

OLYMPUS LIMITED

ACN 000 689 725

Kimberley House
Level 2, 90 New South Head Road, Edgecliff NSW 2027
Tel: 9362 1811
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Facsimile Advice

TO : Lodgements
COMPANY : ASX
FACSIMILE NO : 1900999279
FROM : Peter Scown
DATE : 19/4/06
PAGES : 40 (including this page)

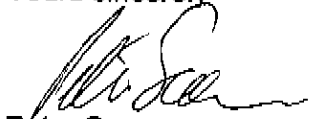
SUBJECT: : **Annual Report**

Dear Sir,

Please find attached the annual report for year ended 31 December 2005

Would you please confirm receipt

Yours sincerely



Peter Scown
Company Secretary

OLYMPUS RESOURCES LIMITED

ACN 000 689 725
ABN 51 000 689 725

ANNUAL REPORT

for the year ended 31 December 2005

OLYMPUS RESOURCES LIMITED

ACN 000 689 725
and its Controlled Entities

Directors: G. M. Lorentz LL.B. (Chairman)
D. Lorentz
B.J. Molloy F.C.P.A.

Secretary: P. Scown C.P.A.

Registered Office: Level 2
90 New South Head Road
Edgecliff 2027
Tel: 02 9362 1811

Share Register: Link Market Services
Level 8
680 George Street
Sydney 2000

Auditors: KPMG
Chartered Accountants
10 Shelley St
Sydney 2000

Bankers: St. George Bank Limited
60 Phillip Street
Parramatta 2150

Solicitors: Osborne & Associates
Level 3
135 Macquarie Street
Sydney 2000

Manager: Lohemi Pty. Limited
Level 2
90 New South Head Road
Edgecliff 2027

OLYMPUS RESOURCES LIMITED

ACN 000 689 725
and its Controlled Entities

NOTICE OF MEETING

Notice is hereby given that the Thirty-Sixth Annual General Meeting of Olympus Resources Limited will be held on the 31st of May, 2006 at 4.00 p.m. at Level 2, 90 New South Head Road, Edgecliff, N.S.W. 2027.

Business:

1. To receive and consider the Directors' Report, Profit and Loss Account and Balance Sheet of the Company together with the Auditor's Report thereon for the year ended 31st December, 2005.
2. To elect directors. G. M. Lorentz retires by rotation pursuant to the Articles of Association and being eligible offers himself for re-election.
3. To transact any other business which may be legally brought forward.

By Order of the Board.

P. Scown
Secretary

Dated at Sydney this 19th Day of April 2006.

Proxies

A member entitled to attend and vote is entitled to appoint not more than two proxies, who need not be members of the Company, to attend and speak and vote in his stead.

Where a member appoints two proxies the appointment shall be of no effect unless each proxy is appointed to represent a specific proportion of the members' voting rights.

Members wishing to appoint two proxies may obtain an additional form from the Registered Office of the Company.

Proxies must be lodged at the Registered Office of the Company no later than 48 hours before the commencement of the Meeting.

Proxies from Corporate Bodies must be under seal.

A form of proxy is enclosed.

Proxies may be sent by Fax to (02) 9362 1822.

OLYMPUS RESOURCES LIMITED

and its Controlled Entities

Form of Proxy

The Secretary,
Olympus Resources Limited,
Level 2
90 New South Head Road
Edgecliff NSW 2027

I, being a member
of Olympus Resources Limited, hereby appoint
..... of
..... or failing him the Chairman of the
Meeting, to vote for me on my behalf in respect of the voting rights vested in my by my holding
of *

Shares at the Thirty-Sixth Annual General Meeting of the Company to be held on 31st May
2006 at 4.00 p.m. and any adjournment thereof.

This form is to be used to vote on the items of business to come before the meeting as follows
(Tick appropriate box):

- | | For | Against |
|--|--------------------------|--------------------------|
| 1. To adopt the Directors' Report,
Consolidated Profit and Loss Account
and Consolidated Balance Sheet and
Auditor's Report thereon | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To elect Mr G. M. Lorentz as a Director | <input type="checkbox"/> | <input type="checkbox"/> |

Unless otherwise instructed, the Proxies may vote as they think fit.

As witness my hand this day of 2006

Signed by the said

In the presence of

A member entitled to attend and vote is entitled to appoint not more than two proxies, who
need not be members of the Company, to attend and speak and vote in his stead. When a
member appoints two proxies the appointment shall be of no effect unless each proxy is
appointed to represent a specified proportion of the member's voting rights. Members wishing
to appoint two proxies may obtain an additional proxy form from the Principal Office of the
Company.

Proxies must be lodged at the Principal Office of the Company not later than 48 hours before
the commencement of the meeting.

Proxies from Corporate Bodies must be under seal.

* Insert number of shares held.

Olympus Resources Limited Directors' Report

The Directors present their report together with the financial report of Olympus Resources Limited ("the Company"), for the year ended 31 December 2005 and the auditor's report thereon.

Directors

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

Mr Gabriel M Lorentz
Chairman
Bachelor of Law
Director of four other public companies
Director since 1969 - appointed Chairman 1980

Mr David Lorentz
Property Manager
Director since 1998

Mr Barry J Molloy
Public Accountant
Director since 1981

In accordance with the Company's articles of association, Mr G.M. Lorentz retires from the Board of Directors 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 are:

Directors' meetings	No. of Meetings	
	Held	Attended
GM Lorentz	3	3
BJ Molloy	3	3
D Lorentz	3	3

Olympus Resources Limited and its Controlled Entities
Directors' Report
(Continued)

Company Secretary

P.M. Scown was appointed to the position of company secretary on 25 October 2004.

