

2007 ANNUAL REPORT

***KALGOORLIE-BOULDER
RESOURCES LTD***





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Directory

for the year ended 30 June 2007

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Directors

Michael Atkins Chairman and Non-executive Director
Trevor Matthews Managing Director
David Prentice Non-executive Director
Richard Alter Non-executive Director
Stanley Lewis Non-executive Director

Company Secretary

John Coles

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Home Stock Exchange

Australian Securities Exchange Ltd
Exchange Plaza
2 The Esplanade
Perth WA 6000
ASX Code: KAL and KALO

Auditors

Ord Partners
Level 2, 47 Colin Street
West Perth WA 6005



Hall of Fame

Chairman's Letter

for the year ended 30 June 2007

Dear Shareholder

On behalf of the new Board of Kalgoorlie-Boulder Resources Limited (the "Company"), I am pleased to present the Company's 2007 Annual Report.

The last year has been a transformational one for the Company, highlighted in December by the announcement of the acquisition of 100% of the Norseman Gold Project.

The Norseman Gold Project is an advanced gold project that covers 124 square kilometres of the prolific South Yilgarn Greenstone belt in the Eastern Goldfields of Western Australia.

The Norseman region is a major gold producing region with production in excess of 5.5 million ounces of gold from 1935. The Norseman Gold Project itself contains a number of mineral resources where there are currently total inferred resources of 1.23 million ounces of gold at a 0.7 grams/tonne cut-off.

The Company is fortunate to have acquired this significant gold resource base, particularly given the current strong gold price and predictions from gold analysts that the spot gold price may increase further. Kalgoorlie-Boulder Resources now represents an

attractive proposition for investors keen to gain exposure to the gold sector and the potential for further gold price appreciation. For example, based on the current inferred resources at Norseman of 1.23 million ounces of gold, Kalgoorlie-Boulder Resources is trading at below \$10 per resource ounce.

In addition to the existing gold resources delineated on the project, the Company inherited a large amount of exploration and other data with the acquisition of the Norseman Gold Project. This data has allowed the Company to rapidly assess and begin exploration of numerous high-priority exploration targets with a view to expanding the resource inventory on the project.

We have already seen the benefit of the significant work completed at Norseman by the previous operator, with encouraging results from our first drilling programme following acquisition. These results confirmed the continuity of gold mineralisation along strike and in-filled the existing inferred resources.

The Board is delighted to have acquired the Norseman Gold Project and believes it has the potential to be a company-making acquisition for Kalgoorlie-Boulder Resources.



Norseman, Mt. Henry.



Clinker Hill nickel exploration project.

During the year, the Company also commenced exploration at its exciting Clinker Hill nickel exploration project. Clinker Hill is strategically located in the well known Bulong nickel province near the established Blair and Carnilya nickel mines. Initial geochemical sampling carried out by the Company has successfully demonstrated the potential for nickel sulphides at Clinker Hill, and the Company is carrying out a follow up sampling program to test the possible northern and southern extensions of the 5 kilometre nickel anomaly.

With our focus now on the Norseman Gold Project and Clinker Hill, during the year the Board decided to divest the Company's uranium assets to Burey Gold for \$1.75 million cash and 2 million Burey Gold shares.

The funds raised from this divestment, together with the cash flow from the final milling of ore from the Company's Jackpot Mine, has allowed the Company to commence an aggressive exploration drilling programme and scoping study at Norseman and to commence exploration at Clinker Hill.

I am pleased to report that the acquisition of the Norseman Gold Project also brought about a restructure of the Board of the Company. I believe that the Company has already benefited from the actions of this new Board, and we intend to continue the process of improving the Company's performance.

Looking ahead, the Board is committed to building on the achievements of the last year by expanding the resources and completing the scoping study at Norseman and further evaluating the Clinker Hill nickel project.

In addition to carrying out a more focussed exploration programs at Norseman and Clinker Hill, we also intend to:

- further rationalise the substantial tenement portfolio by divesting non-core tenements;
- further improve our shareholder communication tools, including expansion of our web site and electronic contact capacity. As a Board, we want you to be kept fully informed in a timely manner on all that is happening with your Company; and
- attract additional high quality mining professionals, including a CEO, to our existing exploration team.

This is an exciting period for the Company and I look forward to reporting further progress to you at various points throughout the year ahead.

Michael Atkins
Non-Executive Chairman



Directors' Report

for the year ended 30 June 2007

Your directors present their report for the year ended 30 June 2007.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Michael Atkins BComm FCA (Chairman)

Mr Atkins joined the Board on 15 March 2007 in a non-executive capacity and was appointed Chairman of the Board following the acquisition of Australian Strategic and Precious Metals Investments Pty Ltd (formerly Australian Gold Investments Pty Ltd). Mr Atkins is a Fellow of the Institute of Chartered Accountants in Australia, and was a founding partner of a national Chartered Accounting practice from 1979 to 1987. Since 1987 he has acted as Executive Director and been involved in the executive management of several publicly listed resource companies with operations in Australia, USA, South East Asia and Africa. During the past three years Mr Atkins has also served as a director of the following other listed companies:

Montagu Capital Ltd* – Appointed 14 July 2003

Legend Mining Ltd* – Appointed 14 February 2003

Westgold Resources NL* – Appointed 18 September 2003

Marion Energy NL – Appointed 18 September 2003;
Resigned 31 January 2006

Guardian Funds Management Ltd – Appointed 16 January 2004;
Resigned 31 January 2006

* denotes current directorship

Trevor Matthews BComm CPA ASIA (Managing Director)

Mr Matthews joined the Board as Managing Director on 14 January 2005. Mr Matthews had previously been appointed Company Secretary on 11 November 2004 and resigned on 11 February 2005. He has worked in the resources industry for 20 years and held executive positions with North Limited, WMC Resources Limited and other listed entities in both operational and corporate roles. Mr Matthews has significant experience in corporate governance, project development and finance. During the past three years Mr Matthews has also served as a director of the following other listed companies:

Murchison Metals Ltd* – Appointed 22 April 2005

Chrome Corporation Ltd – Appointed 10 July 2001;
Resigned 30 January 2006

* denotes current directorship

David Prentice GradDip BA MBA

Mr Prentice joined the Board on 14 January 2005 in a non-executive capacity. Mr Prentice's career includes over 20 years experience in commercial management and business development within the natural resources sector, working for some of Australia's leading resource companies. This has included high level commercial and operational roles with a number of listed resource companies as well as a business development role with a successful mid-cap Australian gold producer. During the past three years Mr Prentice has also served as a director of the following other listed companies:

Red Fork Energy Ltd* – Appointed 20 April 2004

Gleneagle Ltd* – Appointed 18 February 2003

* denotes current directorship

Stanley Lewis

Mr Lewis joined the Board on 15 March 2007 in a non-executive capacity following the acquisition of Australian Strategic and Precious Metals Investments Pty Ltd (formerly Australian Gold Investments Pty Ltd). Mr Lewis is an American citizen residing in the USA where he is a real estate investor currently involved in a joint venture development with Manekin LLC in a 300 plus townhome community development, among other real estate developments. Mr Lewis has formerly owned and managed gold bearing properties in Liberia, Brazil and the Dominican Republic. His history includes experience as a precious metals smelter, refiner and assayer, and he has owned a smelter and refinery in New York City and Baltimore, USA. Mr Lewis has also represented precious metal lots at Johnson Matthey, Englehart and The Royal Canadian Mint. During the past three years, Mr Lewis has not served on the board of any other publicly listed company.

Richard Alter

Mr Alter joined the Board on 15 March 2007 in a non-executive capacity following the acquisition of Australian Strategic and Precious Metals Investments Pty Ltd (formerly Australian Gold Investments Pty Ltd). Mr Alter is an American citizen residing in the USA and has, for fifteen years, served as President and CEO of Baltimore based Manekin LLC and oversees all corporate operations with a primary focus on development. He has overseen the development of more than 10 million square feet of property throughout the Baltimore/Washington region with the diverse portfolio being valued in excess of US\$750 million. During the past three years, Mr Alter has not served on the board of any other publicly listed company.

Ken Allen BBus, FAICD, FTNA, FTIA, MTMA

Mr Allen joined the Board on 14 January 2005 in a non-executive capacity and resigned on 20 April 2007. Mr Allen is a qualified accountant and has run a successful accountancy firm in Kalgoorlie-Boulder since 1991. He has been involved in the mining industry for over 20 years. During the past three years Mr Allen has also served as a director of the following other listed company:

Fairstar Resources Ltd* – Appointed 12 February 2006

* denotes current directorship

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Kalgoorlie-Boulder Resources Ltd were:

	Number of Ordinary Shares	Number of 20c Options	Number of 30c Options	Number of 40c Options
Michael Atkins	-	-	-	-
Trevor Matthews	1,211,681	-	1,000,000	500,000
David Prentice	700,000	175,000	500,000	500,000
Stanley Lewis	50,000,000*	-	-	-
Richard Alter	50,000,000*	-	-	-

* Stanley Lewis and Richard Alter have a relevant interest, as defined by the Corporations Act 2001, in the 50,000,000 ordinary shares held in the Company by RASL AU LLC.



Norseman, Mt. Henry.

COMPANY SECRETARY

Mr John Coles BComm, GradDip (App Fin & Inv), GradDip (App Corp Gov), MBA, CA, ACIS.

Mr Coles was appointed to the position of Company Secretary on 11 February 2005. He is a Chartered Accountant and a Chartered Secretary with over 20 years experience within the accounting profession, commerce and finance, both domestically and within the United Kingdom. He has held the position of company secretary in unlisted and listed (ASX and AIM) companies and has been involved with the listing of companies on both ASX and AIM.

PRINCIPAL ACTIVITIES

During the year the principal activities of entities within the consolidated entity were gold, nickel and other base metal exploration and mining in Australia and oil and gas exploration in the United States of America.

There were no significant changes in the nature of these activities during the year.

OPERATING AND FINANCIAL REVIEW

Group Overview

During the year the Group:

- acquired the 1,230,000 oz Norseman Gold Project through the acquisition of 100% of the issued capital of Australian Gold Investments Pty Ltd (now Australian Strategic and Precious Metals Investments Pty Ltd) through the issue of 50,000,000 fully paid ordinary shares, a total of \$3,000,000 8% convertible notes and \$2,500,000 cash;
- commenced a drilling campaign with the aim of upgrading the existing Norseman Project gold resources;
- commenced exploration at the Clinker Hill nickel project;
- commenced production of gold and silver from the Jackpot Gold Mine and received gross proceeds of \$1,290,000 from the sale of 1,603 ounces of gold;
- completed mining at the Jackpot Gold Mine with further proceeds to be received from the sale of gold and silver produced from the ore stockpiles in the first quarter of the 2008 financial year;
- sold the Company's uranium assets and Siberia Project for \$1,795,000 cash and 2,000,000 shares in Burey Gold Ltd;
- issued 48,645,694 shares with 24,322,847 free attaching listed options to raise \$4,865,000 through an Entitlement Issue; and
- placed 17,100,000 shares with 13,600,000 free attaching listed options with sophisticated investors to raise \$2,210,000.

