GREENVALE MINING N.L. AND ITS CONTROLLED ENTITIES

A.B.N. 54 000 743 555

DIRECTORS:
Leslie L. White (Chairman)
Gabriel M. Lorentz, LL.B. (Deputy Chairman)
Elizabeth Stoliar, 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
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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Greenvale Mining N.L. will be held on 18th November 2004 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 2004 and the Consolidated financial statements of the Consolidated Entity, being the Company and its controlled entities for the year ended 30 June 2004, and the Auditors' Reports thereon.

2. To elect a Director in place of Mrs Elizabeth Stoliar who retires by rotation pursuant to the Articles of Association and who being eligible, offers herself 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 29th September 2004.

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 and consolidated entity's competitive performance. The Board has considered the the ASX Corporate Governance Council paper entitled "Principles of Good Corporate Governance and Best Practice Recommendations" which was published in March 2003.

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

Board of Directors

Role of the board
The Board of Directors is responsible for the overall Corporate Governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals, approving and monitoring capital expenditure, ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting.

Board processes
The Board establishes committees depending upon the nature, size and complexity of the Company's affairs at the time. Throughout the financial year all matters, which may have been capable of delegation to a committee were dealt with by the full Board, except for remuneration which is assessed by the Remuneration Committee.

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.

The Board meets on a regular basis and also where appropriate, meets for strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

There has been no formal performance evaluation of the board during the past financial year.

Composition of the Board
The names of the Directors of the Company, together with details of their relevant experience are set out in the Directors' Report.

The procedures for election and retirement of Directors are governed by the Company's Constitution and the Listing Rules of Australian Stock Exchange Limited.

The composition of the Board is determined using the following principles:

- The Board shall comprise of Directors with a range of expertise encompassing the current and proposed activities of the Company.
- Where a vacancy is considered to exist, the Board selects an appropriate candidate through consultation with external parties, consideration of the needs of the shareholder base and consideration of the needs of the Company. Such appointments are referred to shareholders at the next available opportunity for re-election in general meeting.

The role of Chairman and Chief Executive Officer is fulfilled by Mr Leslie White. The Directors believe this is appropriate having regard to the alignment of his interests with shareholders through his shareholding in the Company, the size of the consolidated entity and the nature of the consolidated entity's operations.

While two of the three Directors are non-executives, there is not a majority of independent Directors. Mrs Elizabeth Stolier is related to Mr Leslie White and accordingly may not be viewed as independent. Also, Mrs Elizabeth Stolier and Mr G Lorentz have been Directors of the Company since 1984 and 1972 respectively, a period of time, which could be perceived to materially interfere with their ability to act in the best interests of the consolidated entity.

Conflict of interest
In accordance with the Corporations Act 2001 and the Company's constitution Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company and consolidated entity. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

Details of Directors related entity transactions with the consolidated entity are set out in Note 24.

Independent professional advice and access to company information
Each Director has the right to seek independent professional advice on matters relating to his position as a Director of the Company at the Company's expense, subject to prior approval of the Chairperson, which shall not be unreasonably withheld.

The Directors work closely with management and have full access to all the consolidated entity's files and records.

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 Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude errors and irregularities.

The Company's auditor, KPMG, was appointed in 1972. This is the second year-end audit undertaken by the engagement partner.

For many years the Company has requested the external auditor to attend general meetings and this has been supported by the Company's audit partners at KPMG.

Remuneration Committee

The role of the 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. Further details of directors' remuneration are set out in the Directors' Report and Notes 21 and 24 to the financial statements.

The Committee seeks independent external advice and market comparisons as necessary.

Code of Practice

The Company has established a policy concerning trading in its securities by Directors, management, staff and significant consultants which restricts trading to defined time periods.

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

Business Risk Management

The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the consolidated entity's risk profile. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Shareholder rights and disclosure

The Company, its Directors and staff are acutely aware of continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure. The Company does not have formal written policies regarding disclosure, but uses strong informal systems underpinned by experienced individuals.

The Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies. The Company does communicate regularly with shareholders via timely announcements to the ASX.

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 2004 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 Munni Munni mining tenements and was vitally involved in the development of the Elizabeth Hill silver mining project.

Mr White was instrumental in obtaining the tenements in Greenland for the group which included 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, which operates a 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.

