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# GREENVALE MINING N.L. AND ITS CONTROLLED ENTITIES

A.B.N. 54 000 743 555

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**DIRECTORS:**

Leslie L. White (Chairman)  
Gabriel M. Lorentz, LL.B. (Deputy Chairman)  
Elizabeth Stojlar, B.Bus., ASA

**SECRETARIES:**

Peter G. Agoston, F.C.A.  
Gary A. Douglas, F.C.A.

**BANKERS:**

Westpac Banking Corporation

**SOLICITORS:**

Osborne & Associates

**AUDITORS:**

KPMG

**REGISTERED OFFICE:**

C/- Agoston, Douglas & Partners  
Chartered Accountants,  
Level 2,  
580 George Street,  
Sydney NSW 2000  
Phone : (02) 9261 2288  
Fax : (02) 9261 2376

**SHARE REGISTRARS:**

ASX Perpetual Registrars Limited  
Level 8,  
580 George Street,  
Sydney NSW 2000  
Phone : (02) 8280 7111  
Fax : (02) 9287 0303

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Greenvale Mining N.L. will be held on 28<sup>th</sup> November 2003 at 10.00 a.m., 1st Floor, The Stamford Plaza Hotel, 33 Cross Street, Double Bay N.S.W. 2028.

**BUSINESS****ORDINARY RESOLUTIONS :**

1. To receive and adopt the Directors' Report and the financial statements of the Company for the year ended 30 June 2003 and the Consolidated financial statements of the Consolidated Entity, being the Company and its controlled entities for the year ended 30 June 2003, and the Auditors' Reports thereon.
2. To elect a Director in place of Mr Leslie L. White who retires by rotation pursuant to the Articles of Association and who being eligible, offers himself for re-election.
3. To transact any other business which may be brought forward in accordance with the Articles of Association.

Dated at Sydney this 29<sup>th</sup> September 2003.

By order of the Board

PETER AGOSTON,  
Secretary

**PROXIES**

Any member may appoint not more than 2 proxies to attend on his behalf. A proxy may, but need not, be a member of the Company. Where more than one proxy is appointed each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy form is enclosed; duly signed proxies must be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

Management and Directors support the spirit and substance of good corporate governance and take a keen interest in corporate governance issues. Developments, both in Australia and overseas, are continually monitored to identify and implement those value adding aspects which will enhance the Company's competitive performance.

This Statement outlines the main corporate governance practices that were in place throughout the financial year, unless otherwise stated.

**Board of Directors**

Details of Board composition and Directors' backgrounds can be found in the Directors' Report on page 2.

The Company seeks to have a Board balanced in experience with a wide range of expertise and skills.

Directors are appointed for a 3 year term after which time they may seek re-election by shareholders.

The terms and conditions relating to the appointment and retirement of non-executive directors are determined by the Board on an individual basis at the time of appointment of the director and are reviewed by the Chairman on an on-going basis.

Each director of the parent entity or a controlled entity has the right to seek independent professional advice at the expense of the parent entity or the controlled entity. Prior approval of the relevant Chairman is required, however, such approval not to be unreasonably withheld.

**Audit**

Being a small Company with only three directors, the Board deals with all audit related matters directly. External auditors have full access to the Board throughout the year.

The responsibility of the Board ordinarily includes:

- reviewing internal controls and recommending enhancements in respect of the Company's financial affairs;
- monitoring compliance with the Corporations Act 2001, Stock Exchange listing rules, matters outstanding with auditors, Australian Tax Office, Australian Securities and Investments Commission, Australian Stock Exchange and financial institutions;
- monitoring environmental, legal and safety requirements;
- reviewing external audit reports and ensuring the annual audit and half-year review are conducted in an effective manner.

The Board is able to obtain independent professional advice and to secure the attendance of external advisers with relevant experience and expertise if it considers this necessary within the scope of its activities. The cost of such advice is borne by the Company.

The Company's auditor, KPMG, was appointed in 1970. This is the first year that the year-end audit has been undertaken by the current engagement partner. The previous engagement partner rotated off the Company's audit at the completion of the 2001/02 annual report and accounts, in accordance with KPMG's policy regarding partner rotation.

**Remuneration Committee**

The role of the Group's Remuneration Committee is to make recommendations to the Board on all aspects of remuneration for the Chairman and Directors.

The Committee is comprised of one Director and two Company Secretaries. The members of the Remuneration Committee are:

- Mr G. Lorentz (Chairman)
- Mr. G.A. Douglas
- Mr. P. Agoston

The Remuneration Committee meet annually. Details of directors' remuneration are set out in the Directors' Report and Notes 21 and 23 to the financial statements.

**Code of Practice**

The Group has adopted a code of conduct which requires adherence to ethical business practice.

**Business Risk Management**

The Group has a pro-active risk identification and management programme to minimise the impact of accidental loss or damage.

**DIRECTORS' REPORT**

The directors present their report together with the financial report of Greenvale Mining N.L. ("the Company") and the consolidated financial report of the Consolidated Entity, being the Company and its controlled entities, for the year ended 30 June 2003 and the auditors' report thereon.

**Directors**

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

**Mr Leslie L. White**

Chairman

Chairman of Esperance Minerals N.L.; East Coast Minerals N.L.; Austral Pacific Energy & Resources Corporation (U.S.A.); Texas Energy Corporation N.L.; Director of Minga Pty Limited.

Mr White was instrumental in the securing of oil shale tenements where oil shale deposits at Lowmead, Nagoorin and Alpha were discovered for Greenvale Mining N.L. and Esperance Minerals N.L.

Mr White was instrumental in the company drilling for oil and gas in Texas in the U.S. which resulted in three producing oil and gas wells. Mr White was the instigator in East Coast Minerals N.L. obtaining the Mumni Mumni mining tenements and he has been vitally involved in the development of the Elizabeth Hill silver mining project.

Mr White was instrumental in obtaining the Greenland tenements for the group which include a rich niobium deposit and an exploration target for nickel, gold, lead and zinc. Through another company Mr. White was involved in the mining of tin in Malaysia.