Norseman Gold Project

The Company acquired 100% of the issued capital of Australian Gold Investments Pty Ltd (now Australian Strategic and Precious Metals Investments Pty Ltd ('ASPMI')), which is the sole registered and beneficial owner of the Norseman Gold Project, in March 2007.

The Norseman Gold Project covers 124 square kilometres of the prolific South Yilgarn Greenstone belt of the Eastern Goldfields in Western Australia. Norseman is the southernmost gold mining centre of the Norseman to Wiluna gold belt which hosts an endowment of over 270 million ounces of gold. The Norseman region has been a major gold producer with production in excess of 5,500,000 ounces of gold from 1935.

The Norseman Gold Project contains a number of mineral resources at the Mt Henry, Selene and Scotia deposits where there are currently total inferred resources of 1,230,000 ounces of gold at a 0.7 grams/tonne cut-off.

In April 2007 a drilling campaign was commenced at the Norseman Gold Project with the objective of the program being to upgrade and increase the mineral resources at the Mt Henry, Selene and North Scotia deposits. Encouraging results were received in early July 2007 and the data acquired from this drilling programme is now being modelled as part of the Company's latest JORC resource calculations at the Mt Henry deposit and has allowed further drill hole planning for the Selene deposit. Some of the more significant intersections were:

North Scotia

7SSC130	2m @ 9.15g/t	from 66 metres
7SSC132	2m @ 7.97g/t	from 6 metres
7SSC133	2m @ 21.3g/t	from 28 metres
7SSC134	3m @ 3.15g/t	from surface

Selene

7SELC041	3m @ 2.31g/t	from 85 metres
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Mt Henry

7HENC116	3m @ 2.50g/t	from 103 metres
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The data acquired from this drilling campaign will now be used to commence resource upgrade work at the Mt Henry deposit and allow further drill hole planning for the Selene and North Scotia deposits.

Jackpot Gold Mine

The first gold was produced from the Jackpot Gold Mine in August 2006. The following table summarises mining activities at the Jackpot Mine during the year:

	Sep Q	Dec Q	Mar Q	Jun Q
Mining				
Total Bcm's	117,811	43,968	28,777	31,440
Waste Bcm's	112,050	38,145	25,627	26,633
Ore Bcm's	5,761	5,822	3,150	4,807
Ore tonnes	16,316	16,886	8,796	13,701
Ore grade (g/t)	1.85	1.95	2.24	3.40
Milling				
Total ore tonnes	23,909	-	-	-
Reconciled feed grade (g/t)	2.22	-	-	-
Recovered ounces	1,603	-	-	-
Recovery (%)	93.9	-	-	-

Mining at Jackpot was completed in July 2007 with the stockpiled ore being milled in to produce 3,710oz of gold in September 2007. The completion of mining activities frees up the Company's technical resources for the exploration and development of the Norseman Gold Project.

Clinker Hill Nickel Project

The Clinker Hill Project is located in a favourable geological setting on the western margin of the Bulong Ultramafic complex. The historic gold mining centre of Bulong is to the north of the project, the Blair nickel mine is 10 kilometres to the west and the Carnilya Hill nickel mine is 20 kilometres to the south.

Positive results were received from a soil sampling program at its Clinker Hill nickel project. The results show a significant 700ppm nickel anomaly that measures 900 metres by 100 metres in a possibly favourable embayment in the basal contact. The program has also identified a 400ppm nickel anomaly which extends five kilometres along the basal contact. Both anomalies are coincident with copper, PGE's (platinum group elements) and cobalt. These results demonstrate the strong potential for nickel sulphide mineralisation at Clinker Hill.

In September 2007, the Company undertook the next step in the systematic exploration of the Clinker Hill Project in commencing a geochemistry sampling program to identify the extent of the nickel anomalism in the northern and south western section of the project area. A program of geophysics will then be initiated to identify conductive sulphide bodies to assist with RC exploration drill targets on the project.

Sale of Uranium Assets and Siberia Project

The sale of the Company's rights, title and interest in its uranium assets to Burey Gold Ltd ('Burey Gold') was restructured such that the consideration to be received by the Company consisted of \$1,750,000 in cash and 2,000,000 Burey Gold shares. The \$1,750,000 was received in June 2007 and the 2,000,000 Burey Gold shares were received in September 2007.

In June 2007, the Company sold the prospecting licences and mining lease applications which comprise its Siberia Project to Halcyon Group Ltd for \$45,000 (plus GST) plus a gold and nickel royalty.

Other Gold and Base Metals Projects

The Company's other projects, Broad Arrow, Dunnsville and Lake Johnston, have had limited work conducted on them. With the Company's main focus at Norseman and Clinker Hill, these projects will be evaluated for either further exploration, joint venture or disposal.

Oil and Gas

The Company, through its wholly owned subsidiary, KAL Energy Pty Ltd, entered into an agreement with Metro Energy Group Inc. ('Metro Energy') to acquire a 75 percent Working Interest (56.25 percent Net Revenue Interest) in oil and gas leases covering 640 acres in Okmulgee County, Oklahoma, USA. The transaction was completed with the payment of the final instalment in August 2006 and the leases were assigned to USA KAL Energy Inc, a US incorporated wholly-owned subsidiary of the Company, in January 2007.

During the previous financial year the Company accepted an offer to dispose of its interests in the Wilson Prospect. The agreement to dispose of the Company's interests in the Wilson Prospect was terminated by mutual consent in August 2006.

Production testing continued during the year. Metro Energy, the operator, is considering the most appropriate completion technique(s) for the several productive zones identified in the Wilson #3-10. This will include consideration of the completion of the Woodforde Shale, a known gas producer in the region.

The Directors are continuing to pursue the orderly divestment of the Company's United States oil and gas assets.

Operating Results for the Year

The Group's net loss for the year after income tax is \$3,532,000 (2006: \$978,000).

The Group's net loss for the year includes the following items:

- net gain on disposal of uranium assets and Siberia Project of \$2,210,000 (2006: nil); and
- impairment losses of \$3,905,000 (2006: nil) of which \$3,866,000 is attributable to the Company's US oil and gas project.

Review of Financial Condition

The net assets of the Group have increased by \$7,498,000 from 30 June 2006 to \$12,901,000 at the same date in 2007. This has largely resulted from the acquisition of the Norseman Gold Project and was partly offset by providing for impairment of the Group's oil and gas assets.

At 30 June 2007, there is a net deficiency in working capital (current assets less current liabilities) of \$527,000. This deficit includes inventories which are recorded at cost rather than realisable value and the \$3,000,000 convertible notes payable to RASL AU LLC, a wholly-owned company of Richard Alter and Stanley Lewis, directors of the Company and holders of 50,000,000 shares in the Company.

The Company raised \$7,075,000 from the issue of shares during the financial year in addition to receiving \$1,292,000 from the sale of gold and \$1,795,000 from the divestment of its uranium assets and Siberia Project. These proceeds were used, in addition to funding operations and working capital requirements, to repay an interest-bearing loan plus accrued interest of \$814,000, pay the final instalment on the acquisition of the oil and gas leases of \$997,000, and acquire the Norseman Gold Project.

The Company commenced milling the final stockpiled ore from the Jackpot gold mine with the proceeds from the sale of the gold produced being received in September 2007.

Securities issued during the year

The following securities were issued during the year:

Date	Securities	Details
10 Jul 06	5,000,000 shares	Placement at 20 cents per share to raise \$1,000,000.
5 Jan 07	2,500,000 options	Free attaching options associated with 10 July 2006 placement following shareholder approval.
9 Jan 07	10,000,000 shares 10,000,000 options	Placement at 10 cents per share with one free attaching option to raise \$1,000,000.
17 Jan 07	19,488,796 shares 9,744,398 options	Entitlements issue at 10 cents per share with one free attaching option for every two shares issued.
15 Feb 07	29,156,898 shares 14,578,449 options	Placement of 100% of the shortfall of the entitlements issue on the same terms as the entitlements issue.
8 Mar 07	51,500,000 shares 12 convertible notes	Consideration for the acquisition of 100% of the issued share capital of Australian Gold Investments Pty Ltd, the sole registered and beneficial owner of the Norseman Gold Project.
2 May 07	2,100,000 shares 1,100,000 options	Placement at 10 cents per share with one free attaching option to raise \$210,000.

A total of \$7,075,000 was raised during the year from the issue of shares. The purpose of the placements was to meet costs associated with assessing new projects and business opportunities, and to meet corporate overheads and provide additional working capital. The purpose of the entitlements issue was to fund the cash component of the Australian Gold Investments Pty Ltd acquisition (\$2,500,000), meeting the expenses of the issue, ongoing development and working capital.

All the abovementioned options are listed options (ASX: KALO) exercisable at 20 cents expiring on 31 July 2008.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Group occurred during the financial year:

- (i) The Company acquired 100% of the issued capital of Australian Gold Investments Pty Ltd (now Australian Strategic and Precious Metals Investments Pty Ltd ('ASPMI')) which is the sole registered and beneficial owner of the Norseman Gold Project for the payment of \$2,500,000 cash and the issue of 50,000,000 fully paid ordinary shares and twelve \$250,000 8% coupon convertible notes.
- (ii) The sale of the Company's rights, title and interest in its uranium assets to Burey Gold was restructured such that the consideration received by the Company consists of \$1,750,000 in cash and 2,000,000 Burey Gold shares. The cash component was received in June 2007 and the 2,000,000 Burey Gold shares were received in September 2007.
- (iii) The Company sold the prospecting licences and mining lease applications which comprise its Siberia Project to Halcyon Group Ltd for \$45,000 (plus GST) plus a gold and nickel royalty. The cash consideration was received in July 2007.
- (iv) The Company issued 17,100,000 fully paid ordinary shares and 13,600,000 listed options to sophisticated investors to raise \$2,210,000.
- (v) The Company issued 48,645,694 fully paid ordinary shares and 24,322,847 listed options pursuant to an entitlement issue and shortfall placement to raise \$4,865,000 to fund the cash component of the ASPMI acquisition (\$2,500,000), meet the expenses of the issue, ongoing development and working capital.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Mining at the Jackpot Gold Mine was completed in July 2007 with 43,866 dry tonnes being milled at a grade of 2.83 g/t with recovery at 92.93% for production of 3,710oz Au. Milling was completed in September 2007 with approximately \$3,000,000 being received from the sale of the gold produced.

The 2,000,000 Burey Gold shares, received as part consideration for the sale of the Group's uranium assets, were issued to the Company in September 2007.

Other than stated above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

FUTURE DEVELOPMENTS

The group's strategic focus is primarily the development of the Norseman Gold Project. A drilling campaign has commenced at the Norseman Gold Project with encouraging results being received from the initial drilling. It is expected this initial drilling campaign will be completed during 2007.

The objective of the drilling campaign is to upgrade and increase the mineral resources at the Mt Henry, Selene and North Scotia deposits where there is currently a total inferred resource of 1.23 million ounces of gold at a 0.7 g/t cut-off. The data acquired from the initial drilling will be used to commence resource upgrade work at the Mt Henry deposit and allow further drill hole planning for the Selene and North Scotia deposits.