Principal activities & likely developments

The principal activities of the Company during the course of the financial year were share trading and investing, and holding a loan with Kimberley Securities Limited, a company involved with property development.

During the year the company sold its investments in its controlled entities.

The company is negotiating with third parties in respect of a business opportunity which could substantially change the operations of the company.

Result

The result for the year attributable to the shareholders of Olympus Resources Limited was:

	2005	2004
	\$	\$
Net Profit/(loss) after income tax	<u>75,808</u>	<u>(195,153)</u>

Review of operations

During the year the entity continued its investing activities. The company disposed all of its investments in controlled entities as at 31 December 2005. The Company's only remaining significant assets are receivables of \$2,442,546 from a related entity and \$217,445 in relation to the sale of subsidiary companies and other investments.

Environmental regulation

The Company's operations are not subject to any particular or significant environmental regulations under either Commonwealth or State Legislation. The Company has not incurred any liability under environmental regulations.

Dividends

No dividends were declared or paid during the year.

Olympus Resources Limited and its Controlled Entities
Directors' Report
(Continued)

Events subsequent to balance date

Since 1 January 2006 Kimberley Securities Limited has paid \$190,000 of the unsecured loan balance of \$2,442,546 outstanding at the balance sheet date.

Subsequent to balance date, a company associated with Mr G.M. Lorentz, a director of Olympus Resources Limited and Kimberley Securities Limited, has provided a guarantee of \$2 million to Olympus Resources Limited, supported by a first mortgage over real property held by that company that effectively secures \$2 million of the \$2,442,546 outstanding from Kimberley Securities Limited.

Other than the matters discussed above 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, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

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, as at the date of this report is as follows:

Ordinary shares	Held Directly	Held Indirectly
G.M. Lorentz	18,000	4,680,837
B.J. Molloy	750	47,250

Directors' Emoluments

The Directors are responsible for setting the remuneration policy. The policy is to ensure remuneration properly reflects the relevant person's duties and responsibilities.

Details of the nature and amount of each major element of the emoluments of each Director of the Company are:

Director	Base emolument \$	Superannuation contributions \$	Total 2005 \$
GM Lorentz	10,000	-	10,000
BJ Molloy	5,000	-	5,000
D Lorentz	5,000	-	5,000

There are no executives of the Company.

**Olympus Resources Limited and its Controlled Entities
Directors' Report
(Continued)**

Indemnification and Insurance of Officers and Auditors

The Company has not during or since the financial year in respect of any person who is or has been an officer or auditor of the Company or of a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings.

The Company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Dated at Sydney this the ~~30~~^{31TH} day of March 2006.

Signed in accordance with a resolution of the Directors:

G.M. Lorentz
Director



Olympus Resources Limited Corporate Governance Statement

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. The Board has considered 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 Company including its strategic direction, establishing goals for Lohemi Pty Limited, managers of the company, 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.

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.

Olympus Resources Limited
Corporate Governance Statement (continued)

The role of Chairman and Chief Executive Officer is fulfilled by Mr Gabriel Lorentz. 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 Company and the nature of the Company's operations.

While two of the three Directors are non-executives, there is not a majority of independent Directors. Mr David Lorentz is related to Mr Gabriel Lorentz and accordingly may not be viewed as independent. Also, Mr Barry Molloy and Mr David Lorentz have been Directors of the Company since 1981 and 1998 respectively, a period of time, which could be perceived to materially interfere with their ability to act in the best interests of the Company.

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 Company. 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 Company are set out in Note 17.

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 Lohemi Pty Limited, as manager, and have full access to all the Company's files and records.

Olympus Resources Limited Corporate Governance Statement (continued)

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.

Remuneration

The amount of Directors' remuneration, including the value of benefits, received during the year is shown in notes 15 and 17 to the financial statements. The broad remuneration policy is to ensure the remuneration properly reflects the relevant person's duties and responsibilities.

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 Company'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.

Whilst the Company does not have a communications strategy with shareholders it does communicate regularly with shareholders via timely announcements to the ASX.

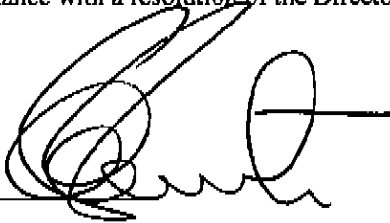
**Olympus Resources Limited
Directors' Declaration**

In the opinion of the Directors of Olympus Resources Limited ("the Company"):

- a) The financial statements and notes, set out on pages 12 to 33 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2005 and of its performance, as represented by the results of its operations and its 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 ~~3~~²TH day of March 2006.

Signed in accordance with a resolution of the Directors:



GM Lorentz
Director



Independent audit report to the members of Olympus Resources Limited

Scope

The financial report and directors' responsibility

The financial report comprises the income statements, statements of changes in equity, balance sheets, statements of cash flows, accompanying notes to the financial statements Notes 1 to 22, and the directors' declaration set out on page 8 for Olympus Resources Limited (the "Company"), for the year ended 31 December 2005.