Appointed 23 December 1969.

**Mr Gabriel M. Lorentz, LL.B.**

Deputy Chairman

Bachelor of Law, Sydney University

Deputy Chairman of Esperance Minerals N.L. and East Coast Minerals N.L.; Director of Austral Pacific Energy & Resources Corporation (U.S.A.), Texas Energy Corporation N.L. and Minga Pty Limited; Chairman of Olympus Resources Limited and Kimberley Securities Limited.

Mr Lorentz was previously a director of Amad NL which discovered the Naberlek uranium deposit. Another Company where Mr. Lorentz was previously a Director, Pexa Oil NL, was involved in the production of oil and gas in Queensland. He was also a Director of Wambo Mining NL, an operating coal mine near Singleton, NSW. Mr Lorentz had a private mineral exploration company which discovered Porgera in Papua New Guinea, one of the world's largest gold mines operating today. This property was sold to a consortium consisting of Placer, MIM and Consolidated Goldfields.

Appointed 31 August 1972.

**Mrs Elizabeth Stoliar, B.Bus., CPA**

Member of the Australian Society of CPAs

Bachelor of Business

Director of Greenvale Mining N.L., Esperance Minerals N.L., East Coast Minerals N.L., Texas Energy Corporation N.L. and Minga Pty Limited. Mrs Stoliar was employed by one of the major accounting firms in Australia for four years in the Business/Corporate Section.

Appointed 1 June 1984.

**Mr Gary Alexander Douglas FCA – Alternate for Elizabeth Stoliar and Leslie White**

Member of Institute of Chartered Accountants in Australia

Appointed 8 November, 2002

Resigned 6 June, 2003

In accordance with the Company's Articles of Association, Mr Leslie White retires by rotation from the Board of Directors at the forthcoming Annual General Meeting of Shareholders and, being eligible, offers himself for re-election.

**Directors' Meetings**

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year were :-

Director	No. of <u>Meetings Attended</u>	No. of <u>Meetings Held</u>
Mr. Leslie L. White	17	17
Mr. Gabriel M. Lorentz	17	17
Mrs. Elizabeth Stoliar	16	17
Mr. Gary Douglas (Resigned 6 <sup>th</sup> June 2003)	-	17

**Principal Activities**

The principal activities of the Consolidated Entity during the course of the financial year were:

Mining and mineral exploration and the investment of surplus funds.

There were no significant changes in the nature of the activities of the corporations in the Consolidated Entity during the year.

**Group Result**

The consolidated operating loss of the Consolidated Entity for the year after providing for income tax was \$541,683 (2002 - loss \$255,161).

**DIRECTORS' REPORT (Continued)****Review of Operations**

During the year the Consolidated Entity continued its mineral exploration activity and care and maintenance program on its oil shale and other leases and continued to invest its surplus funds.

**Dividends**

No dividends have been paid or declared since the end of the previous financial year to the date of this report.

**Environmental Regulations**

The Consolidated Entity mineral exploration activities are subject to environmental regulations under Commonwealth and State legislation. No activity has taken place on the leases which would give rise to an environmental issue. There have been no instances of non-compliance with the legislative requirements during the period covered by this report.

**Directors' emoluments**

Details of the nature and amount of each major element of the emoluments received by each director of the Company and its controlled entities are :

<b>Director</b>	<b>Base emoluments</b>	<b>Allowances</b>	<b>Total</b>
	\$	\$	\$
Mr. L.L. White	15,900	2,500	18,400
Mr G.M. Lorentz	11,700	-	11,700
Mrs. E. Stoliar	11,700	-	11,700
Mr. G.A. Douglas	-	-	-

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit by reason of a contract made by the Consolidated Entity or a related entity with any director or with a firm of which a director is a member or with an entity in which a director has a substantial financial interest except for management fees paid to L & E White Investments Pty Limited, a company owned by Mr. Leslie L. White, Mrs. Elizabeth Stoliar and other related parties. Further details of these transactions are set out in Notes 21 and 23 to these financial statements.

**State of Affairs**

During the year, 2,270 contributing shares were converted to fully paid shares. In the opinion of the directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review.

**Events Subsequent to Balance Date**

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 Consolidated Entity, 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 financial years.

**Likely Developments**

Information as to likely developments in the operations of the Company and its controlled entities and the expected results of those operations in subsequent financial years is dependent on the results of the oil shale project at Stuart in North Queensland. The Company's joint venture partner, Southern Pacific Petroleum N L has reported that funds have been made available to develop further its oil shale resources, expand present production and undertake further development on Stage Two of the project. The Federal Government has extended an excise rebate for production of naphtha until 2005.

New extraction technologies are being reviewed as they come to hand. The Company, together with its joint venture partners, will continue to work on feasibility and pre-development studies on the oil shale deposits.

**Directors' Interests and Benefits**

The relevant interest of each director in the ordinary share capital of the Company as notified by the directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	<b>Fully Paid Shares</b>	<b>Contributing Shares</b>
Leslie L. White	195,200	740,112
Gabriel M. Lorentz	-	248,800
Elizabeth Stoliar	-	64,200
Gary A. Douglas	-	-
	<u>195,200</u>	<u>1,053,112</u>

**Options**

There are no options over the Company's shares issued or outstanding at 30 June 2003.

**Directors' Indemnity**

The Company has not agreed to indemnify any director, officer or auditor against liabilities that may arise from their position as director, officer or auditor of the Company or its consolidated entities except that during the financial year the Company indemnified the management company, L & E White Investments Pty. Limited and its Nominees against all costs, claims, demands and damages arising from the fulfilment by the management company of its obligations under the management agreement, except where the liability arises out of conduct involving a lack of good faith. The Company and directors paid premiums based on normal commercial terms and conditions to insure all directors, officers and employees of the Company against the costs and expenses in defending claims brought against the individual while performing services for the Consolidated Entity. The premium paid has not been disclosed as it is subject to the confidentiality provisions of the insurance policy.