In accordance with the Company's Articles of Association, Mrs Elizabeth Stoliar retires by rotation from the Board of Directors at the forthcoming Annual General Meeting of Shareholders and, being eligible, offers herself 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 : -

	Board of Directors		Remuneration Committee	
Director	**No. of Meetings Attended**	**No. of Meetings Held**	**No. of Meetings Attended**	**No. of Meetings Held**
Mr. Leslie L. White	29	29		
Mr. Gabriel M. Lorentz	29	29	1	1
Mrs. Elizabeth Stoliar	29	29		

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 $56,892 (2003 – loss $541,683).

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. During the year the joint venture partners in its Nagoorin oil shale deposit, Central Pacific Minerals N L (CPM) and Southern Pacific Petroleum N L (SPP) went into receivership. The company entered into an agreement with the Receivers and Managers to purchase an additional 25% in the Nagoorin oil shale deposit from CPM, increasing Greenvale Mining N L's holding to 50%.

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 Entities 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 :

Director	Base emoluments	Primary Allowance	Superannuation	Total
	$	$	$	$
Mr. L.L. White	19,500	2,370	-	21,870
Mr G.M. Lorentz	12,750	-	1,472	14,222
Mrs. E. Stoliar	12,750	-	1,472	14,222

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 24 to these financial statements.

State of Affairs
During the year, 4,430 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 company apart from the payment of the balance of monies to the Receiver and Manager of Central Pacific Minerals N L to acquire the additional 25% interest in the Nagoorin oil shale deposit.

Likely Developments
Information as to likely developments in the operations of the company and the expected results of those operations in subsequent financial years is largely dependent on the results of the oil shale project at Stuart in North Queensland. This project has been purchased from the Receivers by Queensland Energy Limited who have also acquired the 25% interest previously held by Southern Pacific Petroleum N L. The joint venture partners have applied to have coal added to the mineral exploration licences and permits held for the Nagoorin and Lowmead oil shale deposits.

It is proposed to review the deposits' potential as a source of cannel coals for either the domestic or export markets, leaving significant oil shale reserves for future development.

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:

	Fully Paid Shares	Contributing Shares
Leslie L. White	195,200	740,112
Gabriel M. Lorentz	-	248,800
Elizabeth Stoliar	-	64,200
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	195,200	1,053,112

Options
There are no options over the Company's shares issued or outstanding at 30 June 2004.

Directors' Indemnity

The Company has not agreed to indemnify any director, officer or auditor against liabilitites 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 29th September 2004

Signed in accordance with a resolution of the directors

Leslie L. White
Director

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	Consolidated 2004 $	Consolidated 2003 $	The Company 2004 $	The Company 2003 $
Revenue from ordinary activities	2	490,670	70,984	490,670	32,068
Expenses from ordinary activities :					
Administration expenses		(196,434)	(177,008)	(186,626)	(184,128)
Provision for diminution in shares		-	(276,663)	-	(534,479)
Borrowing costs		(83,991)	(58,080)	(83,991)	(58,080)
Carrying amount of assets sold		(224,569)	(92,328)	(362,469)	(10,331)
Total expenses		(504,994)	(604,079)	(633,086)	(787,018)
Share of net profits / (losses) of associates accounted for using the equity method	19	(42,568)	(8,588)	-	-
(Loss) from ordinary activities before related income tax expense	3	(56,892)	(541,683)	(142,416)	(754,950)
Income tax (expense)/benefit relating to ordinary activities	5	-	-	-	-
Net (loss)		(56,892)	(541,683)	(142,416)	(754,950)
Basic and diluted (loss) per share (cents)	6	(0.30c)	(2.86c)		