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. The directors are also responsible for preparing the relevant reconciling information regarding the adjustments required under the Australian Accounting Standard AASB 1 *First-time Adoption of Australian equivalents to International Financial Reporting Standards*.

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 financial position, 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.



Audit opinion

In our opinion, the financial report of Olympus Resources Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Steven Gatt'.

Steven Gatt
Partner

Sydney

30th March 2006



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Olympus Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2005 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Steven Gatt'.

Steven Gatt
Partner

Sydney

30th March 2006

Olympus Resources Limited
Income Statement
For the year ended 31 December 2005

	Note	Consolidated		Company	
		2005	2004	2005	2004
		\$	\$	\$	\$
Revenue	2	231,859	232,048	231,859	232,048
Expenses:					
Administrative expenses		(217,323)	(231,708)	(217,323)	(231,708)
Financial income	3	98,753	21,528	61,272	-
Financial expenses	4	<u>(37,481)</u>	<u>(195,317)</u>	<u>-</u>	<u>(175,396)</u>
Profit/(Loss) before tax		75,808	(173,449)	75,808	(175,056)
Income tax (expense)/benefit	5	<u>-</u>	<u>(21,704)</u>	<u>-</u>	<u>(11,096)</u>
Net profit/(loss) attributable to members of the Company		<u>75,808</u>	<u>(195,153)</u>	<u>75,808</u>	<u>(186,152)</u>
Basic profit/(loss) per ordinary share	14	<u>0.008</u>	<u>(0.022)</u>		
Diluted profit/(loss) per ordinary share	14	<u>0.008</u>	<u>(0.022)</u>		

The statements of financial performance are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 33.

Olympus Resources Limited
Statement of Changes in Equity
For the year ended 31 December 2005

	Share capital	Retained earnings	Total
	\$	\$	\$
Balance at 1 January 2004	1,809,157	920,188	2,729,345
Result for the year	<u>-</u>	<u>(195,153)</u>	<u>(195,153)</u>
Balance at 31 December 2004	<u>1,809,157</u>	<u>725,035</u>	<u>2,534,192</u>
Balance at 1 January 2005	1,809,157	725,035	2,534,192
Result for the year	<u>-</u>	<u>75,808</u>	<u>75,808</u>
Balance at 31 December 2005	<u>1,809,157</u>	<u>800,843</u>	<u>2,610,000</u>

The statement of Changes in Equity are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 33.

Olympus Resources Limited
Balance Sheet
as at 31 December 2005

	Note	Consolidated 2004 \$	Company 2005 \$	Company 2004 \$
Current assets				
Cash assets		59,155	72,861	59,155
Receivables	7	2,342	660,930	2,342
Investments	8	<u>212,465</u>	<u>-</u>	<u>7,312</u>
Total current assets		<u>273,962</u>	<u>733,791</u>	<u>68,809</u>
Non-current assets				
Receivables	7	2,342,225	2,000,000	2,605,155
Investments	8	<u>57,779</u>	<u>-</u>	<u>2</u>
Total non-current assets		<u>2,400,004</u>	<u>2,000,000</u>	<u>2,605,157</u>
Total assets		<u>2,673,966</u>	<u>2,733,791</u>	<u>2,673,966</u>
Current liabilities				
Payables	9	<u>139,774</u>	<u>123,791</u>	<u>139,774</u>
Total current liabilities		<u>139,774</u>	<u>123,791</u>	<u>139,774</u>
Total liabilities		<u>139,774</u>	<u>123,791</u>	<u>139,774</u>
Net assets		<u>2,534,192</u>	<u>2,610,000</u>	<u>2,534,192</u>
Equity				
Contributed equity	10	1,809,157	1,809,157	1,809,157
Retained profits	11	<u>725,035</u>	<u>800,843</u>	<u>725,035</u>
Total equity	12	<u>2,534,192</u>	<u>2,610,000</u>	<u>2,534,192</u>

The statements of financial position are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 33.

Olympus Resources Limited and its Controlled Entities
Statements of Cash Flows
For the year ended 31 December 2005

	Note	Consolidated		Company	
		2005	2004	2005	2004
		\$	\$	\$	\$
Cash flows from operating activities					
Cash payments in the course of Operations		(232,022)	(160,290)	(232,022)	(160,290)
Interest received		<u>131,956</u>	<u>153,438</u>	<u>131,956</u>	<u>153,438</u>
Net cash used in operating activities	19	<u>(100,066)</u>	<u>(6,852)</u>	<u>(100,066)</u>	<u>(6,852)</u>
Cash flows from investing activities					
Proceeds from sale of investments		114,071	-	-	-
Proceeds from repayment of related party receivables		-	-	114,071	-
Repayment of loans advanced		<u>-</u>	<u>4,751</u>	<u>-</u>	<u>4,751</u>
Net cash provided by investing activities		<u>114,071</u>	<u>4,751</u>	<u>114,071</u>	<u>4,751</u>
Cash flows from financing activities					
Prior year unclaimed dividends paid		<u>(299)</u>	<u>(380)</u>	<u>(299)</u>	<u>(380)</u>
Net cash used in financing activities		<u>(299)</u>	<u>(380)</u>	<u>(299)</u>	<u>(380)</u>
Net increase/(decrease) in cash held		13,706	(2,481)	13,706	(2,481)
Cash at the beginning of the financial year		<u>59,155</u>	<u>61,636</u>	<u>59,155</u>	<u>61,636</u>
Cash at the end of the financial year		<u>72,861</u>	<u>59,155</u>	<u>72,861</u>	<u>59,155</u>

The statements of cash flows are to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 16 to 33.