Dated at Sydney this 29<sup>th</sup> September 2003

Signed in accordance with a resolution of the directors

Leslie L. White  
Director

**GREENVALE MINING N.L. AND ITS CONTROLLED ENTITIES****5.****STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2003**

	NOTE	Consolidated		The Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
Revenue from ordinary activities	2	70,984	112,886	32,068	91,634
Expenses from ordinary activities :					
Administration expenses		(177,008)	(271,690)	(184,128)	(252,847)
Provision for diminution in shares		(276,663)	(1,960)	(534,479)	(576)
Borrowing costs		(58,080)	(46,126)	(58,080)	(46,126)
Book value of assets sold		(92,328)	(48,913)	(10,331)	(46,801)
Total expenses		(604,079)	(368,689)	(787,018)	(346,350)
Share of net profits / (losses) of associates accounted for using the equity method	19	(8,588)	642	-	-
(Loss) from ordinary activities before related income tax expense	3	(541,683)	(255,161)	(754,950)	(254,716)
Income tax (expense)/benefit relating to ordinary activities	5	-	-	-	-
Net (loss)		(541,683)	(255,161)	(754,950)	(254,716)
Basic and diluted (loss) per share	6	(2.86c)	(1.35c)		

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE, 2003**

	NOTE	Consolidated		The Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash		9,548	104,398	9,107	76,066
Receivables	8	423,063	403,688	3,870	2,500
<b>TOTAL CURRENT ASSETS</b>		432,611	508,086	12,977	78,566
<b>NON-CURRENT ASSETS</b>					
Receivables	8	463,177	433,185	463,177	433,185
Investments accounted for using equity method	9	357,177	357,712	-	-
Other financial assets	10	246,534	609,087	523,695	1,053,982
Plant and equipment	11	2,530	3,248	2,530	2,720
Exploration and evaluation expenditure	12	1,381,183	1,362,800	1,381,183	1,362,800
<b>TOTAL NON-CURRENT ASSETS</b>		2,450,601	2,766,032	2,370,585	2,852,687
<b>TOTAL ASSETS</b>		2,883,212	3,274,118	2,383,562	2,931,253
<b>CURRENT LIABILITIES</b>					
Payables	13	44,804	81,265	43,252	57,184
<b>TOTAL CURRENT LIABILITIES</b>		44,804	81,265	43,252	57,184
<b>NON-CURRENT LIABILITIES</b>					
Payables	13	-	-	2,711,283	2,677,330
Interest bearing liabilities	14	927,797	740,900	927,797	740,900
<b>TOTAL NON-CURRENT LIABILITIES</b>		927,797	740,900	3,639,080	3,418,230
<b>TOTAL LIABILITIES</b>		972,601	822,165	3,682,332	3,475,414
<b>NET ASSETS/(DEFICIENCY)</b>		1,910,611	2,451,953	(1,298,770)	(544,161)
<b>EQUITY</b>					
Contributed equity	15	3,060,460	3,060,119	3,060,460	3,060,119
Reserves	7	4,083,610	4,083,610	1,263,605	1,263,605
Accumulated losses	16	(5,233,459)	(4,691,776)	(5,622,835)	(4,867,885)
<b>TOTAL EQUITY/(DEFICIT)</b>		1,910,611	2,451,953	(1,298,770)	(544,161)

The statements of financial performance and financial position are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 7 to 20.

	NOTE	Consolidated		The Company	
		2003 \$	2002 \$	2003 \$	2002 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>					
Cash payments in the course of operations		(237,126)	(245,106)	(204,032)	(234,501)
Dividends received		416	352	-	-
Net cash (used in) operating activities	24(b)	(236,710)	(244,754)	(204,032)	(234,501)
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>					
Payments for exploration expenditure		(18,383)	(31,867)	(18,383)	(31,867)
Interest received		51,788	48,458	30,626	29,382
Payments for investments		(14,491)	-	(14,491)	-
Proceeds from sale of investments		18,780	62,076	1,234	62,076
Advances to associated companies		(24,992)	(29,618)	(25,024)	(29,618)
Proceeds from sale of plant and equipment		-	2,000	-	-
Net cash provided by/(used in) investing activities	12,702	51,049	(26,038)	29,973	
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>					
Proceeds from loans from related entities		186,897	302,144	220,850	302,144
Repayments of loans to related entities		-	-	-	(4,490)
Borrowing costs		(58,080)	(46,126)	(58,080)	(46,126)
Proceeds from issue of shares		341	28,291	341	28,291
Net cash provided by financing activities		129,158	284,309	163,111	279,819
Net increase/(decrease) in cash held		(94,850)	90,604	(66,959)	75,467
Cash at the beginning of the financial year		104,398	13,794	76,066	599
Cash at the end of the financial year	24(a)	9,548	104,398	9,107	76,066

The statements of cash flows are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 7 to 20.

**1. STATEMENT OF ACCOUNTING POLICIES**

The significant 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.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations 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.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The Consolidated Entity has adopted relevant, new and revised accounting standards and pronouncements without material effect.

The financial statements of the Company have been prepared on a going concern basis despite the Company having a deficiency of net assets as at 30 June 2003. This assumes the realisation of assets and discharge of liabilities in the normal course of business. The directors confirm, on an ongoing basis, that the Company continues to meet this criteria.

**(b) Principles of consolidation**

The consolidated accounts comprise the accounts of the Company, being the Company, and its controlled entities. The balances, and effects of transactions, between entities in the Consolidated Entity have been eliminated.

**(c) Revenue recognition**

Revenues are recognised at fair value of the consideration received.

**Sale of non-current assets** – Gross proceeds of asset sales are included as revenue. The profit or loss on disposal is brought to account at the date when an unconditional contract of sale is signed.

**Interest income** - Interest income is recognised as it accrues.

**Other revenue** - Revenue recognition policy for investments as described in accounting policy 1(g).

**(d) Income tax**

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 entities with tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses is not recorded unless realisation is virtually certain.

