**D'AGUILAR GOLD PTY LTD**
**CONDENSED STATEMENT OF FINANCIAL PERFORMANCE**
**FOR THE HALF YEAR ENDED 31ST DECEMBER 2002**

| | Note | 6 months ending Dec-02 $ | 12 months ending Jun-02 $ |
|---|---|---|---|
| Revenue from Ordinary Activities | | | |
| Operating Revenue | | - | 12,432 |
| Interest Received | | 7,090 | 15,030 |
| Proceeds from sale of non-current assets | | - | 377,478 |
| Significant Item - Net write-up of fixed assets on reversion from fair value to cost basis | | - | 808,533 |
| Gain on debt forgiveness | | 3,860,273 | - |
| Total Revenue from Ordinary Activities | | 3,867,363 | 1,213,473 |
| Expenses from Ordinary Activities | | | |
| Depreciation expense | | (152,686) | (470,108) |
| Borrowing costs expense | | (5,018) | (391) |
| Site restoration expenses | | (600,000) | (280,000) |
| Other expenses from ordinary activities | | (457,442) | (906,463) |
| Total Expenses from Ordinary Activities | | (1,215,146) | (1,656,962) |
| Profit/(loss) from ordinary activities before income tax expense/(income tax revenue) | | 2,652,217 | (443,489) |
| Income tax revenue/(income tax expense) relating to ordinary activities | | - | - |
| Profit/(loss) from ordinary activities after related income tax expense/(income tax revenue) attributable to members of the Company | | 2,652,217 | (443,489) |
| Total changes in equity other than those resulting from transaction with owners as owners | | 2,652,217 | (443,489) |

This statement to be read in conjunction with the accompanying notes

**D'AGUILAR GOLD PTY LTD**
**CONDENSED STATEMENT OF FINANCIAL POSITION**
**FOR THE HALF YEAR ENDED 31 DECEMBER 2002**

| | Note | 6 months ending Dec-02 $ | 12 months ending Jun-02 $ |
|---|---|---|---|
| CURRENT ASSETS | | | |
| Cash | | 354,443 | - |
| Inventories | | 14,080 | 16,580 |
| Receivables | | 49,892 | - |
| TOTAL CURRENT ASSETS | | 418,415 | 16,580 |
| NON-CURRENT ASSETS | | | |
| Investments | | 451,187 | 544,861 |
| Property, plant and equipment | | 486,147 | 634,299 |
| Investment in Subsidiaries | | 79,467 | 0 |
| TOTAL NON-CURRENT ASSETS | | 1,016,801 | 1,179,160 |
| TOTAL ASSETS | | 1,435,216 | 1,195,740 |
| CURRENT LIABILITIES | | | |
| Payables | | 115,620 | 127,089 |
| Interest Bearing liabilities | | 3,163 | 3,422 |
| TOTAL CURRENT LIABILITIES | | 118,783 | 130,511 |
| NON-CURRENT LIABILITIES | | | |
| Interest Bearing Liabilities | | 0 | 3,860,273 |
| Provisions | 2 | 1,300,000 | 700,000 |
| TOTAL NON-CURRENT LIABILITIES | | 1,300,000 | 4,560,273 |
| TOTAL LIABILITIES | | 1,418,783 | 4,690,784 |
| NET ASSETS | | 16,433 | (3,495,044) |
| EQUITY | | | |
| Contributed Equity | | 1,068,700 | 209,440 |
| Reserves | | - | - |
| Retained profits | | (1,052,267) | (3,704,484) |
| TOTAL EQUITY | | 16,433 | (3,495,044) |

This statement is to read in conjuction with the accompanying notes.

**D'AGUILAR GOLD PTY LTD**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE HALF YEAR ENDED 31 DECEMBER 2002**

## 1 Statement of Accounting Policy

The half-year financial statements are a special purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2002 and any public announcements made by D'aguilar Gold Pty Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

## 2 Provision for Rehabilitation Costs

The company has commissioned independent environmental consultants to review the environmental liability in respect of the Tenements. The company has also received advice from independent contractors on the quantuam of estimated rehabilitation works.
On the basis of this information the Directors have provided an amount of $1,300,000 for a provision for rehabilitation. The company does have a right of recourse against Maxi-Tec Limited (the previous owner of the company) for any rehabilitation costs in excess of $420,000. The Directors have also taken steps to enter into agreements with third parties to accept responsibility for a portion of the present liability of the company in respect of the rehabilitation costs.

## 3 Funding Information

The financial statements have been prepared on a going concern basis which contemplates continuity of of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The ability of the company to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent upon the raising of additional equity. Subsequent to balance date the company has commenced a IPO that is intended to raise $4,000,000 in equity.