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	NOTE	Consolidated 2004 $	Consolidated 2003 $	The Company 2004 $	The Company 2003 $
CURRENT ASSETS					
Cash		28,902	9,548	28,902	9,107
Receivables	8	355,681	423,063	355,681	3,870
TOTAL CURRENT ASSETS		384,583	432,611	384,583	12,977
NON-CURRENT ASSETS					
Receivables	8	-	463,177	-	463,177
Investments accounted for using equity method		9	314,609	357,177	-
Other financial assets	10	505,066	246,534	644,435	523,695
Plant and equipment	11	2,028	2,530	2,028	2,530
Exploration and evaluation expenditure	12	1,519,959	1,381,183	1,519,959	1,381,183
TOTAL NON-CURRENT ASSETS		2,341,662	2,450,601	2,166,422	2,370,585
TOTAL ASSETS		2,726,245	2,883,212	2,551,005	2,383,562
CURRENT LIABILITIES					
Payables	13	59,366	44,804	59,366	43,252
TOTAL CURRENT LIABILITIES		59,366	44,804	59,366	43,252
NON-CURRENT LIABILITIES					
Payables	13	-	-	3,119,665	2,711,283
Interest bearing liabilities	14	806,515	927,797	806,515	927,797
TOTAL NON-CURRENT LIABILITIES		806,515	927,797	3,926,180	3,639,080
TOTAL LIABILITIES		865,881	972,601	3,985,546	3,682,332
NET ASSETS/(DEFICIENCY)		1,860,364	1,910,611	(1,434,541)	(1,298,770)
EQUITY					
Contributed equity	15	3,067,105	3,060,460	3,067,105	3,060,460
Reserves	7	4,083,610	4,083,610	1,263,605	1,263,605
Accumulated losses	16	(5,290,351)	(5,233,459)	(5,765,251)	(5,622,835)
TOTAL EQUITY/(DEFICIT)	17	1,860,364	1,910,611	(1,434,541)	(1,298,770)

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 8 to 22.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	Consolidated 2004 $	Consolidated 2003 $	The Company 2004 $	The Company 2003 $
CASH FLOWS FROM OPERATING ACTIVITIES :					
Cash payments in the course of operations		(173,913)	(237,126)	(181,854)	(204,032)
Dividends received		200	416	200	-
Interest received		48,793	51,788	48,793	30,626
Borrowing costs		(83,991)	(58,080)	(83,991)	(58,080)
Net cash (used in) operating activities	23(b)	(208,911)	(243,002)	(216,852)	(231,486)
CASH FLOWS FROM INVESTING ACTIVITIES :					
Payments for exploration expenditure		(138,776)	-	(138,776)	-
Payments for investments		(483,176)	(14,491)	(483,176)	(14,491)
Proceeds from sale of investments		441,677	18,780	441,677	1,234
Net movement in advances to associated companies		473,177	(24,992)	473,144	(25,024)
Payment for)/Proceeds from short term deposits		50,000	-	(350,000)	-
Net cash provided by/(used in) investing activities	342,902	(20,703)	(57,098)	(38,281)	
CASH FLOWS FROM FINANCING ACTIVITIES :					
Net movement in loans from related entities		(121,282)	86,897	287,100	220,850
Proceeds from issue of shares		6,645	341	6,645	341
Net cash provided by financing activities		(114,637)	87,238	293,745	221,191
Net increase/(decrease) in cash held		19,354	(94,850)	19,795	(66,959)
Cash at the beginning of the financial year		9,548	104,398	9,107	76,066
Cash at the end of the financial year	23(a)	28,902	9,548	28,902	9,107

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 8 to 22.

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 2004. 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 financial statemnets comprise the financial statements 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(f).

(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 20%.

(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.

(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.

(k) International Financial Reporting Standards

Input International Financial Reporting Standards (IFRS)
The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January, 2005. The AASB will issue Australian equivalent of IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adopting of Australian equivalent to IFRS will be first reflected in the consolidated entity's financial statements for the year ending 30 June, 2006.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required or transition to IFRS will be made, retrospectively, against opening accumulated losses as at 1 July 2004.

The consolidated entity is in the process of identifying resources to manage the transition to Australian equivalents to IFRS, which will include the training of staff and system and internal control changes necessary to gather all the required financial information. Therefore, the consolidated entity has not yet analysed the Australian equivalent to IFRS and identified accounting policy changes that will be required.

	Consolidated 2004 $	Consolidated 2003 $	The Company 2004 $	The Company 2003 $
2. REVENUE FROM ORDINARY ACTIVITIES				
Other revenue from operating activities :				
Interest revenue	48,793	51,788	48,793	30,626
Dividend received	200	416	200	208
Other revenue from outside operating activities :				
Gross proceeds from sale of non-current assets	441,677	18,780	441,677	1,234
Total revenue from ordinary activities	490,670	70,984	490,670	32,068
3. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE				
Loss from ordinary activities before income tax expenses has been arrived at after charging/(crediting) the following items :				
Gain/(loss) on sale of non-current assets	217,108	(73,548)	79,208	(9,097)
Amounts to provide for diminution in value of shares in listed companies	-	276,663	-	534,479
Amounts provided/(written back) to provision for non-recoverability of advances	(10,000)	(5,000)	(10,000)	(5,000)
Depreciation of plant and equipment	502	718	502	190
Borrowing costs paid to associated companies	83,991	58,080	83,991	58,080
4. AUDITORS' REMUNERATION				
Auditing and reviewing financial reports	15,000	17,750	15,000	17,750
5. INCOME TAX				
(a) Income tax expense/(Benefit)				
Prima facie income tax benefit calculated at 30% on operating loss from ordinary activities	(4,298)	(162,505)	(42,725)	(226,485)
Add : share of associates net (profit)/loss after tax	3,628	2,576	-	-
	(670)	(159,929)	(42,725)	(226,485)
Increase in income tax expense due to:				
Non tax deductible expenses	24,799	105,839	281	161,573
Tax losses not brought to account	53,472	59,605	75,080	70,427
Decrease in income tax expense due to:				
Exploration expenditure deductions	(77,601)	(5,515)	(32,636)	(5,515)
Income tax expense	-	-	-	-