Olympus Resources Limited
Notes to the financial statements
for the year ended 31 December 2005

1. Statement of significant accounting policies

Olympus Resources Limited ("the Company") is a company domiciled in Australia.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASB") adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB, and for the purposes of this report are called Australian equivalents to IFRS ("AIFRS") to distinguish from previous GAAP.

This is the Company's first financial report prepared in accordance with Australian Accounting Standards, being AIFRS and AASB 1 *First time adoption of Australian equivalents to International Financial Reporting Standards* has been applied. An explanation of how the transition to AIFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 19.

(b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis except that financial instruments classified as available-for-sale are stated at their fair value.

These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Olympus Resources Limited
Notes to the financial statements
for the year ended 31 December 2005
(continued)

1. Statement of significant accounting policies (continued)

(b) Basis of preparation (continued)

The entity has elected to early adopt the following revised accounting standards:

The entity has elected to early adopt the following revised accounting standards (amend as appropriate):

- AASB 2004-3 *Amendments to Australian Accounting Standards* (December 2004) amending AASB 1 *First time Adoption of Australian Equivalents to International Financial Reporting Standards* (July 2004), AASB 101 *Presentation of Financial Statements*, AASB 124 *Related Party Disclosures*.
- AASB 2005-1 *Amendments to Australian Accounting Standards* (May 2005) amending AASB 139 *Financial Instruments: Recognition and Measurement*.
- AASB 2005-4 *Amendments to Australian Accounting Standards* (June 2005) amending AASB 139 *Financial Instruments: Recognition and Measurement*, AASB 132 *Financial Instruments: Disclosure and Presentation*, AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* (July 2004), AASB 1023 *General Insurance Contracts*, AASB 1038 *Life Insurance Contracts*.
- AASB 2005-5 *Amendments to Australian Accounting Standards* (June 2005) amending AASB 1 *First time Adoption of Australian Equivalents to International Financial Reporting Standards* (July 2004), and AASB 139 *Financial Instruments: Recognition and Measurement*.
- AASB 2005-6 *Amendments to Australian Accounting Standards* (June 2005) amending AASB 3 *Business Combinations*.
- AASB 2005-8 *Amendments to Australian Accounting Standards* (June 2005) amending AASB 1 *First time Adoption of Australian Equivalents to International Financial Reporting Standards* (July 2004).
- AASB 2005-11 *Amendments to Australian Accounting Standards* (September 2005) amending AASB 101 *Presentation of Financial Statements*, AASB 112 *Income Taxes*, AASB 132 *Financial Instruments: Disclosure and Presentation*, AASB 133 *Earnings per Share*, AASB 139 *Financial Instruments*:

Except for the change in accounting policy (refer note 21), the accounting policies set out below have been applied consistently to all periods presented in the financial report and in preparing an opening AIFRS balance sheet at 1 January 2004 for the purposes of the transition to Australian Accounting Standards – AIFRS.

Where relevant, the accounting policy adopted to the comparative period presented has also been disclosed. AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* have been applied from 1 January 2005, as the Company has elected not to restate comparatives. Information for these standards permitted by AASB 1 *First Time Adoption of Australian Equivalents to International Financial Reporting Standards* (refer note 20). The impact of the transition from previous GAAP to AIFRS is explained in note 21.

Olympus Resources Limited
Notes to the financial statements
for the year ended 31 December 2005
(continued)

1. Statement of significant accounting policies (continued)

(b) Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 1.

(c) Basis of Consolidation

A consolidated balance sheet has not been prepared for the year-ended 31 December 2005, as all subsidiaries before the balance sheet date. A consolidated balance sheet has been prepared for the comparative period. A consolidated Income Statement has been prepared for both the current and comparative years.

(d) Going Concern

The financial report has been prepared on the basis that the Company is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The directors believe this basis is appropriate having regard to available cash and liquid asset resources.

(e) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Olympus Resources Limited
Notes to the financial statements
for the year ended 31 December 2005
(continued)

1. Statement of significant accounting policies (continued)

(f) Investments

Current period policy

Financial instruments held by the Company are classified as being "available-for-sale" and are stated at fair value, with any resultant gain or loss recognised directly in equity (investment fair value reserve). Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement.

The fair value of financial instruments classified as available-for-sale is their quoted last bid price at the balance sheet date.

Financial instruments classified as available-for-sale investments are recognised/derecognised by the Company on the date it commits to purchase/sell the investments.

Comparative period policy

Investments in other entities are carried at the lower of cost and recoverable amount. Recoverable amount for listed corporations is fair value, being quoted market prices at reporting date. Shares in listed entities are held for trading purposes and are considered current assets.

(g) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

(h) Impairment

The carrying amounts of the Company's assets, other than deferred tax assets (see accounting policy (I)), are reviewed at each balance sheet date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Olympus Resources Limited
Notes to the financial statements
for the year ended 31 December 2005
(continued)

1. Statement of significant accounting policies (continued)

(h) Impairment (continued)

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables repayable on demand are not discounted.