**(e) Non-current assets**

The carrying amounts of all non-current assets valued on the cost basis, other than exploration and evaluation expenditure carried forward, 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 the recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

**(f) Investments****Controlled entities**

Investments in controlled entities are carried in the Company's accounts at cost less amounts written off to recognise any decline in recoverable amounts. Dividends are brought to account as they are received.

**Associated companies**

An associate is an entity, other than a partnership, over which the Consolidated Entity exercises significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the Company's financial statements investments in associates are carried at the lower of cost and recoverable amount. Dividends are brought to account as they are received.

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 share of the associates' net profit or loss after tax is recognised in the consolidated Statement of Financial Performance after adjustments for: revisions in depreciation of depreciable assets and amortisation of goodwill arising from notional adjustments made as at the date of acquisition; dissimilar accounting policies; and the elimination of unrealised profits and losses on both upstream and downstream transactions between the associate and any entities in the Consolidated Entity or another associate of the Consolidated Entity. Other movements in reserves are recognised directly in consolidated reserves.

**Investments in listed companies**

Investments in listed companies are carried at the lower of cost and recoverable amount. Recoverable amount is determined by the Directors having regard to quoted market values, the investee's net assets and other factors which influence the recoverable amount. Dividends are brought to account as they are received.

**Other companies**

Investments in companies other than controlled entities, associated companies and listed companies, are valued at the lower of cost and recoverable amount. Recoverable amount is determined by the Directors having regard to the Consolidated Entity's share of the net assets of the investee companies. Dividends and interest are brought to account as they are received.

**(g) Plant & equipment**

Plant and equipment is capitalised at historical cost and depreciated over their estimated useful lives. The straight line and reducing balance methods are used. Assets are first depreciated in the year of acquisition.

The depreciation rate used for plant and equipment is 12%.

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. 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.

**(i) Exploration and evaluation expenditure**

Exploration costs carried forward represent an accumulation of net costs incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which :

- (i) such costs are expected to be recouped through successful sale or development and exploitation of the area, or
- (ii) exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of consolidated recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in the Statement of Financial Performance in the period in which the area is abandoned. Accumulated costs on continuing areas of interest which are not expected to be recouped are written off in the Statement of Financial Performance in the period in which this assessment is made.

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

**(j) Provisions**

The collectibility of all advances is assessed at year end to determine whether the debtor companies have the ability to repay those advances.

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
<b>2. REVENUE FROM ORDINARY ACTIVITIES</b>				
Other revenue from operating activities :				
Interest revenue	51,788	48,458	30,626	29,382
Dividend received	416	352	208	176
Other revenue from outside operating activities :				
Gross proceeds from sale of non-current assets	18,780	64,076	1,234	62,076
Total revenue from ordinary activities	<u>70,984</u>	<u>112,886</u>	<u>32,068</u>	<u>91,634</u>
<b>3. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>				
Loss from ordinary activities before income tax expenses has been arrived at after charging the following items :				
Loss/(profit) on sale of non-current assets	73,548	(15,163)	9,097	(15,275)
Amounts to provide for diminution in value of shares in listed companies	276,663	1,960	534,479	576
Amounts provided/(written back) to provision for non-recoverability of advances	(5,000)	5,179	(5,000)	5,179
Depreciation of plant and equipment	718	1,572	190	782
Borrowing costs paid to associated companies	58,080	46,126	58,080	46,126
<b>4. AUDITORS' REMUNERATION</b>				
Auditing and reviewing financial reports	<u>17,750</u>	<u>21,600</u>	<u>17,750</u>	<u>21,600</u>
<b>5. INCOME TAX</b>				
<b>(a) Income tax expense/(Benefit)</b>				
Prima facie income tax expense/(benefit) calculated at 30% on operating loss from ordinary activities	(162,505)	(76,548)	(226,485)	(76,415)
Add : share of associates net (profit)/loss after tax at 30%	2,576	(192)	-	-
	<u>(159,929)</u>	<u>(76,740)</u>	<u>(226,485)</u>	<u>(76,415)</u>
Increase in income tax expense due to:				
Non tax deductible expenses	105,839	2,142	161,573	1,727
Tax losses not brought to account	59,605	84,158	70,427	84,248
Decrease in income tax expense due to:				
Other allowable items	(5,515)	(9,560)	(5,515)	(9,560)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
<b>5. INCOME TAX (Continued)</b>				
<b>(b) Provision for Deferred Income Tax</b>				
Provision for deferred income tax calculated at 30% comprises:-				
Exploration expenditure capitalised in the accounts which is currently deductible for tax purposes in the year incurred	137,291	131,776	137,291	131,776
Future income tax benefit of tax losses brought to account as a reduction in provision for deferred income tax	(137,291)	(131,776)	(137,291)	(131,776)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(c) Future Income Tax Benefit not brought to account</b>				
A future income tax benefit calculated at 30% exists in respect of timing differences and tax losses which have not been recognised at 30 June, 2003:-				
Tax losses	737,204	675,967	728,077	658,791
Capital losses	134,026	120,954	127,768	114,682
	<u>871,230</u>	<u>796,921</u>	<u>855,845</u>	<u>773,473</u>

This future income tax benefit will only be obtained if: -

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

	Consolidated	
	2003	2002
	Cents	Cents
<b>6. (LOSS) PER SHARE</b>		
Basic (loss) per share	<u>(2.86)</u>	<u>(1.35)</u>
	Number of Shares	
Weighted average number of ordinary shares		
Fully paid ordinary shares	9,884,423	9,884,790
Ordinary shares paid to 5 cents	9,083,577	9,083,210
Total number used in the calculation of basic loss per share	<u>18,968,000</u>	<u>18,968,000</u>

Net loss of \$541,683 (2002 – \$255,161) has been applied in calculating the basic loss per share. There were no potentially dilutive shares outstanding during the financial year.

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
<b>7. RESERVES</b>				
Asset revaluation	644,006	644,006	516,352	516,352
Capital profits	3,439,604	3,439,604	747,253	747,253
	<u>4,083,610</u>	<u>4,083,610</u>	<u>1,263,605</u>	<u>1,263,605</u>

Upon disposal of revalued assets, any related revaluation increment standing to the credit of the asset revaluation reserve is transferred to the capital profits reserve.