Greenvale Mining N L and its wholly owned Australian subsidiaries have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this decision. The entities do not intend to enter into a tax sharing agreement.

	Consolidated		The Company	
	2004	2003	2004	2003
	$	$	$	$
5. INCOME TAX (Continued)				
(b) Provision for Deferred Income Tax				
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	143,164	137,291	143,164	137,291
Future income tax benefit of tax losses brought to account as a reduction in provision for deferred income tax	(143,164)	(137,291)	(143,164)	(137,291)
	-	-	-	-
(c) Future Income Tax Benefit not brought to account				
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, 2004:-				
Tax losses	665,864	599,913	651,339	590,786
Capital losses	127,768	134,026	127,768	127,768
	793,632	733,939	779,107	718,554

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	
6. (LOSS) PER SHARE	**2004 Cents**	**2003 Cents**
Basic (loss) per share	(0.30)	(2.86)
	Number of Shares	
Weighted average number of ordinary shares		
Fully paid ordinary shares	9,931,360	9,887,060
Ordinary shares paid to 5 cents	9,036,640	9,080,940
Total number used in the calculation of basic loss per share	18,968,000	18,968,000

Net loss of $56,892 (2003 – $541,683) has been applied in calculating the basic loss per share. There were no potentially dilutive shares outstanding during the financial year.

	Consolidated 2004 $	2003 $	The Company 2004 $	2003 $
7. RESERVES				
Asset revaluation	644,006	644,006	516,352	516,352
Capital profits	3,439,604	3,439,604	747,253	747,253
	4,083,610	4,083,610	1,263,605	1,263,605

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.

	Consolidated 2004 $	2003 $	The Company 2004 $	2003 $
8. RECEIVABLES				
Current				
Short term deposits	350,000	400,000	350,000	-
Sundry debtors and prepayments	5,681	23,063	5,681	3,870
	355,681	423,063	355,681	3,870

The short term deposit has a term of 30 days and pays interest at a weighted average interest rate of 5.25% (2003: 4.75%)

	Consolidated 2004 $	2003 $	The Company 2004 $	2003 $
Non-current				
Advances to associated companies	558,992	1,032,169	558,992	1,032,169
Less: provision for non-recoverability	(558,992)	(568,992)	(558,992)	(568,992)
	-	463,177	-	463,177

The Company has subordinated its advance of $558,992 (2003: $568,992) to Texas Energy Corporation N.L. in favour of all other creditors.

	Consolidated 2004 $	2003 $	The Company 2004 $	2003 $
9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Non-current				
Shares in unlisted Associated Companies				
Equity Accounted	314,609	357,177	-	-

Refer Note 19 for particulars in relation to associated companies

10. OTHER FINANCIAL ASSETS

	Consolidated 2004 $	Consolidated 2003 $	The Company 2004 $	The Company 2003 $
Non-current				
Paintings – at cost	4,700	4,700	4,700	4,700
Shares in controlled entities				
Unquoted – at cost	-	-	72,519	72,519
Refer Note 18 for particulars in relation to controlled entities				
Shares in associated companies				
Unquoted - at cost	-	-	68,891	68,891
Less: provision for diminution	-	-	(68,872)	(68,872)
	-	-	19	19
Quoted - at cost	-	-	130,918	401,319
Less provision for dimunition	-	-	(64,087)	(196,687)
	-	-	66,831	204,632
Shares in related companies				
Quoted - at cost (Market Value - see below)	521,666	532,289	521,666	532,289
Less provision for dimunition	(21,300)	(293,999)	(21,300)	(293,999)
	500,366	238,290	500,366	238,290
Shares in other companies				
Quoted - at cost (Market Value - see below)	-	5,920	-	5,920
Less: provision for diminution	-	(2,385)	-	(2,385)
	-	3,535	-	3,535
Total investments in related and other companies	500,366	241,834	500,366	518,995
Total investments	505,066	246,534	644,435	523,695
Quoted market value of investments in listed companies	591,266	149,032	591,266	297,420

Investment in companies related to Greenvale by virtue of common directors, is comprised of an investment of 8.0% (2003: 8.0%) for the parent entity and 8.0% (2003: 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 30 June 2004 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 2004.