(j) Trade and other payables

Trade and other payables are stated at cost.

(k) Financial income

Interest income is recognised in the income statement as it accrues, using the effective interest method.

(l) Income tax

Income tax on the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Olympus Resources Limited
Notes to the financial statements
for the year ended 31 December 2005
(continued)

1. Statement of significant accounting policies (continued)

(I) Income tax (continued)

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

		Consolidated		Company	
		2005	2004	2005	2004
		\$	\$	\$	\$
2. Revenue					
Interest	- related parties	230,324	230,705	230,324	230,705
	- other parties	<u>1,535</u>	<u>1,343</u>	<u>1,535</u>	<u>1,343</u>
		<u>231,859</u>	<u>232,048</u>	<u>231,859</u>	<u>232,048</u>

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005
(Continued)

	Consolidated		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
3. Financial Income				
Net gain on disposal of investments	38,071	-	-	-
Reversal of provision following change in accounting policy	60,682	-	-	-
Decrease in provision for diminution in value of advances to related parties.	<u>-</u>	<u>21,528</u>	<u>61,272</u>	<u>-</u>
Total revenue from ordinary activities	<u>98,753</u>	<u>21,528</u>	<u>61,272</u>	<u>-</u>

On 11 March 2005 a controlled entity disposed of one of its investments. Proceeds of \$114,071 were received. A profit on disposal of \$38,071 was recognised.

4. (a) Financial expenses

Increase in provision for diminution in value of advances to:				
other entities	-	134,041	-	134,041
controlled entities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,796)</u>
	<u>-</u>	<u>134,041</u>	<u>-</u>	<u>117,245</u>
Impairment of investments	37,481	-	-	-
Unrealised foreign exchange loss	<u>-</u>	<u>61,276</u>	<u>-</u>	<u>58,151</u>
Total financial expenses	<u>37,481</u>	<u>195,317</u>	<u>-</u>	<u>175,396</u>

Investments held by controlled entities were written down to their fair value at 31 December 2005.

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

	Consolidated		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
4. (b) Auditors' remuneration				
Amounts received or due and receivable for audit and review of financial reports by:				
Auditors of the Company- KPMG	<u>31,935</u>	<u>27,104</u>	<u>31,935</u>	<u>27,104</u>
5. Income tax				
(a) Income tax expense/(benefit)				
Prima facie income tax (benefit) calculated at 30% on the operating profit/ (loss) before income tax	22,741	(58,546)	22,741	(55,846)
Tax losses and timing differences not recognised / (brought to account) as future income tax benefit	(18,381)	46,495	(18,381)	31,769
Non deductible/(assessable) changes in provision for diminution in value of investments	-	(6,457)	-	-
Tax losses used	(4,360)		(4,360)	
Non deductible changes in provision for diminution in advances	<u>-</u>	<u>40,212</u>	<u>-</u>	<u>35,173</u>
Income tax expense	<u>-</u>	<u>21,704</u>	<u>-</u>	<u>11,096</u>

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

	Consolidated		Company
	2004		2005
	\$		\$
5. Income tax (continued)			
(b) Future income tax benefit not brought to account			
The future income tax benefit not recognised as an asset because recovery is not virtually certain arising from:			
Provision for diminution in value of investments and advances	150,926	-	315,320
Other timing differences	39,575	21,774	26,122
Tax losses	<u>151,135</u>	<u>35,473</u>	<u>39,833</u>
	<u>341,636</u>	<u>52,247</u>	<u>381,275</u>

6. Dividends

No dividends were declared or paid during the year. There are no franking credits available at 31 December 2005 (2004: nil)

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

	Note	Consolidated 2004 \$	2005 \$	Company 2004 \$
7. Receivables				
<i>Current</i>				
Unsecured loan to related entity	(i)	-	442,546	-
Other debtors	(ii)	<u>2,342</u>	<u>218,384</u>	<u>2,342</u>
		<u>2,342</u>	<u>660,930</u>	<u>2,342</u>
<i>Non-current</i>				
Unsecured loan to related party	(iii)	<u>2,342,225</u>	<u>2,000,000</u>	<u>2,342,225</u>
Unsecured loan to associated entity		134,041	-	134,041
Less: Provision for diminution in value		<u>(134,041)</u>	<u>-</u>	<u>(134,041)</u>
		<u>-</u>	<u>-</u>	<u>-</u>
Loans to controlled entities		-	-	1,124,304
Less: Provision for diminution in value		<u>-</u>	<u>-</u>	<u>(861,374)</u>
		<u>-</u>	<u>-</u>	<u>262,930</u>
		<u>2,342,225</u>	<u>2,000,000</u>	<u>2,605,155</u>

- (i) The current portion of the unsecured loan to a related party represents an advance to Kimberley Securities Limited. Interest on the advance is earned at a rate of 10% p.a. (2004: 10% p.a.). The loan is repayable by Kimberley Securities Limited on demand. Subsequent to the balance sheet date, \$190,000 has been received reducing the unsecured debtor to \$252,546. The remaining unsecured balance of \$252,546 is due on or before 30 June 2006.
- (ii) As disclosed in Note 8, investments in subsidiaries were sold at their fair value. Included in other debtors at 31 December 2005 is the sum of \$217,445 which is due from the purchaser. Subsequent to balance date, \$25,000 has been received from the purchaser and the remaining balance of \$192,445 is due on or before 30 June 2006.
- (iii) The non current portion of the unsecured loan to a related party represents an advance to Kimberley Securities Limited. Interest on the advance is earned at a rate of 10% p.a. (2004: 10% p.a.). Subsequent to balance date, a company associated with Mr G.M. Lorentz, a director of Olympus Resources Limited and Kimberley Securities Limited, has provided a guarantee of \$2 million to Olympus Resources Limited, supported by a first mortgage over real property held by that company that effectively secures \$2 million of the \$2,442,546 outstanding from Kimberley Securities Limited.