An indicative timetable of key milestones associated with the Norseman Gold Project for calendar year 2007 is:

Event	Date
First exploration drilling results	July 2007
Commence Norseman scoping study	Q3 2007
Further exploration drilling results	Second half 2007
Complete initial exploration drilling program	December 2007
Upgraded JORC resource statement	December 2007
Complete Norseman scoping study	December 2007

As detailed above, the drilling results were received in early July 2007 and the data acquired from this drilling programme is now being modelled as part of the Company's latest JORC resource calculations at the Mt Henry deposit and has allowed further drill hole planning for the Selene.

In September 2007, the Company commenced a 5,000 metre drilling programme which targets extensions of the existing inferred resources already delineated at Mt Henry and Selene as well as three highly prospective areas within the Norseman project area at Break O Day, Telegraph and Everlasting. This drilling programme is part of the 2007 drilling programme that is aiming to upgrade and increase the significant JORC mineral resources at Norseman. This work forms an integral component of the Company's ongoing scoping study into the development of the project.

The Company's second priority project is the Clinker Hill Nickel Project. Following the positive results from a soil sampling program, it is intended to commence a geochemistry program to identify the extent of the nickel anomalism in the north west section of the project area. A program of geophysics will then be initiated to identify conductive sulphide bodies to assist with RC exploration drill targets on the project.

The directors will continue to pursue opportunities to realise value from the Company's other gold and base metals assets and its investment in the oil and gas leases in the United States.

ENVIRONMENT REGULATIONS AND PERFORMANCE

The group's exploration activities are subject to various environmental laws and regulations under Commonwealth and State Legislation. The Group has adequate systems in place for the management of its environmental obligations. The directors are not aware of any breaches of the legislation during the financial year which are material in nature.

DIVIDENDS

No dividends have been paid or declared by the Company.

SHARE OPTIONS

As at the date of this report the unissued ordinary shares of Kalgoorlie-Boulder Resources Ltd under option are as follows:

Date of Expiry	Exercise Price	Number under Option
31 July 2008	\$0.20	51,555,472
31 July 2008	\$0.30	8,250,000
31 July 2008	\$0.40	2,250,000
		62,055,472

The 31 July 2008 20 cent options are all listed options (ASX: KALO). Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

INDEMNIFYING OFFICERS

The Company's Constitution provides that, subject to and so far as permitted by the Corporations Act 2001, the Company must, to the extent the person is not otherwise indemnified, indemnify every officer of the Company out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer.

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and officers' liability. The policy indemnifies all Directors and officer of the Company and its controlled entities against certain liabilities. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium. The Directors have not included details of the nature of the premium paid in respect of Directors' and officers' liability as such disclosure is prohibited under the terms of the contract.

REMUNERATION REPORT

This Remuneration Report outlines the director and executive remuneration arrangements of the company and the group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. It also provides the remuneration disclosures required by paragraphs Aus 25.4 to Aus 25.7.2 of AASB 124 *Related Party Disclosures*, which have been transferred to the Remuneration Report in accordance with Corporations Regulation 2M.6.04. For the purposes of this report Key Management Personnel of the group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company and the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the parent and the group receiving the highest remuneration.

Remuneration committee – unaudited

The Board has not established a separate remuneration committee. The Board considers that the company is not of a size nor are its affairs of such complexity to justify formation of a remuneration committee. The Board as a whole addresses the governance aspects of the full scope of the company's activities.

Remuneration policy – unaudited

The group's policy for determining the nature and amount of remuneration of board members and senior executives of the group is assessed annually and are set by reference to the mineral exploration industry market place and are not directly linked to the group's performance.

All remuneration paid to directors and executives is valued at cost to the group and expensed unless deemed appropriate to capitalise.

Options are valued using the binomial method.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$250,000). Fees for non-executive directors are not linked to the performance of the group.

The following fees have applied:

	From 15 March 2007 \$	From 1 July 2006 to 14 March 2007 \$
Chairman and managing director	51,996	48,000
Other non-executive directors	26,004	24,000

Service agreements – unaudited

No executives are permanent employees of the group.

The Company has entered into an agreement with Contango Consulting Pty Ltd, a company controlled by Trevor Matthews, for the provision of executive services by Trevor Matthews to act in the capacity as Managing Director. The term of the agreement is indefinite with an annual fee of \$120,000 (exclusive of GST). The fee charged by Contango Consulting Pty Ltd for executive services was reduced to \$48,000 (exclusive of GST) from 1 March 2006. The board resolved to increase the managing director's fee to \$51,996 effective from 15 March 2007. Either party may terminate the executive services agreement by giving one month written notice to the other party. The executive services agreement does not provide for any termination payments.

The Company has entered into an agreement with Ken Allen and David Prentice, separately, for the provision of non-executive services. The term of the agreements are indefinite with an annual fee of \$24,000. The board resolved to increase non-executive fees to \$26,000 effective from 15 March 2007. Either party may terminate the respective services agreements by giving one month written notice to the other party. The services agreement does not provide for any termination payments. Ken Allen resigned as a director of the Company in April 2007.

The Company has entered into an agreement with JFC Corporate Services Pty Ltd, a company controlled by John Coles, for the provision of company secretarial and accounting services. The term of the services agreement is indefinite with an hourly fee of \$110 (exclusive of GST). Either party may terminate the services agreement by giving one months written notice to the other party. The services agreement does not provide for any termination payments.

The Company has entered into an agreement with Sampson Mining Pty Ltd, a company controlled by Mark Sampson, for the provision of executive services. The term of the agreement is two years from the date of the Company listing (20 April 2005) with a daily fee of \$650 (exclusive of GST). The agreement is currently in the process of being renewed. Either party may terminate the services agreement by giving one month written notice to the other party. The services agreement does not provide for any termination payments.

Key management personnel remuneration – audited

Details of the remuneration of directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Kalgoorlie-Boulder Resources Ltd and the Kalgoorlie-Boulder Resources Ltd Group are set out in the following tables.

The key management personnel of the Company and the Group include the directors detailed above and the following executive officers who have authority and responsibility for planning, directing and controlling the activities of the entity:

- John Coles – Company Secretary and Chief Financial Officer
- Mark Sampson – Technical Manager

2007

Key Management Person	Short-term Benefits				Post-employment Benefits	Share-based payments	Total
	Salary & Fees	Cash Bonus	Non-monetary benefits	Other	Superannuation	Options	
Non-executive directors							
Michael Atkins*	15,166	-	-	-	-	-	15,166
Richard Alter*	-	-	-	-	-	-	-
Stanley Lewis*	7,585	-	-	-	-	-	7,585
David Prentice	24,667	75,000	-	-	-	-	99,667
Ken Allen**	20,334	-	-	-	-	-	20,334
Sub-total non-executive directors	67,752	75,000	-	-	-	-	142,752
Executive director							
Trevor Matthews	49,332	-	-	-	-	-	49,332
Other key management personnel							
John Coles	162,882	-	-	-	-	-	162,882
Mark Sampson	188,825	-	-	-	-	-	188,825
Sub-total executive	401,039	-	-	-	-	-	401,039
Total	468,791	75,000	-	-	-	-	543,791

* Appointed 15 March 2007

** Resigned 20 April 2007

2006

Key Management Person	Short-term Benefits				Post-employment Benefits	Share-based payments	Total
	Salary & Fees	Cash Bonus	Non-monetary benefits	Other	Superannuation	Options	
Non-executive directors							
David Prentice	24,000	-	-	-	-	36,000	60,000
Ken Allen	24,000	-	-	-	-	36,000	60,000
Sub-total non-executive directors	48,000	-	-	-	-	72,000	120,000
Executive director							
Trevor Matthews	96,000	-	-	-	-	36,000	132,000
Other key management personnel							
John Coles	88,962	-	-	-	-	18,000	106,962
Mark Sampson	187,688	-	-	-	-	18,000	205,688
Sub-total executive	372,650	-	-	-	-	72,000	444,650
Total	420,650	-	-	-	-	144,000	564,650

Compensation options – audited

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date Cents	Exercise Price Cents	First Exercise Date	Last Exercise Date
Trevor Matthews	500,000	500,000	16/12/2005	2.6	30	16/12/2005	31/7/2008
Trevor Matthews	500,000	500,000	16/12/2005	1.4	40	16/12/2005	31/7/2008
Ken Allen	500,000	500,000	16/12/2005	2.6	30	16/12/2005	31/7/2008
Ken Allen	500,000	500,000	16/12/2005	1.4	40	16/12/2005	31/7/2008
David Prentice	500,000	500,000	16/12/2005	2.6	30	16/12/2005	31/7/2008
David Prentice	500,000	500,000	16/12/2005	1.4	40	16/12/2005	31/7/2008
John Coles	250,000	250,000	16/12/2005	2.6	30	16/12/2005	31/7/2008
John Coles	250,000	250,000	16/12/2005	1.4	40	16/12/2005	31/7/2008
Mark Sampson	250,000	250,000	16/12/2005	2.6	30	16/12/2005	31/7/2008
Mark Sampson	250,000	250,000	16/12/2005	1.4	40	16/12/2005	31/7/2008
	4,000,000	4,000,000					

All options were granted pursuant to approval by shareholders at the 2005 Annual General Meeting and for nil consideration.

Refer to Note 25 in the Notes to the Financial Statements for further details concerning the valuation of these share based payments.

Options issued as part of remuneration for the year ended 30 June 2007 – unaudited

No options were issued to directors and executives as part of their remuneration.

Shares Issued on Exercise of Compensation Options – unaudited

No options were exercised during the year that were granted as compensation in the current or prior periods.



Jackpot Mine



DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Michael Atkins	3	3
Richard Alter	3	3
Stanley Lewis	3	3
Trevor Matthews	13	12
David Prentice	13	11
Ken Allen	12	11

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence as the nature of the services provided did not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors, or by related practices of the external auditors, during the year ended 30 June 2007:

Taxation services	\$4,000
Other non-audit services	\$8,000

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 13.

ROUNDING OF AMOUNTS

The company is an entity to which ASIC Class Order 98/100 applied and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.

Michael Atkins
Chairman

Dated this 28th day of September 2007.

Auditor's Independence Declaration

13

28 September 2007

To the Board of Directors of Kalgoorlie Boulder Resources Ltd

Dear Sirs

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2007, there have been:

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

Yours faithfully
ORD PARTNERS



Ian Macpherson
Partner



Ian K Macpherson CA

Robert W Parker CA

Craig A Vivian CA

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Chartered Accountants

Income Statement

for the year ended 30 June 2007

		Consolidated		Company	
	Note	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Revenue	4	1,353	-	1,292	-
Cost of sales		(1,093)	-	(1,057)	-
Gross profit		260	-	235	-
Other income	4	2,310	46	2,338	46
Administrative expenses		(903)	(518)	(1,011)	(518)
Exploration and evaluation expenses	5	(155)	(124)	(153)	(124)
Finance expenses		(117)	(24)	(117)	(24)
Amortisation of development costs		(1,046)	-	(1,046)	-
Share based payments	5	-	(90)	-	(90)
Provision for impairment	5	(3,905)	-	(3,843)	(244)
Foreign currency translation		-	(244)	-	-
Loss before income tax expense		(3,556)	(954)	(3,597)	(954)
Income tax (expense)/benefit	6	24	(24)	24	(24)
Loss for the year		(3,532)	(978)	(3,573)	(978)
Loss attributable to members of the parent entity		(3,532)	(978)	(3,573)	(978)
		Cents	Cents		
Basic loss per share	19	(4.9)	(2.5)		

The accompanying notes form part of these financial statements.

