au)

3 October 2003

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
GPO Box 1784  
**MELBOURNE VIC 3001**

Dear Sir,

**RE: EQUITY-1 RESOURCES NL  
ASIC Annual Audited Accounts**

On 30 September 2003 we sent you a copy of the company's Annual Audited Accounts as at 30 June 2003. This was acknowledged by the ASX as "File Name: 83129.pdf".

However, we regret that in their haste to forward the file to us before close of lodgment date, our auditors – Deloitte Touche Tohmatsu – loaded two wrong pages into the "pdf" file. This was not discovered until the following day.

We now attach:

- Explanatory e-mail received by ourselves from Deloitte Touche Tohmatsu
- Copy of the correct Page 2
- Copy of the correct Page 35

Yours faithfully,

A handwritten signature in black ink, appearing to read "Frank B Edge", written over a horizontal line.

Frank B Edge  
Director  
Equity-1 Resources NL

## Admiralty

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**From:** Thomas, Justin (AU - Brisbane) <justthomas@deloitte.com.au>  
**To:** Admiralty <admiralty@admiraltyresources.com.au>  
**Sent:** Thursday, 2 October 2003 5:29 PM  
**Attach:** Correct financial statement pages.pdf  
**Subject:** Updated financial statements pages

Hi Joanna

I tried calling you earlier - I was in a meeting but got your message on my mobile after. Matt has asked me to forward you the scanned pages with the corrected subsequent events (after balance date events) notes for lodgement with ASIC and the ASX as the initial pages lodged were not correct (wrong pages loaded).

<<Correct financial statement pages.pdf>>

Regards

*Justin Thomas*  
*Client Manager*  
*Assurance & Advisory*  
*Deloitte Touche Tohmatsu*

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✉ E-Mail: justthomas@deloitte.com.au  
 ☎ Phone: 07 3308 7039 Level 26, Riverside Centre  
 📠 Fax: 07 3308 7004 GPO Box 1463  
 📱 Mobile: 0411 181 655 Brisbane QLD 4000

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**DIRECTORS' REPORT**

The above named directors held office during and since the end of the financial year except for:

Gary Damp Resigned from office on 16<sup>th</sup> January 2003;

Marc Flory Resigned from office on 6<sup>th</sup> June 2003;

Scott Reid Resigned from office on 6<sup>th</sup> June 2003.

**PRINCIPAL ACTIVITIES**

The continuing activity of the company and the consolidated entity is the exploration and development of economic mineral deposits. During the financial year, the consolidated entity purchased a 10% interest in NILNAV Orthopaedics Pty Ltd.

**REVIEW OF OPERATIONS**

The operations of the consolidated entity for the year returned an overall loss after income tax of \$2,369,132. This compares with an overall loss after income tax of \$1,285,520 during the 2002 year.

**DIVIDENDS**

No dividends were paid during the year, nor are any recommended at 30 June 2003.

**CHANGES IN STATE OF AFFAIRS**

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

**FUTURE DEVELOPMENTS**

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

**AFTER BALANCE DATE EVENTS**

On 28 July 2003, the directors of the company entered into a loan facility with Perolin Investments Pty Ltd for \$2 million. It is anticipated that once available, this facility will be used by the company to further the Rincon Star Project in Argentina. Repayment of the \$2 million facility once drawn is anticipated to be from a dividend stream from the company's investment in NILNAV Orthopaedics Pty Ltd and over an estimated six years. The first payment under the facility will be due in two years and six months from the date of drawdown.

NILNAV Orthopaedics Pty Ltd, the company in which Equity-1 Resources NL holds a 10% investment, has signed a contract with Monet Technology Inc from which NILNAV Orthopaedics Pty Ltd forecasts receiving US \$20 million per annum. Equity-1 Resources NL is forecasting to receive a dividend stream from NILNAV Orthopaedics Pty Ltd sufficient to meet the ongoing financing of the consolidated entity.

**OPTIONS**

172,515,425 options were issued during the financial year ended 30 June 2003 exercisable at 10 cents and will expire on 29 October 2004.

There are 181,015,425 unissued ordinary shares for which options are outstanding as at the date of this report. 2,500,000 are held by a current director (F Edge), 6,000,000 are held by retired directors and their related entities (N Calabro 2,250,000, G Billingham 1,875,000 and S Reid 1,875,000) and 172,515,425 are held by MTM Holdings.

There were no unlisted options that were granted to directors during the year.

No further options have been issued since the end of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003**

**NOTE 25 FINANCIAL INSTRUMENTS (cont)**

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised financial instruments

Cash: The carrying amount approximates fair value.

Receivables: The carrying amount approximates fair value.

Listed shares: For financial instruments traded in organised financial markets, fair value is the current market bid price for the asset. The values of the shares held are reviewed by the Board at balance date. Where it is considered necessary a write down of the carrying value of individual investments is made. At balance date a write down was made for current and non-current assets. The portfolio of shares will continue to be monitored by the Board in accordance with the company's corporate governance.

Shares – at cost: The carrying amount approximates fair value.

Trade creditors: The carrying amount approximates fair value.

Employee Provisions: The carrying amount approximates fair value.

**NOTE 26 AFTER BALANCE DATE EVENTS**

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**NOTE 27 NON-HEDGED FOREIGN CURRENCY BALANCES**

The Australian dollar equivalent of foreign currency balances included in the financial statements which are not effectively hedged are as follows:

|                 | Consolidated |        | Company |      |
|-----------------|--------------|--------|---------|------|
|                 | 2003         | 2002   | 2003    | 2002 |
|                 | \$           | \$     | \$      | \$   |
| Argentine Pesos |              |        |         |      |
| Cash            | 5,809        | 19,024 | -       | -    |

**NOTE 28 CONTINGENT LIABILITIES**

The directors are not aware of any contingent liabilities in existence as at the date of this report.