(iii) Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

8. Investments	Note	Consolidated 2004 \$	2005 \$	Company 2004 \$
Current				
Shares in listed corporations:				
<i>Related parties</i>				
At cost at beginning of period		145,575	-	7,312
Less: Provision for diminution in value		<u>(44,843)</u>	<u>-</u>	<u>-</u>
		<u>100,732</u>	<u>-</u>	<u>7,312</u>
<i>Other corporations</i>				
At cost		127,572	-	-
Less: Provision diminution in value		<u>(15,839)</u>	<u>-</u>	<u>-</u>
		<u>111,733</u>	<u>-</u>	<u>-</u>
		<u>212,465</u>	<u>-</u>	<u>7,312</u>
Non-current				
Shares in controlled entities at cost		-	-	69,105
Less: Provision for diminution in value		<u>-</u>	<u>-</u>	<u>(69,103)</u>
	16	<u>-</u>	<u>-</u>	<u>2</u>
Shares in unlisted associated entities				
at cost		308,362	-	-
Less: Provision for diminution in value		<u>(308,362)</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>
Shares in other unlisted corporations				
at cost		<u>57,779</u>	<u>-</u>	<u>-</u>
Total investments		<u>57,779</u>	<u>-</u>	<u>2</u>

The Company disposed of its investment in related parties on 31 December 2005. The investment was carried at its fair value and was sold for that value giving rise to a nil profit on disposal. The Company disposed of its investments in its controlled entities (see note 16).

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

	Consolidated 2004 \$	2005 \$	Company 2004 \$
9. Payables			
<i>Current</i>			
Other creditors and accruals	<u>139,774</u>	<u>123,791</u>	<u>139,774</u>
10. Contributed equity			
<i>Share capital</i>			
8,964,077 (2004: 8,964,077) ordinary shares, fully paid	<u>1,809,157</u>	<u>1,809,157</u>	<u>1,809,157</u>
<i>Terms and conditions</i>			
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 all other creditors and are fully entitled to any net proceeds of liquidation.			
11. Retained profits			
Retained profits at beginning of year	920,188	725,035	911,187
Net profit/(loss) attributable to members of the Company	<u>(195,153)</u>	<u>75,808</u>	<u>(186,152)</u>
Retained profits at end of year	<u>725,035</u>	<u>800,843</u>	<u>725,035</u>
12. Total equity reconciliation			
Total equity at beginning of year	2,729,345	2,534,192	2,720,344
Total changes in parent entity interest in equity recognised in statement of financial performance	(195,153)	75,808	(186,152)
Total equity at end of year	<u>2,534,192</u>	<u>2,610,000</u>	<u>2,534,192</u>

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

13. Additional financial instruments disclosure

(a) Interest rate risk

The Company'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:

		Weighted Average Interest	Floating Interest Rate	Fixed Interest	Non Interest Bearing	Total
2005	Note	Rate	\$	\$	\$	\$
<i>Financial assets</i>						
Cash		3.5%	72,861	-	-	72,861
Current receivables	7	10%	-	442,546	218,384	660,930
Non-current receivables	7	10%	-	<u>2,000,000</u>	-	<u>2,000,000</u>
			<u>72,861</u>	<u>2,442,546</u>	<u>218,384</u>	<u>2,733,791</u>
<i>Financial liabilities</i>						
Payables	9	-	-	-	(123,791)	(123,791)
2004	Note	Rate	\$	\$	\$	\$
<i>Financial assets</i>						
Cash		3.5%	59,155	-	-	59,155
Receivables	7	10%	-	2,342,225	2,342	2,344,567
Investments	8	-	-	-	<u>270,244</u>	<u>270,244</u>
			<u>59,155</u>	<u>2,342,225</u>	<u>272,586</u>	<u>2,673,966</u>
<i>Financial liabilities</i>						
Payables	9	-	-	-	(139,774)	(139,774)

(b) Credit risk

Credit risk represents the loss that would be recognised if counter parties failed to perform as a contractor. The credit risk on financial assets, excluding investments, of the Company which have been recognised on the statement of financial position, is the carrying amount net of any provision for diminution in value. As indicated at note 7, as at 31 December 2005, the company has an amount receivable of \$2,442,546 (2004: \$2,342,225) from Kimberley Securities Limited. Subsequent to balance date, a company associated with Mr G. M. Lorentz, a director of Olympus Resources Limited and Kimberley Securities Limited, has given a guarantee of \$2 million to Olympus Resources Limited secured by a first mortgage over real assets held that company. The remaining \$442,546 is unsecured at year end. In the period subsequent to the balance sheet date, a payment has been received from Kimberley Securities of \$190,000. The remaining unsecured balance of \$252,546 is due on or before 30 June 2006

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

14. Profit /Loss per share

	2005	2004
	\$	\$
Net profit/(loss) attributable to members of the Company	<u>75,808</u>	<u>(195,152)</u>
Weighted average number of shares used as the denominator for basic and diluted earnings per share	<u>8,964,077</u>	<u>8,964,077</u>
Basic and diluted profit/(loss) per share	<u>0.008</u>	<u>(0.022)</u>

15. Directors' and executives' remuneration

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 2003 AGM, is not to exceed in aggregate \$20,000 per annum. Directors' base fees are presently up to \$5,000.