Balance Sheet

as at 30 June 2007

		Consolidated		Company	
	Note	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Current assets					
Cash and cash equivalents	23	1,006	887	967	887
Trade and other receivables	7	806	86	784	86
Inventories	8	1,857	-	1,857	-
Other current assets	9	194	122	109	122
Total current assets		3,863	1,095	3,717	1,095
Non-current assets					
Trade and other receivables	7	-	-	254	2,811
Exploration and evaluation asset	10	13,386	7,389	2,593	3,569
Property, plant and equipment	11	42	57	31	57
Other financial assets	12	-	15	10,613	15
Total non-current assets		13,428	7,461	13,491	6,452
Total assets		17,291	8,556	17,208	7,547
Current liabilities					
Trade and other payables	13	1,311	2,332	1,307	1,323
Borrowings	14	3,000	750	3,000	750
Provision	15	79	47	79	47
Total current liabilities		4,390	3,129	4,386	2,120
Non-current liabilities					
Deferred tax liabilities	6	-	24	-	24
Total non-current liabilities	-	24	-	24	-
Total liabilities		4,390	3,153	4,386	2,144
Net assets		12,901	5,403	12,822	5,403
Equity					
Issued capital	16	16,495	5,498	16,495	5,498
Reserves	17	1,124	1,091	1,086	1,091
Accumulated losses	18	(4,718)	(1,186)	(4,759)	(1,186)
Total equity		12,901	5,403	12,822	5,403

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2007

Consolidated

	Share Capital Ordinary \$000	Asset Revaluation Reserve \$000	Equity Settled Transaction Reserve \$000	Foreign Currency Translation Reserve \$000	Accumulated Losses \$000	Total \$000
Total equity at 1 July 2005	4,296	1	750	-	(208)	4,839
Revaluation increment	-	4	-	-	-	4
Loss attributable to members of parent entity	-	-	-	-	(978)	(978)
Total income and expenses recognised during the year	-	4	-	-	(978)	(974)
Shares issued	1,562	-	-	-	-	1,562
Transaction costs	(360)	-	-	-	-	(360)
Equity settled transaction	-	-	336	-	-	336
Transactions with equity holders in their capacity as equity holders	1,202	-	336	-	-	1,538
Total equity at 30 June 2006	5,498	5	1,086	-	(1,186)	5,403
Total equity at 1 July 2006	5,498	5	1,086	-	(1,186)	5,403
Exchange differences arising on translation of foreign operations	-	-	-	306	-	306
Net investment in foreign operations	-	-	-	(268)	-	(268)
Transfer from asset revaluation reserve realised on sale of available-for-sale asset	-	(5)	-	-	-	(5)
Loss attributable to members of parent entity	-	-	-	-	(3,532)	(3,532)
Total income and expenses recognised during the year	-	(5)	-	38	(3,532)	(3,499)
Shares issued	7,075	-	-	-	-	7,075
Transaction costs	(507)	-	-	-	-	(507)
Equity settled transaction	4,429	-	-	-	-	4,429
Transactions with equity holders in their capacity as equity holders	10,997	-	-	-	-	10,997
Total equity at 30 June 2007	16,495	-	1,086	38	(4,718)	12,901

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2007

Company	Share Capital Ordinary \$000	Asset Revaluation Reserve \$000	Equity Settled Transaction Reserve \$000	Foreign Currency Translation Reserve \$000	Accumulated Losses \$000	Total \$000
Total equity at 1 July 2005	4,296	1	750	-	(208)	4,839
Revaluation increment	-	4	-	-	-	4
Loss attributable to members of parent entity	-	-	-	-	(978)	(978)
Total income and expenses recognised during the year	-	4	-	-	(978)	(974)
Shares issued	1,562	-	-	-	-	1,562
Transaction costs	(360)	-	-	-	-	(360)
Equity settled transaction	-	-	336	-	-	336
Transactions with equity holders in their capacity as equity holders	1,202	-	336	-	-	1,538
Total equity at 30 June 2006	5,498	5	1,086	-	(1,186)	5,403
Total equity at 1 July 2006	5,498	5	1,086	-	(1,186)	5,403
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-
Net investment in foreign operations	-	-	-	-	-	-
Transfer from asset revaluation reserve realised on sale of available-for-sale asset	-	(5)	-	-	-	(5)
Loss attributable to members of parent entity	-	-	-	-	(3,573)	(3,573)
Total income and expenses recognised during the year	-	(5)	-	-	(3,573)	(3,578)
Shares issued	7,075	-	-	-	-	7,075
Transaction costs	(507)	-	-	-	-	(507)
Equity settled transaction	4,429	-	-	-	-	4,429
Transactions with equity holders in their capacity as equity holders	10,997	-	-	-	-	10,997
Total equity at 30 June 2007	16,495	-	1,086	-	(4,759)	12,822

The accompanying notes form part of these financial statements.

Cash Flow Statement

for the year ended 30 June 2007

		Consolidated		Company	
	Note	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Cash flows from operating activities					
Receipts from sale of oil and gas		61	-	-	-
Receipts from sale of gold		1,292	-	1,292	-
Other income		-	1	-	1
Payments to suppliers and employees		(3,130)	(448)	(3,199)	(446)
Interest received		36	45	36	45
Finance costs		(41)	(24)	(41)	(24)
Net cash used in operating activities	23	(1,782)	(426)	(1,912)	(424)
Cash flows from investing activities					
Proceeds from option fee		50	-	50	-
Proceeds from sale of exploration and evaluation assets		1,750	-	1,750	-
Proceeds from sale of investment		24	-	24	-
Purchase of plant and equipment		(1)	(19)	(1)	(19)
Exploration and evaluation expenditure (capitalised)		(600)	(954)	(258)	(954)
Purchase of oil and gas assets		(997)	(3,055)	-	-
Purchase of tenements		(18)	(150)	(18)	(150)
Loan to wholly-owned subsidiary		-	-	(1,247)	(3,057)
Payment for subsidiary – net of cash received		(3,183)	-	(3,184)	-
Net cash used in investing activities		(2,975)	(4,178)	(2,884)	(4,180)
Cash flows from financing activities					
Proceeds from issue of shares		6,133	1,562	6,133	1,562
Proceeds from shares to be issued		-	942	-	942
Capital raising costs		(507)	(188)	(507)	(188)
Proceeds from borrowings		-	750	-	750
Repayment of borrowings		(750)	-	(750)	-
Net cash provided by financing activities		4,876	3,066	4,876	3,066
Net increase/(decrease) in cash and cash equivalents					
		119	(1,538)	80	(1,538)
Cash and cash equivalents at beginning of financial year		887	2,425	887	2,425
Cash and cash equivalents at end of financial year	23	1,006	887	967	887

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2007

1. Corporate information

The financial report of Kalgoorlie-Boulder Resources Ltd (the 'Company') for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of directors on 28 September 2007.

Kalgoorlie-Boulder Resources Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Summary of significant accounting policies

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for exploration and evaluation assets which have been measured at fair value.

The financial report of Kalgoorlie-Boulder Resources Ltd complies with all Australian equivalents to International Financial Reporting Standards ('AIFRS') in their entirety. Compliance with AIFRS ensures that the financial statements comply with International Financial Reporting Standards ('IFRS') in their entirety.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company and consolidated entity have each incurred a net loss after tax for the year ended 30 June 2007 of \$3,500,000 (2006: \$978,000) and experienced net cash outflows from operating activities of \$1,900,000 and \$1,800,000 respectively (2006: \$424,000 and \$426,000).

The Company processed the remainder of the ore mined from its Jackpot gold mine in August and September 2007 and received approximately \$3,000,000 gross proceeds from the sale of gold in September 2007. The Company also received \$45,000 from the sale of its Siberia Project in July 2007.

The ability of the Company and the consolidated entity to continue as going concerns and to pay their debts as and when they fall due is dependent on the following the ability of the Company and the consolidated entity to secure further working capital by the issue of additional equities, debt, the sale of non-core assets, or a combination of debt, equity and/or the sale of assets.

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company and consolidated entity will achieve the matters set out above.

Notwithstanding this, there is significant uncertainty whether the Company and the consolidated entity will be able to continue as going concerns.

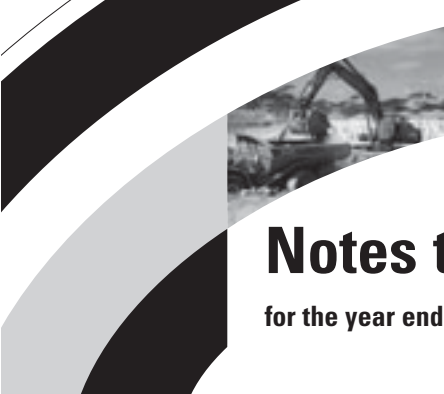
Should the Company and the consolidated entity be unable to continue as going concerns, they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company and the consolidated entity be unable to continue as going concerns.

Adoption of new and revised Accounting Standards

Except for the amendments to AASB 101 *Presentation of Financial Statements*, which the Group has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2007. The Group's and Company's assessment of the impact of these new accounting standards and interpretations are:

AASB 7 *Financial Instruments: Disclosures* and ASSB 2005-10 *Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038)* – AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Group has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed to the Group's and the Company's financial statements.



Notes to the Financial Statements

for the year ended 30 June 2007

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Kalgoorlie-Boulder Resources Ltd and its subsidiaries as at 30 June each year (the 'Group').

Subsidiaries are all those entities over which the Group has power to govern the financial and operating policies of so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, under consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(b) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of consideration is deferred, the amount payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(c) Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

(d) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the consolidated entity's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Notes to the Financial Statements

for the year ended 30 June 2007

Exchange differences arising on the translation of monetary items are recognised in the Income Statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Income Statement.

Foreign operations

The financial results and position of foreign operations whose functional currency is different from the economic entity's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the economic entity's foreign currency translation reserve in the Balance Sheet. These differences are recognised in the Income Statement in the period in which the operation is disposed.

(e) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: *Recognition and Measurement of Financial Instruments*. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the economic entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the consolidated entity are stated at amortised cost using the effective interest rate method.

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

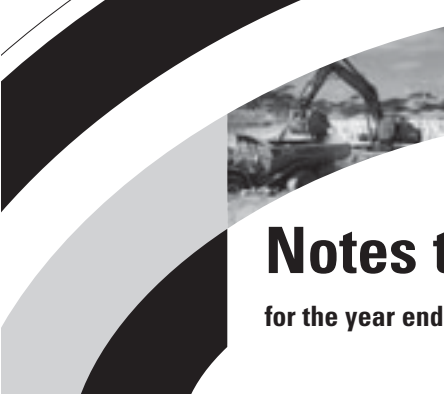
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the economic entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment issues are recognised in the Income Statement.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.



Notes to the Financial Statements

for the year ended 30 June 2007

(g) Impairment of non-financial assets other than goodwill

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks with maturity dates of less than 3 months.