#### 8. RECEIVABLES

##### Current

Short term deposits	400,000	400,000	-	-
Sundry debtors and prepayments	23,063	3,688	3,870	2,500
	<u>423,063</u>	<u>403,688</u>	<u>3,870</u>	<u>2,500</u>

The short term deposit has a term of 30 days and pays interest at a weighted average interest rate of 4.75% (2002: 5.90%)

##### Non-current

Advances to associated companies (refer Note 19)	1,032,169	1,007,177	1,032,169	1,007,177
Less: provision for non-recoverability (refer Note 20)	(568,992)	(573,992)	(568,992)	(573,992)
	<u>463,177</u>	<u>433,185</u>	<u>463,177</u>	<u>433,185</u>

The Company has subordinated its advance of \$568,992 (2002: \$573,992) to Texas Energy Corporation N.L. in favour of all other creditors.

#### 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Equity accounted (quoted)	-	-	-	-
Equity accounted (unquoted)	357,177	357,712	-	-
	<u>357,177</u>	<u>357,712</u>	<u>-</u>	<u>-</u>
<b>Quoted market value of investments in listed companies</b>	<u>148,388</u>	<u>296,775</u>	<u>-</u>	<u>-</u>

Refer Note 19 for particulars in relation to associated companies

	Consolidated 2003 \$	2002 \$	The Company 2003 \$	2002 \$
<b>10. OTHER FINANCIAL ASSETS</b>				
<b>Non-current</b>				
<b>Paintings – at cost</b>	4,700	4,700	4,700	4,700
<b>Shares in controlled entities</b>				
Unquoted – at cost	-	-	72,519	72,519
Refer Note 18 for particulars in relation to controlled entities				
<b>Shares in associated companies</b>				
Unquoted - at cost	-	-	68,891	68,991
Less: provision for diminution	-	-	(68,872)	(25,373)
	-	-	19	43,618
Quoted - at cost	-	-	401,319	393,264
Less provision for diminution	-	-	(196,687)	-
	-	-	204,632	393,264
<b>Shares in related companies</b>				
Quoted - at cost (Market Value - see below)	532,289	596,931	532,289	536,153
Less provision for diminution	(293,999)	-	(293,999)	-
	238,290	596,931	238,290	536,153
<b>Shares in other companies</b>				
Quoted - at cost (Market Value - see below)	5,920	11,840	5,920	5,920
Less: provision for diminution	(2,385)	(4,384)	(2,385)	(2,192)
	3,535	7,456	3,535	3,728
<b>Total investments in related and other companies</b>	241,834	604,387	518,995	1,049,282
<b>Total investments</b>	246,534	609,087	523,695	1,053,982
<b>Quoted market value of investments in listed companies</b>	149,032	301,473	297,420	566,766

Investment in companies related to Greenvale by virtue of common directors, is comprised of an investment of 8.0% (2002: 7.6%) for the parent entity and 8.0% (2002: 8.0%) for the Consolidated Entity in East Coast Minerals N.L. The principal activities of East Coast Minerals N.L. are investment of funds in shares and mineral exploration in Western Australia.

At 31 December 2002 a provision for diminution of \$534,378 in the parent entity and \$291,991 in the Consolidated Entity was recognised against investments carried at cost. At 30 June 2003 the Directors have reviewed the asset backing of listed entities in which the Company and Consolidated Entity have invested with the objective of holding these investments for the medium to long term as part of its exploration strategy. The Directors do not consider the carrying value of investments to be less than their recoverable amounts at 30 June 2003.

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
<b>11. PLANT &amp; EQUIPMENT</b>				
Plant and equipment - at cost	14,093	15,834	14,093	14,093
Less: accumulated depreciation	(11,563)	(12,586)	(11,563)	(11,373)
Total plant and equipment - net book value	<u>2,530</u>	<u>3,248</u>	<u>2,530</u>	<u>2,720</u>
<b>Reconciliation</b>				
Carrying amount at beginning of year	3,248	6,932	2,720	3,502
Disposals	-	(2,112)	-	-
Depreciation	(718)	(1,572)	(190)	(782)
Carrying amount at end of year	<u>2,530</u>	<u>3,248</u>	<u>2,530</u>	<u>2,720</u>
<b>12. EXPLORATION &amp; EVALUATION EXPENDITURE</b>				
Exploration costs carried forward:				
At cost	1,381,183	1,362,800	1,381,183	1,362,800
Less: Accumulated amortisation	-	-	-	-
	<u>1,381,183</u>	<u>1,362,800</u>	<u>1,381,183</u>	<u>1,362,800</u>
<b>Reconciliation</b>				
Carrying amount at beginning of year	1,362,800	1,330,933	1,362,800	1,330,933
Additions	18,383	31,867	18,383	31,867
Carrying amount at year-end	<u>1,381,183</u>	<u>1,362,800</u>	<u>1,381,183</u>	<u>1,362,800</u>

The balance of the exploration expenditure carried forward at 30 June 2003 represents a 50% interest in Alpha (MDL 330 - registered in the name of Alpha Resources Pty. Limited) and a 25% interest in Lowmead (MDL 188) and Nagoorin (EPM 7721 and MDL 234) mining leases. These leases are located in the south eastern region of Queensland. The Consolidated Entity has identified oil shale reserves in these areas of interest. The recoupment of exploration costs carried forward depends on the successful development and commercial exploitation of oil shale recoveries which have been discovered in these leases and further development of technology to enable extraction of oil from oil shale on a commercially viable basis, having regard to the future price of oil.

**13. PAYABLES**

<b>Current</b>				
Other creditors and accruals	<u>44,804</u>	<u>81,265</u>	<u>43,252</u>	<u>57,184</u>
<b>Non-current</b>				
Loans from controlled entities	<u>-</u>	<u>-</u>	<u>2,711,283</u>	<u>2,677,330</u>

Loans from controlled entities are unsecured with no fixed term of repayment.