The company does not have any specified executives. The management of the Company and controlled entities was carried out by a director related entity, Lohemi Pty Limited. Refer to Note 17.

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 2005, calculated on the basis of cost to the Company net of and therefore excluding costs recovered from outside the Company.

Specified Director	Salary
	\$
G.M. Lorentz	10,000
B.J. Molloy	5,000
D. Lorentz	<u>5,000</u>
Total of all specified directors	<u>20,000</u>

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

16. Controlled entities

	Amount of Investment	
	2005	2004
	\$	\$
Parent Entity:		
Olympus Resources Limited		
Controlled entities:		
Olympus Leisure Limited	-	-
Olympus Explorations Pty Limited	-	-
Olympus (OS) Limited	-	1
Olympus International Limited	<u>-</u>	<u>1</u>
	<u>-</u>	<u>2</u>

The company disposed of its investment in controlled entities on 31 December 2005. The investments were sold at their book value which equated to fair value resulting in no profit or loss on disposal.

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

17. Related party disclosures

Related party transactions

Lohemi Pty. Limited

The management of the Company is carried out by Lohemi Pty. Limited, to which a management fee of \$120,000 (2004: \$120,000) is paid. The fee included all operating outgoings such as property expenses, communications and use of office machines and furniture.

Mr G.M. Lorentz is a director of, and major shareholder in, Lohemi Pty. Limited.

Meriki Pty Limited

Accountancy and company secretarial services are provided by Meriki Pty Limited, to which fees totalling \$15,150 (2004: \$16,959) were paid. Mr B J Molloy is a director of Meriki Pty Limited.

Kimberley Securities Limited

The Company has an unsecured loan to Kimberley Securities Limited with a value at 31 December 2005 of \$2,442,546 (2004:\$2,342,225). Interest accrues at a rate of 10% (2004: 10%) per annum. Subsequent to balance date, a company associated with Mr G.M. Lorentz, a director of Olympus Resources Limited and Kimberley Securities Limited, has provided a guarantee of \$2 million to Olympus Resources Limited, supported by a first mortgage over real property held by that company that effectively secures \$2 million of the \$2,442,546 outstanding from Kimberley Securities Limited. In the period subsequent to the balance sheet date, a payment has been received from Kimberley Securities of \$190,000. Repayment of the remaining unsecured balance of \$252,546 is due on or before 30 June 2006. Repayment of the \$2 million, supported by the mortgage, is expected in four equal instalments over the period 31 December 2006 to 30 June 2008.

During the year to 31 December 2005 interest received or due and receivable from Kimberley Securities Limited amounted to \$230,324 (2004:\$230,705). Mr G.M. Lorentz is a director of Kimberley Securities Limited and holds 0.2% directly and 54.2% indirectly of the issued capital of the Company.

Directors

The names of each person holding the position of Director of Olympus Resources Limited during the financial year are Messrs G.M. Lorentz, B.J. Molloy and D. Lorentz.

18. Other related party disclosures

Directors' shareholdings

	2005	2004
	No.	No.
Ordinary shares		
Mr G.M. Lorentz		
Held directly	18,000	18,000
Held indirectly	4,680,837	4,680,837
Mr B.J. Molloy		
Held directly	750	750
Held indirectly	<u>47,250</u>	<u>47,250</u>
	<u>4,746,837</u>	<u>4,746,837</u>

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

19. Note to the statements of cash flows

Reconciliation of operating profit/(loss) after income tax to net cash provided by/(used in) operating activities

	Consolidated		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
Operating profit/ (loss) from ordinary activities after income tax	75,807	(195,152)	75,807	(186,152)
Add/(less) non-cash items:				
Provision for diminution in advances	(61,271)	134,041	(61,271)	117,245
Provision for diminution in investments	-	(21,528)	-	-
Unrealised foreign exchange loss	<u>-</u>	<u>61,276</u>	<u>-</u>	<u>58,151</u>
Net cash provided by/(used in) operating activities before change in assets and liabilities	14,536	(21,363)	14,536	(10,756)
Change in assets and liabilities:				
Increase in receivables	(98,918)	(46,086)	(98,918)	(46,086)
Decrease/(increase) in deferred tax assets	-	21,703	-	11,096
(Decrease)/increase in payables	<u>(15,684)</u>	<u>38,894</u>	<u>(15,684)</u>	<u>38,894</u>
Net cash used in operating activities	<u>(100,066)</u>	<u>(6,852)</u>	<u>(100,066)</u>	<u>(6,852)</u>

20. Explanation of transition to AIFRS

As stated in note 1, these are the Company's first consolidated financial statements for the prepared in accordance with Australian Accounting Standards AIFRS.

The accounting policies in note 1 have been applied in preparing the financial statements for the year ended 31 December 2005, the comparative information in these financial statements for the year ended 31 December 2004 and the preparation of an opening AIFRS balance sheet at 1 January 2004 (the Company's date of transition).