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the group will not be able to collect the debt.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(k) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially recognised at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

(l) Interests in Joint Ventures

The Group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the Group's interest are shown at Note 21.

(m) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Land and buildings are measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

Notes to the Financial Statements

for the year ended 30 June 2007

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Land	nil
Plant and equipment	33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(n) Exploration, evaluation and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to 'development'.

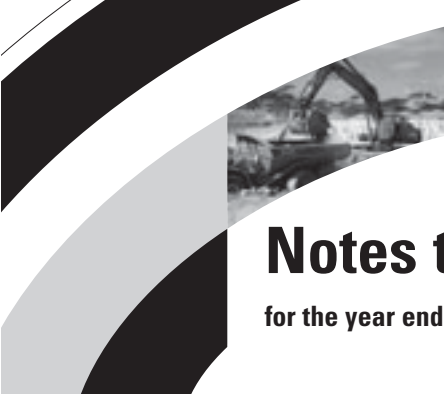
When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(o) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obligated to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.



Notes to the Financial Statements

for the year ended 30 June 2007

(p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(q) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(r) Provisions

Provisions are recognised when the economic entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(s) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligation include the costs of removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal and other requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relation to exploration and development is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligations arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(t) Share-based payment transactions

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(u) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Notes to the Financial Statements

for the year ended 30 June 2007

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Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(v) Income tax

The charge for current income tax expenses is based on the results for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Income Statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax income will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(w) 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 Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(x) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares;

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(y) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key estimates – impairment

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Notes to the Financial Statements

for the year ended 30 June 2007

3. Segment reporting

Primary reporting – business segments

The consolidated entity's business segments in which also correspond to two geographic locations:

- Mineral exploration and mining – Australia.
- Oil and gas exploration – United States of America.

	Mineral Exploration and Mining \$000	Oil & Gas Exploration \$000	Unallocated \$000	Consolidated Entity \$000
2007				
Revenue				
Sales to external customers	1,292	61	-	1,353
Other revenue from external customers	-	-	2,310	2,310
	1,292	61	2,310	3,663
Result				
Profit/(loss) after income tax	(1,905)	(3,845)	2,218	(3,532)
Assets				
Segment assets	17,288	3	-	17,291
Liabilities				
Segment liabilities	4,389	1	-	4,390
2006				
Result				
Profit/(loss) after income tax	(779)	(245)	46	(978)
Assets				
Segment assets	4,735	3,821	-	8,556
Liabilities				
Segment liabilities	2,144	1,009	-	3,153

The directors resolved to provide for impairment of the Group's oil and gas exploration and evaluation asset (\$3,866,000) which is included in the oil and gas exploration segment result. Refer to Note 10 for further information on the impairment of the Group's oil and gas exploration and evaluation asset.

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
4. Revenue				
Sales revenue				
Sale of oil	42	-	-	-
Sale of gas	19	-	-	-
Sale of gold	1,292	-	1,292	-
Total sales revenue	1,353	-	1,292	-
Other income				
Interest received from other persons	37	45	36	45
Interest received from subsidiary	-	-	29	-
Other income	1	1	-	1
Option fee received	50	-	50	-
Net gain on disposal of available for sale investment	14	-	14	-
Net gain on disposal of exploration and evaluation assets	2,209	-	2,209	-
Total other income	2,310	46	2,338	46

5. Loss for the year

Loss for the year includes the following specific expenses:

Exploration expenditure	155	124	153	124
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Refer to Note 2(p) for an explanation on the Group's policy with regards to exploration and evaluation expenditure. The exploration expenditure expensed in the income statement relates to expenditure incurred in respect of tenements where applications have been lodged but the right to tenure has not been granted.

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Share-based transaction – options granted to directors and senior management as remuneration	-	90	-	90
Provision for impairment				
Oil and gas exploration and evaluation asset	3,866	-	-	-
Other receivables	39	-	39	-
Amount receivable from subsidiary	-	-	3,804	244
	3,905	-	3,843	244

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
6. Income taxes				
Income tax recognised in profit or loss				
Tax expense/(income) comprises:				
Current tax expense/(income)	-	-	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	24	-	24
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period that is used to reduce:				
– deferred tax expense	(24)	-	(24)	-
Total tax expense /(income)	(24)	24	(24)	24
Attributable to:				
Continuing operations	(24)	24	(24)	24
	(24)	24	(24)	24

The prima facie income tax expense/(income) on the pre-tax accounting loss from operations reconciles to the income tax expense/(income) in the financial statements as follows:

Loss from continuing operations	(3,556)	(954)	(3,597)	(954)
Income tax expense calculated at 30%	(1,067)	(286)	(1,079)	(286)
Effect of expenses that are not deductible in determining taxable profit	(53)	(1,427)	(41)	(281)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	1,120	1,713	1,120	567
Previously unrecognised and unused tax losses and tax offsets now recognised deferred tax assets	(24)	24	(24)	24
	(24)	24	(24)	24

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Unrecognised deferred tax balances				
The following deferred tax assets/(liabilities) have not been brought to account:				
Tax losses – revenue	3,468	2,373	3,468	1,227
Exploration and evaluation assets	(4,016)	(2,217)	(778)	(1,071)
Temporary differences	4,515	334	1,277	334
	3,967	490	3,967	490

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Unrecognised taxable temporary differences associated with investments and interests				
Taxable temporary differences in relation to investments in subsidiaries, for which deferred tax liabilities have not been recognised are attributable to the following:				
Other domestic subsidiaries	-	-	-	-
Foreign subsidiaries	-	-	-	-
	-	-	-	-
7. Trade and other receivables				
Current				
Trade receivables	78	31	74	31
Amounts receivable from Australian Taxation Authorities	148	55	101	55
Amount receivable from subsidiary	-	-	29	-
Shares receivable from Burey Gold Ltd	619	-	619	-
Provision for impairment	(39)	-	(39)	-
	806	86	784	86
Non-current				
Amount receivable from subsidiary	-	-	4,302	3,056
Provision for impairment	-	-	(4,048)	(244)
	-	-	254	2,812

Impairment loss

The directors determined that facts and circumstances exist at balance date which suggest that the carrying amount of the Company's subsidiary's oil and gas exploration and evaluation asset may exceed its recoverable amount (refer to Note 10). Adopting a conservative approach, the directors provided for impairment of 100% of the carrying amount of the oil and gas exploration and evaluation asset as an impairment loss. Consequently, the subsidiary recorded a net deficiency in assets which provided facts and circumstances which suggest the carrying amount of the Company's receivable from the subsidiary may exceed its recoverable amount and have provided for impairment of the receivable accordingly.

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
8. Inventories				
Ore stockpile – at cost	1,857	-	1,857	-
9. Other current assets				
Prepayments	59	75	59	75
Cash backed performance bond	135	47	50	47
	194	122	109	122

The Company's bankers have provided performance bonds as security for the due and proper performance of leases in accordance with the tenement conditions associated with certain Group tenements. The Company has cash-backed these performance bonds with fixed term deposits with the bank.

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
10. Exploration and evaluation asset				
Minerals				
Exploration expenditure capitalised at cost				
- exploration and evaluation phase	13,386	2,523	2,593	2,523
- development phase	-	1,046	-	1,046
	13,386	3,569	2,593	3,569
Oil and gas				
Exploration expenditure capitalised at cost				
- exploration and evaluation phase	-	3,821	-	-
	-	3,821	-	-
	13,386	7,390	2,593	3,569
Movements in carrying amounts				
Minerals				
Exploration and evaluation phase				
Balance at beginning of year	2,523	2,345	2,523	2,345
Sale of tenements	(205)	(16)	(205)	(16)
Purchase of tenements	10,575	236	18	236
Exploration and evaluation incurred	493	1,027	257	1,027
Expenditure written off	-	(23)	-	(23)
Transferred to development phase	-	(1,046)	-	(1,046)
Balance at end of year	13,386	2,523	2,593	2,523
Development phase				
Balance at beginning of year	1,046	-	1,046	-
Transfer from exploration and evaluation phase	-	1,046	-	1,046
Amortisation	(1,046)	-	(1,046)	-
Balance at end of year	-	1,046	-	1,046
Oil and gas				
Exploration and evaluation phase				
Balance at beginning of year	3,821	-	-	-
Purchase of leases	19	3,821	-	-
Foreign exchange translation	(260)	-	-	-
Provision for impairment	(3,580)	-	-	-
Balance at end of year	-	3,821	-	-

The ultimate recoupment of costs carried forward for exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

Impairment loss

The Group has drilled one well to date – the Wilson #3-10. Drilling commenced in March 2006 and several hydrocarbon bearing formations presented in the well bore. The initial zone tested was the deepest of the hydrocarbon bearing formations, the Wilcox Sandstone. The testing of the Wilcox Sandstone has not resulted in economic production of oil or gas. The directors continue to explore alternatives to realise value from this asset.

The directors determined that facts and circumstances exist at balance date which suggest that the carrying amount of the Group's oil and gas exploration and evaluation asset may exceed its recoverable amount. Adopting a conservative approach, the directors decided to provide for impairment of 100% of the carrying amount as an impairment loss.

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
11. Property, plant and equipment				
Freehold land at cost	11	-	-	-
Plant and equipment at cost	84	84	84	84
Accumulated depreciation	(53)	(27)	(53)	(27)
	31	57	31	57
Total property, plant and equipment	42	57	31	57

Movements in carrying amounts

	Freehold Land \$000	Plant and Equipment \$000	Total \$000
Consolidated			
Balance 1 July 2005	-	63	63
Additions	-	21	21
Depreciation expense	-	(27)	(27)
Balance at 30 June 2006	-	57	57
Additions through acquisition of entity	11	-	11
Depreciation expense	-	(26)	(26)
Balance 30 June 2007	11	31	42
Company			
Balance 1 July 2005	-	63	63
Additions	-	21	21
Depreciation expense	-	(27)	(27)
Balance at 30 June 2006	-	57	57
Additions through acquisition of entity	-	-	-
Depreciation expense	-	(26)	(26)
Balance 30 June 2007	-	31	31

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
12. Other financial assets				
Investments carried at cost:				
Investments in subsidiaries	-	-	7,613	-
Available for sale investments carried at fair value:				
Shares in listed company	-	15	-	15
Held-to-maturity investments at amortised cost:				
Promissory note	-	-	3,000	-
	-	15	10,613	15

The Company holds a promissory note from Australian Strategic and Precious Metals Investments Pty Ltd ('ASPMI') a wholly-owned subsidiary of the Company. The terms of the promissory note are 8% interest, or a reduced rate of 3% interest unless a default has occurred, payable monthly in arrears with the principal repayable the earlier to occur of 21 days from the date the Company delivers to ASPMI a written demand for full and final payment or the closing of ASPMI's initial public offering.