**14. INTEREST BEARING LIABILITIES**

<b>Non-current borrowings</b>				
Loans from associated companies	<u>927,797</u>	<u>740,900</u>	<u>927,797</u>	<u>740,900</u>
	<u>927,797</u>	<u>740,900</u>	<u>927,797</u>	<u>740,900</u>

Loans from related companies are unsecured with no fixed term of repayment.

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
<b>15. CONTRIBUTED EQUITY</b>				
9,887,060 (2002 – 9,884,790) ordinary shares fully paid to 20 cents	2,492,812	2,492,358	2,492,812	2,492,358
9,080,940 (2002 – 9,083,210) ordinary shares paid to 5 cents	567,648	567,761	567,648	567,761
	<u>3,060,460</u>	<u>3,060,119</u>	<u>3,060,460</u>	<u>3,060,119</u>

During the year 2,270 (2002 : 188,600 shares) contributing shares paid to 5 cents were converted to fully paid shares. Consideration for this transaction was cash.

Partly paid shares are 15 cents uncalled and rank equally with fully paid shares for dividend and voting purposes.

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 creditors and are fully entitled to any proceeds of liquidation.

**16. ACCUMULATED LOSSES**

Accumulated losses at beginning of the year	(4,691,776)	(4,436,615)	(4,867,885)	(4,613,169)
Loss for the year	(541,683)	(255,161)	(754,950)	(254,716)
Accumulated losses at end of year	<u>(5,233,459)</u>	<u>(4,691,776)</u>	<u>(5,622,835)</u>	<u>(4,867,885)</u>

**17. TOTAL EQUITY RECONCILIATION**

Total equity at beginning of year	2,451,953	2,678,823	(544,161)	(317,736)
Increase in share capital	341	28,291	341	28,291
Net loss for the period	(541,683)	(255,161)	(754,950)	(254,716)
Total	<u>1,910,611</u>	<u>2,451,953</u>	<u>(1,298,770)</u>	<u>(544,161)</u>

**18. PARTICULARS IN RELATION TO CONTROLLED ENTITIES**

Name	Class of shares	Holding	
		2003 %	2002 %
<b>Parent entity</b>			
Greenvale Mining N.L.			
<b>Controlled entities</b>			
Onslow Mining Pty Limited	Ordinary	100	100
Cosmopolitan Restaurant Services Pty Limited (1)	Ordinary	100	100
Cosmopolitan Motor Inns Pty Limited (1)	Ordinary	100	100

(1) Controlled entities of Onslow Mining Pty Limited.

All controlled entities were incorporated in Australia.

No dividends have been received or are due and receivable from controlled entities.

## 19. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

## Investments in associates - consolidated

Name	Principal Activities	Balance Date	Direct and Indirect Ownership Interest		Investment Carrying Amount	
			2003	2002	2003	2002
Austral Pacific Corporation	Oil & gas exploration	30 June 2003	34.5%	34.5%	\$ -	\$ -
Minga Pty Limited	Finance company	30 June 2003	52.8%	52.8%	357,177	357,712
Esperance Minerals NL	Mining	30 June 2003	23.4%	23.4%	-	-
Alpha Resources Pty Limited	Mineral exploration	30 June 2003	58.2%	58.2%	-	-
Texas Energy Corporation NL	Mining	30 June 2003	61.3%	61.3%	-	-
					<u>357,177</u>	<u>357,712</u>

	Consolidated 2003	Consolidated 2002
	\$	\$

**Results of associates**

Share of associates' operating profit/(loss) after income tax	(8,588)	642
---	---------	-----

**Share of post-acquisition accumulated (losses) and reserves attributable to associates****Accumulated (losses)**

Share of associates' accumulated (losses) at the beginning of the financial year	(765,552)	(766,194)
Share of associates' net (loss)/profit	(8,588)	642
Share of associates' accumulated (losses) at the end of the financial year	<u>(774,140)</u>	<u>(765,552)</u>

**Asset revaluation reserve**

Share of associates' asset revaluation reserve as at the beginning and end of the financial year	127,654	127,654
--	---------	---------

**Capital profit reserve**

Share of associates' capital profits reserve at the beginning and end of the financial year	493,331	493,331
---	---------	---------

**Movements in carrying amount of investments**

Carrying amount of investments in associates at the beginning of the financial year	357,712	357,070
Additions	8,053	-
Share of associates' net profit/(loss)	(8,588)	642
Carrying amount of investments in associates at the end of the financial year	<u>357,177</u>	<u>357,712</u>

## Summary performance and financial position of associates

	Consolidated 2003 \$	Consolidated 2002 \$
The consolidated entity's share of net losses and aggregate assets and liabilities of associates is as follows:		
Net (losses) -- reported by associates	(321,386)	(63,277)
Current assets	471,887	592,592
Non-current assets	1,754,684	1,890,878
Total assets	2,226,571	2,483,470
Current liabilities	158,029	156,847
Non-current liabilities	1,426,410	1,499,217
Total liabilities	1,584,439	1,656,064
Net assets -- as reported by associates	642,132	827,406

## 20. DIRECTORS' REMUNERATION

	Consolidated 2003	2002	The Company 2003	2002
The number of Directors including executive Directors, who received, or in respect of whom income is due and receivable, from the Company and from related companies with the following bands:				
0 - 9,999			1	1
10,000 - 19,999			3	3
The total income paid or payable or otherwise made available to Directors, including executive Directors, from the Company and from related companies				
	\$41,800	\$46,650	\$37,300	\$46,650