	Consolidated		The Company	
	2004	2003	2004	2003
	$	$	$	$
11. PLANT & EQUIPMENT				
Plant and equipment - at cost	14,093	14,093	14,093	14,093
Less: accumulated depreciation	(12,065)	(11,563)	(12,065)	(11,563)
Total plant and equipment - net book value	2,028	2,530	2,028	2,530
Reconciliation				
Carrying amount at beginning of year	2,530	3,248	2,530	2,720
Depreciation	(502)	(718)	(502)	(190)
Carrying amount at end of year	2,028	2,530	2,028	2,530
12. EXPLORATION & EVALUATION EXPENDITURE				
Exploration and evaluation phase expenditure costs carried forward at cost	1,519,959	1,381,183	1,519,959	1,381,183
Reconciliation				
Carrying amount at beginning of year	1,381,183	1,362,800	1,381,183	1,362,800
Additions	138,776	18,383	138,776	18,383
Carrying amount at year-end	1,519,959	1,381,183	1,519,959	1,381,183

The balance of the exploration expenditure carried forward at 30 June 2004 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 expoitation 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. Refer subsequent event (note 25) for changes in ownerhip interest post-year end.

13. PAYABLES

Current				
Other creditors and accruals	59,366	44,804	59,366	43,252
Non-current				
Loans from controlled entities	-	-	3,119,645	2,711,283

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

14. INTEREST BEARING LIABILITIES

Non-current borrowings

Loans from associated companies	806,515	927,797	806,515	927,797

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

	Consolidated		The Company	
	2004	2003	2004	2003
	$	$	$	$
15. CONTRIBUTED EQUITY				
9,931,360 (2003 -9,887,060) ordinary shares fully paid to 20 cents	2,501,672	2,492,812	2,501,672	2,492,812
9,036,640 (2003 – 9,080,940) ordinary shares paid to 5 cents	565,433	567,648	565,433	567,648
	3,067,105	3,060,460	3,067,105	3,060,460

During the year 44,300 (2003 : 2,270 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

	Consolidated 2004	Consolidated 2003	The Company 2004	The Company 2003
Accumulated losses at beginning of the year	(5,233,459)	(4,691,776)	(5,622,835)	(4,867,885)
Loss for the year	(56,892)	(541,683)	(142,416)	(754,950)
Accumulated losses at end of year	(5,290,351)	(5,233,459)	(5,765,257)	(5,622,835)

17. TOTAL EQUITY RECONCILIATION

	Consolidated 2004	Consolidated 2003	The Company 2004	The Company 2003
Total equity at beginning of year	1,910,611	2,451,953	(1,298,770)	(544,161)
Increase in share capital	6,645	341	6,645	341
Net loss for the period	(56,892)	(541,683)	(142,416)	(754,950)
Total	1,860,364	1,910,611	(1,434,541)	(1,298,770)

18. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

Name	Class of shares	Holding 2004 %	Holding 2003 %
Parent entity			
Greenvale Mining N.L.			
Controlled entities			
Onslow Mining Pty Limited	Ordinary	100	100
Cosmopolitan Restaurant Services Pty Limited (1) (Deregistered)	Ordinary	-	100
Cosmopolitan Motor Inns Pty Limited (1) (Deregistered)	Ordinary	-	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 2004	Direct and Indirect Ownership Interest 2003	Investment Carrying Amount 2004 $	Investment Carrying Amount 2003 $
Austral Pacific Energy & Resources Corporation	Oil & gas exploration	30 June 2004	26.1%	34.5%	-	-
Minga Pty Limited	Finance company	30 June 2004	49.7%	52.8%	314,609	357,177
Esperance Minerals NL	Mining	30 June 2004	17.5%	23.4%	-	-
Alpha Resources Pty Limited	Mineral exploration	30 June 2004	52.2%	58.2%	-	-
Texas Energy Corporation NL	Mining	30 June 2004	52.2%	61.3%	-	-
					314,609	357,177

On the 30th June 2004, Greenvale Mining NL sold 67.39% of the shares it held in Esperance Minerals NL. The Directors have concluded that from 1 July 2004 Greenvale Mining NL does not exert significant influence over Esperance Minerals NL.