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
13. Trade and other payables				
Unsecured liabilities				
Trade payables	1,195	1,342	1,191	333
Unallotted share application monies	-	942	-	942
Sundry creditors and accrued expenses	116	48	116	48
	1,311	2,332	1,307	1,323
14. Borrowings				
Secured liabilities				
Interest bearing loan (i)	-	750	-	750
Convertible notes (ii)	3,000	-	3,000	-
	3,000	750	3,000	750

- (i) Interest was payable on the loan at 10% per annum on the basis of simple interest without capitalisation and was repayable on or before 31 December 2006 with an agreement to negotiate on sale or transfer of asset in settlement if the amount was not repaid in full by the due date. The carrying amount of non-current assets pledged as security was \$1,045,597 and it was secured by a registered first mortgage over certain mining leases. The principal and interest was repaid in January 2007.
- (ii) The Company issued to RASL AU LLC ('RASL'), as part of the consideration to acquire 100% of the issued capital of Australian Gold Investments Pty Ltd (now Australian Strategic and Precious Metals Investments Pty Ltd ('ASPMI')), 12 convertible notes to a face value of \$3,000,000 with an 8% attaching coupon (payable quarterly) redeemable 36 months after settlement or convertible into 30,000,000 fully paid ordinary shares in the Company at any time between 12 and 36 months after settlement. If the Company sells the assets vended to it under the AGI Purchase Agreement, RASL will have the right to redeem the convertible note irrespective of whether the time periods have elapsed. The convertible notes are fully secured in favour of RASL by a first ranking charge over the Company's shares in ASPMI.

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
15. Provision				
Provision for mine restoration				
Opening balance 1 July	47	-	47	-
Additional provision	32	47	32	47
Closing balance 30 June	79	47	79	47

A provision has been recognised for the costs to be incurred for the restoration of the Jackpot mine site. It is anticipated that the mine will require restoration within 12 months.

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
16. Issued capital				
160,891,388 (2006: 43,645,694) fully paid ordinary shares	16,495	5,498	16,495	5,498
	No. (000)	No. (000)	\$000	\$000
Ordinary shares				
At the beginning of reporting period	43,646	33,506	5,498	4,296
Shares issued pursuant to prospectus dated 18 November 2005	-	9,765	-	1,562
Shares issued to acquire 20 prospecting licences	-	375	-	-
Shares issued pursuant to entitlements issue	48,642	-	4,865	-
Shares issued to acquire subsidiary	51,500	-	4,429	-
Placement of shares	17,100	-	2,210	-
Transaction costs	-	-	(507)	(360)
At reporting date	160,891	43,646	16,495	5,498

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options

The movement of the options on issue during the financial year is set out below:

Exercise Price	Expiry Date	Balance at beginning of year	Issued	Exercised	Lapsed	Balance at end of year
\$0.20	31 Aug 2008	13,632,625	37,922,847	-	-	51,555,472
\$0.30	31 Aug 2008	8,250,000	-	-	-	8,250,000
\$0.40	31 Aug 2008	2,250,000	-	-	-	2,250,000

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
17. Reserves				
Asset revaluation	-	5	-	5
Equity settled transaction	1,086	1,086	1,086	1,086
Foreign currency translation	38	-	-	-
	1,124	1,091	1,086	1,091
Asset revaluation reserve				
Balance at beginning of financial year	5	1	5	1
Revaluation increment	-	4	-	4
Transferred to profit and loss upon sale of investment	(5)	-	(5)	-
Balance at end of financial year	-	5	-	5

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Equity settled transaction reserve				
Balance at beginning of financial year	1,086	-	1,086	-
Share based payment	-	1,086	-	1,086
Balance at end of financial year	1,086	1,086	1,086	1,086
The equity settled transaction reserve records share-based payment transactions.				
Foreign currency translation reserve				
Balance at beginning of financial year	-	-	-	-
Translation of foreign operations	38	-	-	-
Balance at end of financial year	38	-	-	-

Exchange differences relating to the translation from the functional currency of the Group's foreign controlled entity into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

18. Accumulated losses

Accumulated losses at beginning of financial year	1,186	208	1,186	208
Loss for the year	3,532	978	3,573	978
Accumulated losses at end of financial year	4,718	1,186	4,759	1,186

	Consolidated	Company
	2007 \$000	2006 \$000

19. Loss per share

The loss and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

Loss	(3,532)	(978)
	No. 000	No. 000
Weighted average number of ordinary shares	72,502	38,875

Diluted loss per share

Diluted loss per share has not been calculated as the Company's potential ordinary shares are not considered dilutive and do not increase loss per share.

20. Commitments and Contingencies

Exploration and expenditure commitments

In order to maintain the mineral tenements in which the Company and other parties are involved, the consolidated entity is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure commitment requirement for granted tenements for the next year is \$1,100,000 (2006: \$361,081). Total annual commitments should all applications be granted is \$1,900,000 and would be required to be expended based upon the anniversary date of the granting of the tenement. These obligations are capable of being varied from time to time. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

Notes to the Financial Statements

for the year ended 30 June 2007

Contingencies

There are no contingent assets or contingent liabilities as at 30 June 2007.

21. Interest in joint venture

The consolidated entity had the following interests in joint venture operations at year end:

Joint Venture Party	Activities	Percentage Interest (%)	
		2007	2006
Redport Ltd	Mineral Exploration	-	50
William Richmond	Mineral Exploration	-	50
Metro Energy	Oil and Gas Exploration	75	-

The joint ventures are by way of jointly controlled assets. They are structured by way of contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit. The joint venture did not hold any assets and accordingly the consolidated entity's share of exploration and evaluation expenditure is accounted for in accordance with the policy set out in Note 1.

22. Subsidiaries

	Country of Incorporation	Percentage Owned (%)	
		2007	2006
Parent Entity			
Kalgoorlie-Boulder Resources Ltd	Australia		-
Subsidiary			
KAL Energy Pty Ltd	Australia	100	100
USA KAL Energy Inc	United States of America	100	-
Australian Strategic and Precious Metals Investments Pty Ltd	Australia	100	-

Acquisition of subsidiaries

USA KAL Energy Inc ('USA KAL Energy')

USA KAL Energy was incorporated in the State of Oklahoma, USA on 15 October 2006 with an issued capital of US\$1,000. KAL Energy Pty Ltd, a wholly-owned subsidiary of the Company, acquired 100% of the shares in USA KAL Energy at cost. USA KAL Energy was incorporated and acquired to hold the Group's interests in the oil and gas leases located in Oklahoma, USA.

Included in the net loss for the year attributable to USA KAL Energy since the date of acquisition is \$22,000 net profit from the sale of oil and gas and a \$3,900,000 impairment loss. Refer to Note 10 for details of the impairment loss.

Australian Strategic and Precious Metals Investments Pty Ltd ('ASPMI')

On 8 March 2007 the Company acquired 100% of the issued capital of ASPMI (formerly Australian Gold Investments Pty Ltd ('AGI')) which is the sole registered and beneficial owner of the Norseman Gold Project and the \$3,000,000 promissory note owed by AGI to RASL AU LLC was endorsed in favour of Kalgoorlie-Boulder Resources Ltd ('KBRL'). The consideration for the acquisition was the payment of \$2,500,000 in cash and the issue of 51,500,000 fully paid ordinary shares in KBRL and twelve \$250,000 8% coupon convertible notes.

The fair value of the 51,500,000 fully paid ordinary shares in KBRL issued in consideration of the abovementioned acquisition was \$4,429,000. The basis for determining the fair value of the shares issued was the published price of KBRL's shares at the date of acquisition (8.6 cents).

Notes to the Financial Statements

for the year ended 30 June 2007

Net assets acquired	Book value \$000	Fair value adjustment \$000	Fair value on acquisition \$000
Current assets			
Receivable	45	-	45
Non-current assets			
Property	11	-	11
Exploration and evaluation assets	2,813	7,744	10,557
Current liabilities			
Promissory note	(3,000)	-	(3,000)
	(131)	7,744	7,613

Included in the net loss for the year attributable to ASPMI since the date of acquisition is a net loss of \$109,000.

23. Cash flow information

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Cash and cash equivalents	1,006	887	967	887
Financing facilities				
Loan Facilities (Secured)				
Loan facility	-	1,000	-	1,000
Amount utilised	-	(750)	-	(750)
	-	250	-	250

The loan facility expired on 31 December 2006 and attracted interest at 10 percent per annum on a simple interest basis. Further details are contained in note 14.

Notes to the Financial Statements

for the year ended 30 June 2007

Reconciliation of loss for year to net cash flows from operating activities

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Loss for year	(3,532)	(978)	(3,573)	(978)
Non-cash flows in loss from ordinary activities:				
Provision for impairment	3,905	-	3,843	245
Share-based payments	-	90	-	90
Depreciation	26	26	26	26
Write-off of formation costs	-	-	-	-
Foreign exchange translation	-	244	-	-
Inventory	(1,857)	-	(1,857)	-
Amortisation of development costs	1,046	-	1,046	-
Net gain on disposal of investment	(14)	-	(14)	-
Net gain on disposal of exploration and evaluation asset	(2,209)	-	(2,209)	-
Option fee classified as financing activity	(50)	-	(50)	-
Changes in assets and liabilities:				
(Decrease)/increase in receivables	(50)	57	(75)	57
(Decrease)/increase in prepayments	17	(115)	17	(115)
Increase in trade creditors and accruals	928	226	925	227
Increase in provisions	32	-	32	-
Increase in deferred taxes payable	(24)	24	(24)	24
Cash flow from operations	(1,782)	(426)	(1,912)	(424)

Subsidiaries acquired

During the year, the Group acquired two subsidiaries. The net cash outflow on acquisition was \$2,500,000. Refer note 22 for further details of these acquisitions.

Non-cash financing and investing activities

During the current financial year 51,500,000 shares were issued to acquire a subsidiary. Refer to note 22 for further details of this acquisition.

During the previous financial year 375,000 fully paid ordinary shares were issued to acquire as part consideration to acquire 20 Prospecting Licences.

24. Financial instruments

Financial risk management

The group's financial instruments consist mainly of cash, deposits with banks, investments in shares, accounts receivable and payable, loans to and from subsidiaries, interest-bearing loan, and convertible notes.

The main purpose of these financial instruments is to raise finance for group operations. The main risks arising from the group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. See below for details of these risks and an explanation of the group manages that risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2007

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in interest rates. Interest rate risk is managed through the use of fixed rate debt.

The group's exposure to interest rate risk is as follows:

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$000	Fixed Interest Rate \$000	Non-interest Bearing \$000	Total \$000
2007					
Financial Assets					
Cash and cash equivalents	2.45-6.45	1,006	-	-	1,006
Receivables	-	-	-	806	806
Total Financial Assets		1,006	-	806	1,812
Liabilities					
Payables	-	-	-	1,311	1,311
Convertible note	3	3,000	-	-	3,000
Total Financial Liabilities		3,000	-	1,311	4,311
2006					
Financial Assets					
Cash and cash equivalents	14.6	886	-	-	886
Receivables	-	-	-	86	86
Shares	-	-	-	15	15
Total Financial Assets		886	-	101	987
Liabilities					
Payables	-	-	-	2,332	2,332
Short term borrowings	10	-	750	-	750
Total Financial Liabilities		-	750	2,332	3,082

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The group was exposed to fluctuations in foreign currencies arising from the amount payable, denominated in US dollars, for the acquisition of the oil and gas assets in the United States of America. The amount payable in US dollars had a short maturity and the group did not hedge this exposure.

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's measurement currency.