## 21. SEGMENT INFORMATION

## Industry segment

	<u>FINANCE/INVESTMENT</u>		<u>MINING AND MINERAL EXPLORATION</u>		<u>CONSOLIDATED TOTAL</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
	\$	\$	\$	\$	\$	\$
<b>Business Segments</b>						
<b>Revenue</b>						
External segment revenue	70,984	112,886	-	-	70,984	112,886
<b>Result</b>						
Segment result	(533,095)	(255,803)	-	-	(533,095)	(255,803)
Share of Profit/(loss) of equity accounted investments	(8,588)	642	-	-	(8,588)	642
(Loss) from ordinary activities before income tax	(541,683)	(255,161)	-	-	(541,683)	(255,161)
Income Tax Expense (Loss) from ordinary activities after income tax					-	-
					(541,683)	(255,161)
Non-cash items :						
Depreciation and amortisation	718	1,572	-	-	718	1,572
Provision for diminution/ (written back) on investments	276,663	1,960	-	-	276,663	1,960
Provision for non- recoverability/(written back) in advances	(5,000)	5,179	-	-	(5,000)	5,179
<b>Assets</b>						
Segment Assets	1,492,481	1,902,211	1,381,183	1,362,800	2,873,664	3,265,011
Unallocated corporate assets	-	-	-	-	9,548	9,107
Consolidated total assets					2,883,212	3,274,118
<b>Liabilities</b>						
Segment Liabilities	972,601	822,165	-	-	972,601	822,165

**Geographical Segments**

The Consolidated Entity operates in one geographical segment, Australia.

**22. RELATED PARTY****Directors**

The names of each person holding the position of Director of Greenvale Mining N.L. during the year are :

Mr Leslie L. White

Mr Gabriel M. Lorentz

Mrs Elizabeth Stoliar

Mr Gary A. Douglas – Alternate (resigned 6 June, 2003)

Details of Directors' remuneration are set out in Note 20.

**Other Transactions with the Company**

Mr. L.L. White, Mrs E. Stoliar and other related parties own L & E White Investments Pty Limited a company that provides management services to the Company and related bodies corporate. The cost of services being provided are charged under normal commercial terms and conditions. Management fees paid to L & E White Investments Pty Limited by the Company during the year were as follows :-

	2003	2002
	\$	\$
Greenvale Mining N.L.	60,245	62,458
	-----	-----

There existed no contingent liabilities of the Company for termination benefits under service agreements with Directors or persons who take part in the management of the Company as at 30 June 2003.

Mr G. Douglas is an associate of an accounting practice that provides accounting services to the Company and relating bodies corporate. The cost of services are based on normal commercial terms and conditions.

**Directors' Shareholdings**

Details of Directors shareholdings in the Company are set out in the Directors' Report. The total number of ordinary shares held beneficially by Directors and their director-related entities is 5,645,520 (2002 – 5,645,520) fully paid ordinary shares and 2,441,712 (2002 – 2,441,712) contributing shares.

**Controlled Entities**

Details of interest in controlled entities are set out in Note 18.

**Director related entities**

During the year the associate company Minga Pty. Limited provided various office services to Greenvale Mining N.L. and its controlled entities. The charges for these services amounted to \$24,000 (2002 - \$ 39,777) and were on normal terms and conditions.

In addition to the above, interest was paid during the year for advances from Minga Pty. Limited amounting to \$58,080 (2002 - \$46,126) at an interest rate of 6.75% (2002: 6.75%). Interest was also received during the year from advances to Esperance Minerals N.L. amounting to \$30,626 (2002 - \$ 28,717) at an interest rate of 6.75% (2002: 6.75%).

The aggregate amounts receivable from and payable to associated and related companies at balance date are disclosed in Note 8 and Note 14, and are repayable on call.

## 23. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

## (a) Interest rate risk

Greenvale Mining N.L. and its controlled entities do not enter into interest rate swaps, forward rate agreements or interest rate options to manage cash flow risks associated with the interest rates on borrowings that are floating, or to alter interest rate exposures arising from mismatches in repricing dates between assets and liabilities.

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 :-

2003	Note	Weighted average interest rate %	Floating interest rate \$	Fixed Interest maturing in :		Total \$
				1 year or less \$	Non-interest Bearing \$	
<b>Financial assets</b>						
Cash		4.75%	9,548	-	-	9,548
Receivables	8	4.75%	-	400,000	-	400,000
Investments	10		-	-	264,534	264,534
Receivables -- related parties	8	6.75%	-	463,177	-	463,177
			9,548	863,177	264,534	1,137,259
<b>Financial liabilities</b>						
Payables	13		-	-	44,804	44,804
Borrowings -- related parties	14	6.75%	-	927,797	-	927,797
			-	927,797	44,804	972,601

2002	Note	Weighted average interest rate %	Floating interest rate \$	Fixed Interest maturing in :		Total \$
				1 year or less \$	Non-interest bearing \$	
<b>Financial assets</b>						
Cash		5.2%	104,398	-	-	104,398
Receivables	8	5.9%	-	400,000	-	400,000
Investments	10		-	-	609,087	609,087
Receivables -- related parties	8	6.75%	-	433,185	-	433,185
			104,398	833,185	609,087	1,137,259
<b>Financial liabilities</b>						
Payables	13		-	-	81,265	81,265
Borrowings - related parties	14	6.75%	-	740,900	-	740,900
			-	740,900	81,265	822,165

**(b) Net Fair values of financial assets and liabilities**

Listed shares included in "investments" are traded in an organised financial market. The net fair value of listed shares are determined by valuing them at the current quoted market bid price, adjusted for transactions costs necessary to realise the asset or settle the liability. The fair values are provided at note 10.

The carrying amounts of cash, receivables and interest bearing liabilities approximate net fair value.

The net fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets of the respective corporations. The carrying amount of investment in unlisted shares in other corporations approximates net fair values.