	Consolidated 2004 $	Consolidated 2003 $
Results of associates		
Share of associates' operating (loss) after income tax	(42,568)	(8,588)
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	(774,140)	(765,552)
Share of associates' (loss)	(42,568)	(8,588)
Share of associates' accumulated (losses) at the end of the financial year	(816,708)	(774,140)
Capital profit reserve		
Share of associates' capital profits reserve at the beginning And end of the financial year	306,639	493,331
Movements in carrying amount of investments		
Carrying amount of investments in associates at the beginning of the financial year	357,177	357,712
Additions	-	8,053
Share of associates' (loss)	(42,568)	(8,588)
Carrying amount of investments in associates at the end the financial year	314,609	357,177

Summary performance and financial position of associates

	Consolidated 2004 $	Consolidated 2003 $
The consolidated entity' share of net losses and aggregate assets and liabilities of associates is as follows:		
Net (losses) – reported by associates	(42,568)	(8,588)
Current assets	42,36	44,482
Non-current assets	853,771	885,278
Total assets	896,132	929,760
Current liabilities	4,060	5,579
Non-current liabilities	604,162	593,704
Total liabilities	608,223	599,283
Net assets – as reported by associates	287,909	330,477

20. SEGMENT INFORMATION

	FINANCE/INVESTMENT		MINING AND MINERAL EXPLORATION		CONSOLIDATED TOTAL	
	2004	2003	2004	2003	2004	2003
	$	$	$	$	$	$
Business Segments						
Revenue						
External segment revenue	490,670	70,984	-	-	490,670	70,984
Result						
Segment result	(14,324)	(533,095)	-	-	(14,324)	(533,095)
Share of (loss) of equity accounted investments	(42,568)	(8,588)	-	-	(42,568)	(8,588)
(Loss) from ordinary activities before income tax	(56,892)	(541,683)	-	-	(56,892)	(541,683)
Income Tax Expense					-	-
(Loss) from ordinary activities after income tax					(56,892)	(541,683)
Non-cash items :						
Depreciation and amortisation	502	718		-	502	718
Provision for diminution/ (written back) on investments	-	276,663		-	-	276,663
Provision for non-recoverability/(written back) in advances	(10,000)	(5,000)		-	(10,000)	(5,000)
Assets						
Segment Assets	1,177,385	1,492,481	1,519,959	1,381,183	2,697,344	2,873,664
Unallocated corporate assets	-	-	-	-	28,902	9,548
Consolidated total assets					2,726,246	2,883,212
Liabilities						
Segment Liabilities	865,881	972,601	-	-	865,881	972,601

Geographical Segments

The consolidated entity operates in one geographical segment, Australia.

21. 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

Details of Directors' remuneration are set out in Note 24.

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. Mr. L.L. White and Mrs E. Stoliar are related. 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 : -

	2004	2003
	$	$
Greenvale Mining N.L.	62,092	60,245
	----------	--------

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 2004.

Directors' Shareholdings

The total number of ordinary shares held beneficially by Directors and their director-related entities are:

	Fully Paid		Contributing		
	Direct	**Indirect**	**Direct**	**Indirect**	**Total**
Mr Leslie L. White	-	195,200	108,945	631,167	935,312
Mr Gabriel M. Lorentz	-	-	220,000	28,800	248,800
Mrs Elizabeth Stoliar	-	-	64,200	-	64,200

There were no movements in Director's shareholdings during the year.

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 $30,000 (2003 - $24,000) 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 $83,991 (2003 - $58,080) at an interest rate of 8.5% (2003: 6.75%). Interest was also received during the year from advances to Esperance Minerals N L amounting to $29,196 (2003 -$30,626) at an interest rate of 8.5% (2003: 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.