Notes to the Financial Statements

for the year ended 30 June 2007

The group's exposure to foreign currency risk is as follows:

	AUD \$000	USD \$000	Total \$000
2007			
Financial Assets			
Cash and cash equivalents	1,006	-	1,006
Receivables	803	3	806
Total Financial Assets	1,809	3	1,812
Liabilities			
Payables	1,310	1	1,311
Convertible note	3,000	-	3,000
Total Financial Liabilities	4,310	1	4,311
2006			
Financial Assets			
Cash and cash equivalents	887	-	887
Receivables	86	-	86
Other financial assets	15	-	15
Total Financial Assets	988	-	988
Liabilities			
Payables	1,323	1,009	2,332
Short term borrowings	750	-	750
Total Financial Liabilities	2,073	1,009	3,082

Credit Risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The group, while exposed to credit related losses in the event of non-performance by counterparties to financial instruments, does not expect that any counterparties will fail to meet their obligations.

The group does not have a significant exposure to any individual counterparty.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The group manages liquidity risk by continuously monitoring forecast and actual cash flows.

Fair Values

The net fair value is the amount for which the asset could be exchanged or the liability settled between knowledgeable, willing parties in an arm's length transaction after allowing for transaction costs.

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

Notes to the Financial Statements

for the year ended 30 June 2007

25. Share-based payments

Share-based payment arrangements

The following share-based payment arrangements existed during the financial year ended 30 June 2006 and 2007:

On 14 January 2005, 5,000,000 share options were granted to Royce Allen (vendor) to take up ordinary shares at an exercise price of 20 cents each. The options are exercisable on or before 31 July 2008. The options hold no voting or dividend rights and are not transferable. At balance date, no share option has been exercised and all were vested.

On 7 April 2005, 6,000,000 share options were granted to promoters to take up ordinary shares at an exercise price of 30 cents each. The options are exercisable on or before 31 July 2008. The options hold no voting or dividend rights and are not transferable. At balance date, no share option has been exercised and all were vested.

On 16 December 2005, 3,750,000 share options were granted to Delta Securities to take up ordinary shares at an exercise price of 20 cents each. The options are exercisable on or before 31 July 2008. The options hold no voting or dividend rights and are not transferable. At balance date, no share option has been exercised and all were vested.

On 16 December 2005, 2,250,000 share options were granted to directors and senior management to take up ordinary shares at an exercise price of 30 cents each. The options are exercisable on or before 31 July 2008. The options hold no voting or dividend rights and are not transferable. At balance date, no share option has been exercised and all were vested.

On 16 December 2005, 2,250,000 share options were granted to directors and senior management to take up ordinary shares at an exercise price of 40 cents each. The options are exercisable on or before 31 July 2008. The options hold no voting or dividend rights and are not transferable. At balance date, no share option has been exercised and all were vested.

On 8 March 2007, 51,500,000 fully paid ordinary shares and twelve \$250,000 8% coupon convertible notes were issued pursuant to an agreement to acquire 100% of the issued capital of Australian Strategic and Precious Metals Investments Pty Ltd (formerly Australian Gold Investments Pty Ltd) and the endorsement of a \$3,000,000 promissory note in favour of Kalgoorlie-Boulder Resources Ltd.

Summary of options granted under share-based payment arrangements

	2007 Number of Options 000	2007 Weighted Average Exercise Price \$	2006 Number of Options 000	2006 Weighted Average Exercise Price \$
Outstanding at the beginning of the year	19,250	0.27	11,000	0.25
Granted	-	-	8,250	0.28
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	19,250	0.27	19,250	0.27
Exercisable at year-end	19,250	0.27	19,250	0.27

Balance at the end of the financial year

The options outstanding at 30 June 2007 had a weighted average exercise price of 27 cents (2006: 27 cents) and a weighted average remaining contractual life of 1.09 years (2006: 2.09 years). Exercise prices range from 20 cents to 40 cents (2006: 20 cents to 40 cents) in respect of options outstanding at 30 June 2007.

Notes to the Financial Statements

for the year ended 30 June 2007

Fair value of goods and services determined indirectly by reference to the fair value of equity instruments granted

Options

The following table shows the inputs to the valuation model for each class of share based payments:

Grant Date	Expiry Date	Fair Value per Option (cents)	Exercise Price (cents)	Share Price on Grant Date (cents)	Estimated Volatility %	Risk Free Interest Rate %
14/1/2005	31/7/2008	8.4	20	20	50	5.25
7/4/2005	31/7/2008	5.5	30	20	50	5.25
16/12/2005	31/7/2008	4.6	20	16.5	46.33	5.25
16/12/2005	31/7/2008	2.6	30	16.5	46.33	5.25
16/12/2005	31/7/2008	1.4	40	16.5	46.33	5.25

Shares

The weighted average fair value of the shares issued during the year was 8.6 cents. The fair value was measured on the basis of an observable market price. Expected dividends were not incorporated into the measurement of fair value.

26. Key management personnel

Details of key management personnel

The directors and other members of key management personnel of the Group during the financial year were:

Name	Position	Appointed	Resigned
Michael Atkins	Chairman	15 March 2007	
Trevor Matthews	Managing Director		
Richard Alter	Director (non-executive)	15 March 2007	
Stanley Lewis	Director (non-executive)	15 March 2007	
David Prentice	Director (non-executive)		
Ken Allen	Director (non-executive)		20 April 2007
John Coles	Company Secretary and Chief Financial Officer		
Mark Sampson	Technical Manager		

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report on pages 9 to 13. These transferred disclosures have been audited.

Option holdings of key management personnel

	Balance 1 July No.000	Granted as remuneration No.000	Exercised No.000	Net change other No.000	Balance on Resignation No.000	Balance 30 June No.000	Total No.000	Exercisable No.000	Not exercisable No.000
2007									
M Atkins	-	-	-	-	n/a	-	-	-	-
T Matthews	1,500	-	-	-	n/a	1,500	1,500	1,500	-
R Alter	-	-	-	-	n/a	-	-	-	-
S Lewis	-	-	-	-	n/a	-	-	-	-
D Prentice	1,000	-	-	175	n/a	1,175	1,175	1,175	-
K Allen	1,000	-	-	-	1,000	n/a	n/a	n/a	n/a
J Coles	500	-	-	323	n/a	823	823	823	-
M Sampson	2,000	-	-	100	n/a	2,100	2,100	2,100	-
	6,000	-	-	598	1,000	5,598	5,598	5,598	-

Notes to the Financial Statements

for the year ended 30 June 2007

	Balance 1 July No.000	Granted as remuneration No.000	Exercised No.000	Net change other No.000	Balance on Resignation No.000	Balance 30 June No.000	Total No.000	Exercisable No.000	Not exercisable No.000
2006									
T Matthews	500	1,000	-	-	n/a	1,500	1,500	1,500	-
D Prentice	-	1,000	-	-	n/a	1,000	1,000	1,000	-
K Allen	-	1,000	-	-	n/a	1,000	1,000	1,000	-
J Coles	-	500	-	-	n/a	500	500	500	-
M Sampson	1,500	500	-	-	n/a	2,000	2,000	2,000	-
	2,000	4,000	-	-	n/a	6,000	6,000	6,000	-

Net change other was by way of acceptance of entitlements under Entitlements Issue, participation in share placement, and acquisition on market.

Shareholdings of key management personnel

	Balance 1 July No.	Granted as remuneration No.	Options exercised No.	Net change other No.	Balance 30 June No.
2007					
M Atkins	-	-	-	-	-
T Matthews	1,211,681	-	-	-	1,211,681
R Alter & S Lewis	-	-	-	50,000,000	50,000,000
D Prentice	350,000	-	-	350,000	700,000
K Allen	250,000	-	-	-	250,000
J Coles	357,000	-	-	421,444	778,444
M Sampson	625,133	-	-	-	625,133
	2,793,814	-	-	50,771,444	53,565,258
2006					
T Matthews	1,211,681	-	-	-	1,211,681
D Prentice	350,000	-	-	-	350,000
K Allen	250,000	-	-	-	250,000
J Coles	240,000	-	-	117,000	357,000
M Sampson	625,133	-	-	-	625,133
	2,676,814	-	-	117,000	2,793,814

Net change other was by way of acceptance of entitlements under Entitlements Issue, participation in share placement, and acquisition on market. The net change other for R Alter and S Lewis was by way of shares issued pursuant to the acquisition of 100% of the issued capital of Australian Strategic and Precious Metals Investments Pty Ltd. Refer to note 22 for further details.

Convertible note holdings of key management personnel

	Balance 1 July No.	Granted as remuneration No.	Options exercised No.	Net change other No.	Balance 30 June No.
2007					
M Atkins	-	-	-	-	-
T Matthews	-	-	-	-	-
R Alter & S Lewis	-	-	-	3,000,000	3,000,000
D Prentice	-	-	-	-	-
K Allen	-	-	-	-	-
J Coles	-	-	-	-	-
M Sampson	-	-	-	-	-
	-	-	-	3,000,000	3,000,000

Notes to the Financial Statements

for the year ended 30 June 2007

The net change other for R Alter and S Lewis was by way of shares issued pursuant to the acquisition of 100% of the issued capital of Australian Strategic and Precious Metals Investments Pty Ltd. Refer to note 22 for further details.

27. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in note 26.

Related parties

The following are related parties which are referred to in the body of this note:

- RASL AU LLC ('RASL') is a company wholly-owned by Richard Alter and Stanley Lewis (both non-executive directors of the Company).
- Murchison Metals Ltd is a company in which Trevor Matthews (managing director of the Company) is a director.
- Bill Allen is the father of Ken Allen (former director of the Company).
- Sampson Mining Pty Ltd ('Sampson Mining') is a company controlled by Mark Sampson (Technical manager of the Company).

Transactions with related parties

The following transactions occurred with related parties:

	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Consideration paid to Bill Allen for the purchase of mining tenements.	18	-	18	-
Consideration paid to RASL for the acquisition of 100% of the shares of Australian Strategic and Precious Metals Investments Pty Ltd:				
Cash	2,650	-	2,650	-
Share-based payment	4,300	-	4,300	-
Convertible Note	3,000	-	3,000	-
Sampson Mining provide the services of administrative staff (see Remuneration Report for executive services provided by the company).	44	38	44	38
Loans to/from related parties				
<i>Loans to subsidiaries</i>				
Beginning of year	-	-	2,812	-
Loans advanced	-	-	4,306	3,056
Loans repayments received	-	-	(60)	-
Interest received (accrued)	-	-	29	-
Provision for impairment	-	-	(3,804)	(244)
End of year	-	-	3,283	2,812

Notes to the Financial Statements

for the year ended 30 June 2007

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
<i>Loan (convertible note) from RASL</i>				
Beginning of year	-	-	-	-
Loan advanced	3,000	-	3,000	-
Interest charged (accrued)	76	-	76	-
Loan repayments	-	-	-	-
End of year	3,076	-	3,076	-
<i>Loan from Murchison Metals Ltd</i>				
Beginning of year (includes accrued interest)	774	-	774	-
Loans advanced	-	750	-	750
Interest charged	41	14	41	14
Finance fee	-	10	-	10
Loan repayment	(815)	-	(815)	-
End of year	-	774	-	774

Terms and conditions

Transactions between related parties other than detailed below are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Refer to note 12 for details of the terms and conditions associated with the promissory note provided between Australian Strategic and Precious Metals Pty Ltd and the Company.