The transition from previous GAAP to AIFRS has not identified any material impact on the Company's income statement, balance sheet and cash flows

Olympus Resources Limited
Notes to the Financial Statements
for the year ended 31 December 2005

21. Changes in accounting policy

In the current financial year the Company adopted AASB 132: *Financial Instruments: Disclosure and Presentation* and AASB 139: *Financial Instruments: Recognition and Measurement*. This change in accounting policy has been adopted in accordance with the transition rules contained in AASB 1, which does not require the restatement of comparative information for financial instruments within the scope of AASB 132 and AASB 139.

The adoption of AASB 139 has resulted in the Company recognising available-for-sale investments at fair value. This change has been accounted for by adjusting the opening balance of equity (retained earnings) at 1 January 2005.

The impact on the balance sheet in the comparative period is set out below as an adjustment to the opening balance sheet at 1 January 2005. The transitional provisions will not have any effect in future reporting periods.

Reconciliation of financial instruments as if AASB 139 was applied at 1 January 2005

	Note	Previous GAAP	Effect of transition to AIFRS	AIFRS
Equity securities available for sale	a	212,465	184,216	396,681
Investments fair value reserve	a	-	123,534	123,534
Income statement	a	-	60,682	60,682

Notes to the reconciliation of financial instruments as if AASB 139 was applied at 1 January 2005

- (a) Under previous GAAP, the entity recorded available-for-sale equity securities at the lower of cost or recoverable amount. In accordance with AIFRS, they are recognised at fair value.

The effect on the Company is to increase *equity securities available for sale* by \$184,216, increase retained earnings by \$60,682 representing the write back of the provision for diminution in existence at 1 January 2005; and an increase in the fair value reserve by \$123,534.

22. Subsequent Events

Since 1 January 2006 Kimberley Securities Limited paid \$190,000 of the unsecured loan of \$2,442,546 outstanding at the balance sheet date.

Subsequent to balance date, a company associated with Mr G.M. Lorentz, a director of Olympus Resources Limited and Kimberley Securities Limited, has provided a guarantee of \$2 million to Olympus Resources Limited, in respect of the loan to Kimberley Securities Limited, supported by a first mortgage over real property held by that company that effectively secures \$2 million of the \$2,442,546 outstanding from Kimberley Securities Limited.

ASX Additional Information

Shareholdings

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Ordinary
(i) Lohemi Holdings Pty Limited	2,825,037
(ii) Fenugreek Holdings Pty Ltd	1,500,000
(iii) National Nominees Limited	1,268,950

G.M. Lorentz and D T Lorentz are substantial shareholders through their interest in (i) and (ii).

Class of Shares and Voting Rights

At 31 January 2006 there were 2,046 shareholders of the ordinary shares of the holding company. The voting rights attached to the ordinary shares, set out in Article 59 and 62 of the Company's Articles of Association, are:

"Subject to the restrictions on voting from time to time affecting any class of shares:

- (a) votes at any general meeting may be given either personally or by proxy or attorney or representative;
- (b) a member may appoint no more than two proxies and where a member appoints two proxies the appointment shall be of no effect unless each proxy is appointed to represent a specified portion of the member's voting rights;
- (c) a person who is not a member of the Company may be appointed a proxy to attend any general meeting;
- (d) a proxy shall have the same right as the member by whom he is appointed to speak at any general meeting and to vote on a show of hands or on a poll, provided that where a member appoints two proxies then neither proxy shall have the right to vote on a show of hands."

Distribution of equity security holders

Category	Holders	Shares	%
1 - 1,000	1,870	562,084	6.27
1,001 - 5,000	136	282,433	3.15
5,001 - 10,000	12	101,691	1.13
10,000 - 10,000	17	405,076	4.52
10,000 - over	<u>11</u>	<u>7,612,793</u>	<u>84.93</u>
	<u>2,046</u>	<u>8,964,077</u>	<u>100.00</u>

The number of shareholders holding less than a marketable parcel of ordinary shares as at 24 March 2005 is 2,008

On market buy-back

There is no current on-market buy-back.

**ASX Additional Information
(Continued)**

Shareholdings (continued)

Twenty largest shareholders

Name	Number of ordinary shares held
1. Lohemi Holdings Pty Limited	2,825,037
2. Fenugreek Holdings Pty Ltd	1,500,000
3. National Nominees Limited	1,268,900
4. Statton Nominees Pty Limited (P.T. Kpisma Jaya Account)	440,540
5. Avidra Pty Limited	413,600
6. Skyo Limited	322,500
7. DTR Management & Financial Services Pty Ltd	240,300
8. Statton Nominees Pty Limited (P T A/C)	224,966
9. Statton Nominees Pty Limited (P A/C)	159,050
10. Holland Trading Pty Ltd	114,350
11. Vanet Holdings Pty Ltd	103,550
12. Lohemi Pty Ltd	71,000
13. Ianaki Semerdziew	55,750
14. Kimberley Securities Limited	41,500
15. Ruth A Molloy	32,250
16. ANZ Nominees Limited	22,605
17. Powuma Pty Ltd	20,200
18. Enno Limited	20,000
19. Margaret Maine	18,156
20. Gabriel M Lorentz	<u>18,000</u>
	<u>7,912,254</u>