22. 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 : -

2004	Note	Weighted average interest rate %	Floating interest rate $	Fixed Interest maturing in : 1 year or less $	Non-interest Bearing $	Total $
Financial assets						
Cash		5.25%	28,902	-	-	28,902
Receivables	8	5.25%	-	350,000	-	350,000
Investments	10		-	-	500,366	500,366
Receivables – related parties	8	8.5%	-	-	-	-
			28,902	350,000	500,366	879,268
Financial liabilities						
Payables	13		-	-	59,366	59,366
Borrowings – related parties	14	7.75%	-	806,515	-	806,515
			-	806,515	59,366	865,881

2003	Note	Weighted average interest rate %	Floating interest rate $	Fixed Interest maturing in : 1 year or less $	Non-interest bearing $	Total $
Financial assets						
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
Financial liabilities						
Payables	13		-	-	44,804	44,804
Borrowings – related parties	14	6.75%	-	927,797	-	927,797
			-	927,797	44,804	972,601

(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.

23. NOTES TO THE STATEMENTS OF CASH FLOWS

	Consolidated 2004 $	Consolidated 2003 $	The Company 2004 $	The Company 2003 $
(a) RECONCILIATION OF CASH				
Cash	28,902	9,548	28,902	9,107
(b) RECONCILIATION OF OPERATING (LOSS) AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES :				
Operating (loss) after income tax	(56,892)	(541,683)	(142,416)	(754,950)
Add/(less) non-cash items :				
Depreciation and amortisation	502	718	502	190
Amounts set aside for provisions	(10,000)	271,663	(10,000)	529,479
Share of associates' loss/(profit) after tax	42,568	8,588	-	-
Add/(less) items classified as investing/financing activities :				
Loss/ (Profit) from sale of non-current assets	(217,108)	73,548	(79,208)	9,097
Net cash / (decrease) used in operating activities before change in assets and liabilities	(240,930)	(187,166)	(231,122)	(216,184)
Change in assets and liabilities during the financial year :				
(Increase)/decrease in sundry debtors and prepayments	17,457	(19,375)	(1,844)	(1,370)
Increase/(decrease) in other creditors and accruals	14,562	(36,461)	16,114	(13,932)
Net cash (used in) operating activities	(208,911)	(243,002)	(216,852)	(231,486)

FINANCING FACILITIES

The group has access to bank overdraft facilities to a maximum of $20,000 leaving an unused facility of $20,000 (2003 - $20,000). The facilities are secured over the assets of an associated company, Minga Pty Limited and is subject to annual review.

24. DIRECTOR DISCLOSURES FOR DISCLOSING ENTITIES

The Company's policy is to set remuneration levels that are competitive to attract and retain appropriately qualified and experienced directors and senior executives. Remuneration packages are, in the main, fixed remuneration.

Termination benefits are determined on a case by case basis and are not contractually defined.

Total directors fees for all directors, last voted upon by shareholders at the 1999 AGM, is not to exceed in aggregate $45,000 per annum. Directors' base fees are presently up to $12,750. The company does not have any specified executives.
The following table provides the details of all directors of the Company and the nature and amount of the elements of their remuneration for the year ended 30 June 2004, calculated on the basis of cost to the consolidated entity net of and therefore excluding costs recovered from outside the consolidated entity.

Specified Director	Primary Salary $	Primary Alllowance $	Post-employment Superannuation Benefits $	Total $
Mr L L White	19,500	2,370	-	21,879
Mr G M Lorentz	12,750	-	1,472	14,222
Ms E Stoliar	12,750	-	1,472	14,222
Total of all specified directors	45,000	2,370	2,944	50,323

25. EVENTS SUBSEQUENT TO REPORTING DATE

On 2nd June, 2004 the company announced it had exercised its pre-emptive right on the Nagoorin oil shale deposit, by purchasing an additional 25% interest for $550,000. The balance of the money due under the agreement of $440,000 was paid by the company on 4th August, 2004.

STATEMENT BY DIRECTORS

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

(a) the financial statements and notes, set out on pages 6 to 22 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 2004, 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 29th September 2004.

Signed in accordance with a resolution of the Directors.

Leslie L. White
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

SCOPE

The financial report and directors' responsibilitys
The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Greenvale Mining N.L. (the "Company") and the consolidated entity, for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach
We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

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 2004 and of their performance for the financial year ended on that date; and

ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory financial reporting requirements in Australia.