**24. NOTES TO THE STATEMENTS OF CASH FLOWS**

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
<b>(a) RECONCILIATION OF CASH</b>				
Cash	9,548	104,398	9,107	76,066
<b>(b) RECONCILIATION OF OPERATING (LOSS) AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES :</b>				
Operating (loss) after income tax	(541,683)	(255,161)	(754,950)	(254,716)
Add/(less) non-cash items :				
Depreciation and amortisation	718	1,960	190	782
Amounts set aside for provisions	271,663	7,139	529,479	5,755
Share of associates' loss/(profit) after tax	8,588	(642)	-	-
Add/(less) items classified as investing/financing activities :				
Loss/ (Profit) from sale of non-current assets	73,548	(15,163)	9,097	(15,275)
Interest received	(51,788)	(48,458)	(30,626)	(29,382)
Borrowing costs paid	58,080	46,126	58,080	46,126
Net cash / (decrease) used in operating activities before change in assets and liabilities	(180,874)	(264,199)	(188,730)	(246,710)
Change in assets and liabilities during the financial year :				
(Increase)/decrease in sundry debtors and prepayments	(19,375)	18,203	(1,370)	10,990
Increase in other creditors and accruals	(36,461)	1,242	(13,932)	1,395
Net cash (used in) operating activities	(236,710)	(244,754)	(204,032)	(234,501)

**FINANCING FACILITIES**

The group has access to bank overdraft facilities to a maximum of \$20,000 leaving an unused facility of \$20,000 (2002 - \$20,000). The facilities are secured over the assets of an associated company, Minga Pty Limited and is subject to annual review.

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**STATEMENT BY DIRECTORS**

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In the opinion of the Directors of Greenvale Mining N.L. :

- (a) the financial statements and notes, set out on pages 5 to 20 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 2003, 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.

Dated at Sydney this 29<sup>th</sup> September 2003.

Signed in accordance with a resolution of the Directors.

Leslie L. White  
Director

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

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**SCOPE**

We have audited the financial report of Greenvale Mining N L for the financial year ended 30 June, 2003, consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes, and the directors' declaration set out on pages 5 to 21. The financial report includes the consolidated financial statements of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year. The Company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**AUDIT OPINION**

In our opinion, the financial report of Greenvale Mining N.L. 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 2003 and of their performance for the 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.

KPMG

Mark Epper  
Partner

Sydney 29<sup>th</sup> September 2003

**Additional Statutory Information**At 16<sup>th</sup> September 2003

(a) The number of shareholders and the distribution of their holdings in each class of quoted securities was as follows:

Shareholding	Fully Paid Shares	Contributing Shares
1 - 1,000	518	803
1,001 - 5,000	158	382
5,001 - 10,000	30	69
10,001 - 100,000	55	64
100,001 and over	10	18
	<u>771</u>	<u>1,336</u>
	Fully paid Shares	Contributing Shares

(b) Shareholders with holdings less than a marketable parcel of 2,273 shares for the fully paid shares and 16,667 shares for the contributing shares was

610	1,277
<u>610</u>	<u>1,277</u>

(c) The twenty largest shareholders hold:-

<u>79.93%</u>	<u>57.72%</u>
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(d) All shares issued at balance date entitle the holders to one vote per share.

**The Register of Substantial Shareholders discloses the following:****Direct Holding -**

- |   |   |
|---|---|
| (i) East Coast Minerals N.L.<br>Level 2, 580 George Street,<br>Sydney NSW 2000<br>holder of:<br>1,397,420 fully paid shares                         | (ii) Esperance Minerals N.L.<br>Level 2, 580 George Street,<br>Sydney NSW 2000<br>holder of:<br>3,455,000 fully paid shares |
| (iii) Leslie L. White<br>by virtue of substantial shareholding<br>in East Coast Minerals N.L. and his<br>holding of:<br>108,945 contributing shares |   |

**Indirect Holding -**

Minga Pty Ltd  
by virtue of substantial shareholding  
in Esperance Minerals N.L. and their  
holding of:  
96,100 fully paid shares

**TOP TWENTY HOLDERS OF FULLY PAID SHARES :**

The top twenty largest holders of fully paid shares are listed below.

	Number	%
Esperance Minerals N L	3,455,000	34.94
East Coast Minerals N L	1,397,420	14.13
Strategic Pooled Development Limited	769,230	7.78
Southern Pacific Petroleum N L	360,978	3.65
ANZ Nominees Limited	299,547	3.03
Mr David Hale	230,770	2.33
Mrs Deborah Ann Kroger	203,000	2.05
Rock (Nominees) Limited	201,300	2.04
Texas Energy Corporation N L	150,000	1.52
L & E White Family Holdings Pty Limited	118,000	1.19
Mr Howard Jones	98,000	.99
Minga Pty Ltd	96,100	.97
Mr David Cliffe	80,160	.81
Mr Trevor Neil Hay	72,970	.74
Canaccord Capital Corporation	67,000	.68
L & E White Investments Pty Limited	65,000	.66
Merrill Lynch (Australia) Pty Ltd	63,100	.64
Austral Pacific Energy & Resources Corporation	60,000	.61
Bretred Pty Limited	59,660	.60
Gould Nominees Pty Ltd	55,000	.56
	<u>7,902,235</u>	<u>79.93</u>

**Additional Statutory Information**At 16<sup>th</sup> September 2003**TOP TWENTY HOLDERS OF CONTRIBUTING SHARES :**

The top twenty largest holders of contributing shares are listed below.

	<b>Number</b>	<b>%</b>
Exploration Finance Pty Ltd	1,147,500	12.64
Bretred Pty Limited	438,830	4.83
Southern Pacific Petroleum N.L.	341,500	3.77
L. & E White Investments Pty Ltd	333,500	3.67
Mr Howard Jones	302,900	3.34
Mrs Deborah Ann Kroger	300,022	3.30
ANZ Nominees Limited	252,520	2.78
National Nominees Limited	248,500	2.74
Peter Stanford & John Stanford & Jeremy Stanford	228,000	2.51
Gabriel M Lorentz	220,000	2.42
Stanley Cullen	206,800	2.28
Mr David Cliffe	195,618	2.15
Mrs Edith White 189,500	2,09	
Mr Randall Henri Olgers	159,000	1.75
John A McEvoy	140,000	1.54
Peter Stanford & John Stanford & Jeremy Stanford	139,167	1.53
Leslie L White	108,945	1.20
Swiss Corporate Credit Pty Limited	105,667	1.16
John Albert McEvoy	100,000	1.10
Invia Custodian Pty Limited	83,410	.92
	<u>5,241,779</u>	<u>57.72</u>