KPMG

Mark Epper
Partner
Sydney 29th September 2004

Additional Statutory Information
At 8th September 2004

(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	514	796
1,001 - 5,000	156	382
5,001 - 10,000	27	69
10,001 - 100,000	52	64
100,001 and over	11	17
	760	1,328

	Fully paid Shares	Contributing Shares
(b) Shareholders with holdings less than a marketable parcel of 1,725 shares for the fully paid shares and 7,937 shares for the contributing shares was	545	1,198
(c) The twenty largest shareholders hold:-	80.79%	58.26%

(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.
Level 2, 580 George Street,
Sydney NSW 2000
holder of:
1,484,720 fully paid shares

(ii) Esperance Minerals N.L.
Level 2, 580 George Street,
Sydney NSW 2000
holder of :
3,455,000 fully paid shares

(iii) Leslie L. White
by virtue of substantial shareholding
in East Coast Minerals N.L. and his
holding of:
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	34.79
East Coast Minerals N L	1,484,720	14.79
Strategic Pooled Development Limited	769,230	7.75
Southern Pacific Petroleum N L	360,978	3.63
National Nominees Limited	301,900	3.04
Mr David Hale	210,772	2.12
Mrs Deborah Ann Kroger	203,000	2.04
Rock (Nominees) Limited	201,300	2.03
Texas Energy Corporation N L	150,000	1.51
L & E White Family Holdings Pty Limited	118,000	1.19
Mr Revor Neil hay	102,970	1.04
Mr Howard Jones	98,000	.99
Minga Pty Ltd	96,100	.97
ANZ Nominees Limited	83,797	.84
Mr David Cliffe	80,160	.81
Bretred Pty Limited	66,160	.67
L & E White Investments Pty Limited	65,000	.65
Merrill Lynch (Australia) Pty Ltd	61,200	.62
Austral Pacific Energy & Resources Corportion	60,000	.60
Gould Nominees Pty Ltd	55,000	.55
	8,023,285	80.79

Additional Statutory Information
At 8th September 2004

TOP TWENTY HOLDERS OF CONTRIBUTING SHARES :

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

	Number	%
Exploration Finance Pty Ltd	1,147,500	12.70
National Nominees Limited	446,000	4.94
Bretred Pty Limited	440,580	4.88
Southern Pacific Petroleum N L	341,500	3.78
L & E White Investments Pty Ltd	333,500	3.69
Mr Howard Jones	302,900	3.35
Mrs Deborah Ann Kroger	300,022	3.32
Peter Stanford & John Stanford & Jeremy Stanford	228,000	2.52
Gabriel M Lorentz	220,000	2.43
Stanley Cullen	206,800	2.29
Mr David Cliffe	195,618	2.16
Mrs Edith White189,500	2.10	
Mr Randall Henri Olgers	159,000	1.76
John A McEvoy	140,000	1.55
Peter Stanford & John Stanford & Jeremy Stanford	139,167	1.54
Leslie L White	108,945	1.21
Swiss Corporate Credit Pty Limited	105,667	1.17
John Albert McEvoy	100,000	1.11
Invia Custodian Pty Limited	83,410	.92
Portfolio Custodian Limited	76,000	.84
	5,264,509	58.26

GREENVALE MINING N.L. AND ITS CONTROLLED ENTITIES
A.C.N. 000 743 555

Registered Office : C/- Agoston, Douglas & Partners, Level 2, 580 George Street, Sydney N.S.W. 2000

PROXY FORM

I/We...

of...

being a member/members of Greenvale Mining N.L. and its Controlled Entities hereby appoint.*

....

....of...

....(or failing him)...

....of...

as my/our proxy to vote for me/us and on my/our behalf at the annual meeting of the Company to be held on Thursday 18th November 2004 and at any adjournment thereof.

As witness my/our hands this day of 2004.

Signed by the said ....

in the presence of..

* If you wish, you may appoint as your proxy "The Chairman of the Meeting".

Should the member desire to direct the proxy how to vote the member should place a mark in the appropriate box against each items hereunder, otherwise the proxy may vote as he or she thinks fit or abstain from voting.

	For	**Against**
BY ORDINARY RESOLUTION :		
1. To adopt the reports and financial statements	☐	☐
2. To elect as Director Mrs Elizabeth Stoliar	☐	☐

(i) A member entitled to attend and vote is entitled to appoint no more than two proxies. Where more than one proxy is appointed each proxy must be appointed to represent a specified proportion of the members voting rights.

(ii) If the appointer is a Corporation, this instrument may have to be executed under its Common Seal.

(iii) If signed under a power of attorney, an office copy or a notarially certified copy thereof, shall be deposited at the Registered Office not less than forty eight (48) hours before the time of holding the Meeting.

(iv) A Proxy need not be a member of the Company.

(v) This Instrument is required to be deposited at the Registered Office of the Company not less than forty eight (48) hours before the time of holding the Meeting.