Refer to note 14 for details of the terms and conditions, including security, associated with the loan from Murchison Metals Ltd and the convertible notes issued to RASL.

28. Remuneration of auditors

The auditor of Kalgoorlie-Boulder Resources Ltd is Ord Partners.

	Consolidated		Company	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Amounts received or due and receivable by Ord Partners for an audit or review of the entity and any other entity in the consolidated group.	30	17	30	17
Amounts received or due and receivable by related practices of Ord Corporate for:				
- tax compliance	4	2	4	2
- other non-audit services	8	-	8	-
	12	2	12	2
	42	19	42	19

29. Events After the Balance Date

Mining at the Jackpot Gold Mine was completed in July 2007 with 43,866 dry tonnes being milled at a grade of 2.83 g/t with recovery at 92.93% for production of 3,710oz Au. Milling was completed in September 2007 with approximately \$3,000,000 being received from the sale of the gold produced.

The 2,000,000 Burey Gold shares, part consideration for the sale of the Group's uranium assets, were received in September 2007.

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 44, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the Company and consolidated entity;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Michael Atkins
Chairman

Dated this 28th day of September 2007.

Additional Information For Listed Public Companies

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

SHARE HOLDING

Distribution of Shareholders as at 19 September 2007

Category (size of holding)	Number of Shareholders
1 – 1,000	24
1,001 – 5,000	56
5,001 – 10,000	130
10,001 – 100,000	571
100,001 – and over	192
	973

The number of shareholdings held in less than marketable parcels is 109.

Twenty Largest Shareholders as at 19 September 2007

Name	No.	%
RASL AU LLC	50,000,000	31.077
Dr Leon Eugene Pretorius	9,648,247	5.997
ANZ Nominees Limited	6,578,390	4.089
Professional Payment Services Pty Ltd	3,500,000	2.175
Royce William Allen	3,000,000	1.865
Brazilliant Pty Ltd	2,650,000	1.647
Henry James Adams	2,000,000	1.243
Golden Words Pty Ltd	1,500,000	0.932
Garry Owen Frere & Judith Anne Frere t/t GO & JA Superannuation Fund	1,280,000	0.796
Dr Cary Anthony Fraser	1,250,000	0.777
Julian Grill	1,125,133	0.699
Antonio Vitale	1,100,000	0.684
Garry Owen Frere & Judith Anne Frere t/t The Soraken Investment Trust	1,003,362	0.624
Lawrence Crowe Consulting Pty Ltd t/t L C C Super Fund A/C	1,000,000	0.622
Life's A Party Pty Ltd t/t Lucas Super Fund	1,000,000	0.622
Vector Trading Pty Ltd	900,000	0.559
Simon Joseph Lee	800,000	0.497
JFC Corporate Services Pty Ltd	778,444	0.484
Page St Media Pty Ltd	750,000	0.466
Yelena Chkrobatov	673,331	0.419
	90,536,907	56.274

Substantial Shareholders

Ordinary shareholder	Number	Fully paid Percentage
RASL AU LLC	50,000,000	31.077

Additional Information For Listed Public Companies

OPTION HOLDING

Distribution of Listed Option Holders as at 19 September 2007

Category (size of holding)	Number of Option Holders
1 – 1,000	3
1,001 – 5,000	57
5,001 – 10,000	45
10,001 – 100,000	247
100,001 – and over	85
	437

The number of option holdings held in less than marketable parcels is 70.

Twenty Largest Listed Option Holders (20 cent 31 August 2008 Options) as at 19 September 2007

Name	No.	%
Dov Paneth	3,831,250	8.229
Brazilliant Pty Ltd	3,000,000	6.444
ANZ Nominees Limited	2,694,225	5.787
Professional Payment Services Pty Ltd	2,500,000	5.370
Don George Evans	2,134,500	4.585
Golden Words Pty Ltd	1,250,000	2.685
Stephen Spurrier	1,200,000	2.578
Riveck Nominees Pty Ltd	1,025,000	2.202
Moana Nominees Pty Ltd	600,000	1.289
Lawrence Crowe Consulting Pty Ltd t/t L C C Super Fund A/C	581,600	1.249
Chaus Capital Pty Ltd	503,000	1.080
Yelena Chkorbatov	500,000	1.074
Dr Leon Eugene Pretorius	500,000	1.074
Dr Cary Anthony Fraser	500,000	1.074
Phillip Anthony Caruso	500,000	1.074
Malcolm Gary Schulz	500,000	1.074
Robert Gemelli	450,000	0.967
Solmat Pty Ltd	400,000	0.859
Peter Marks Lenny	375,000	0.805
Page St Media Pty Ltd	375,000	0.805
	23,419,575	50.304

VOTING RIGHTS

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options have no voting rights until such options are exercised as fully paid ordinary shares.



Additional Information For Listed Public Companies

RESTRICTED SECURITIES

The Company has issued the following restricted securities to RASL AU LLC:

Class of Equity Security	Number	Date Ceasing to be Restricted Security
Ordinary Shares	48,500,000	8 March 2009
Ordinary Shares	1,500,000	8 March 2008

STATEMENT OF UNQUOTED SECURITIES

Number of Options	Number of Holders	Exercise Price	Date of Expiry
8,250,000	8	\$0.30	31 July 2008
2,250,000	6	\$0.40	31 July 2008

Additional Information For Listed Public Companies

SCHEDULE OF MINERAL PROPERTIES

Tenement Type and No.	Holder/Applicant	Status	Share Held
BROAD ARROW			
M 24/282	Allen Royce William	Granted	100%
M 24/472	Allen Royce William	Granted	100%
M 24/777	Allen Royce William	Granted	100%
P 24/2571	Allen Royce William	Granted	100%
P 24/3108	Allen Royce William	Granted	100%
P 24/3389	Allen Royce William	Granted	100%
P 24/3395	Allen Royce William	Granted	100%
P 24/3938	Zeendam Enterprises Pty Ltd	Granted	100%
P 24/3939	Zeendam Enterprises Pty Ltd	Granted	100%
P 24/3940	Zeendam Enterprises Pty Ltd	Granted	100%
P 24/3941	Zeendam Enterprises Pty Ltd	Granted	100%
P 24/3942	Zeendam Enterprises Pty Ltd	Granted	100%
P 24/3979	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3980	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3981	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3982	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3983	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3984	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3985	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3986	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3987	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3988	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3989	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3990	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3991	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3992	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3993	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3994	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3995	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3996	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3997	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/3998	Kalgoorlie-Boulder Resources Ltd	Granted	100%
P 24/4005	Kalgoorlie-Boulder Resources Ltd	Granted	100%
M 24/485	Allen Royce William	Pending	100%
M 24/503	Allen Royce William	Pending	100%
M 24/641	Allen Royce William	Pending	100%
P 24/4246	Allen Royce William	Pending	100%
P 24/4247	Allen Royce William	Pending	100%
P 24/4248	Allen Royce William	Pending	100%
P 24/4249	Allen Royce William	Pending	100%
P 24/4248	Allen Royce William	Pending	100%
BONNIEVALE			
E 15/799	Allen Royce William	Granted	100%

Additional Information For Listed Public Companies

Tenement Type and No.	Holder/Applicant	Status	Share Held
CAMEL FARM			
M 15/455	Allen Royce William	Granted	100%
BROADS DAM			
M 16/377	Allen Royce William	Pending	100%
M 16/378	Allen Royce William	Pending	100%
M 16/379	Allen Royce William	Pending	100%
M 16/414	Allen Royce William	Pending	100%
M 16/446	Allen Royce William	Pending	100%
M 16/454	Allen Royce William	Pending	100%
CLINKER HILL			
P 25/1690	Fleetdale Pty Ltd	Granted	100%
P 25/1689	Fleetdale Pty Ltd	Granted	100%
P 25/1691	Fleetdale Pty Ltd	Granted	100%
P 25/1692	Fleetdale Pty Ltd	Granted	100%
P 25/1693	Fleetdale Pty Ltd	Granted	100%
P 25/1694	Fleetdale Pty Ltd	Granted	100%
P 25/1695	Fleetdale Pty Ltd	Granted	100%
P 25/1696	Fleetdale Pty Ltd	Granted	100%
P 25/1697	Fleetdale Pty Ltd	Granted	100%
P 25/1698	Fleetdale Pty Ltd	Granted	100%
P 25/1699	Fleetdale Pty Ltd	Granted	100%
P 25/1700	Fleetdale Pty Ltd	Granted	100%
P 25/1701	Fleetdale Pty Ltd	Granted	100%
P 25/1702	Fleetdale Pty Ltd	Granted	100%
P 25/1703	Fleetdale Pty Ltd	Granted	100%
P 25/1704	Fleetdale Pty Ltd	Granted	100%
P 25/1705	Fleetdale Pty Ltd	Granted	100%
P 25/1706	Fleetdale Pty Ltd	Granted	100%
P 25/1707	Fleetdale Pty Ltd	Granted	100%
DUNNSVILLE			
E 16/259	Frank John Robinson	Granted	100%
E 16/293	Allen Royce William	Granted	100%
E 16/294	Allen Royce William	Granted	100%
E 16/296	Allen Royce William	Granted	100%
E 16/297	Allen Royce William	Granted	100%
E 16/303	Allen Royce William	Granted	100%
P 16/1926	Allen Royce William	Granted	100%
P 16/2006	Allen Royce William	Granted	100%
P 16/2021	Allen Royce William	Granted	100%
P 16/2153	Zeendam Enterprises Pty Ltd	Granted	100%
P 16/2154	Zeendam Enterprises Pty Ltd	Granted	100%
P 16/2155	Zeendam Enterprises Pty Ltd	Granted	100%
P 16/2156	Zeendam Enterprises Pty Ltd	Granted	100%
P 16/2157	Zeendam Enterprises Pty Ltd	Granted	100%
P 16/2158	Zeendam Enterprises Pty Ltd	Granted	100%
P 16/2159	Zeendam Enterprises Pty Ltd	Granted	100%

Additional Information For Listed Public Companies

Tenement Type and No.	Holder/Applicant	Status	Share Held
P 16/2160	Zeedam Enterprises Pty Ltd	Granted	100%
P 16/2161	Zeedam Enterprises Pty Ltd	Granted	100%
P 16/2162	Zeedam Enterprises Pty Ltd	Granted	100%
M 16/474	Allen Royce William	Pending	100%
M 16/481	Allen Royce William	Pending	100%
M 16/487	Allen Royce William	Pending	100%
P 16/1929	Ganeff Mary	Pending	100%
P 16/1935	Ganeff Mary	Pending	100%
P 16/2188	Allen Royce William	Pending	100%
P 16/2189	Allen Royce William	Pending	100%
P 16/2190	Allen Royce William	Pending	100%
P 16/2191	Allen Royce William	Pending	100%
P 16/2192	Allen Royce William	Pending	100%
P 16/2340	Kalgoorlie-Boulder Resources Ltd	Pending	100%
P 16/2341	Kalgoorlie-Boulder Resources Ltd	Pending	100%
P 16/2342	Kalgoorlie-Boulder Resources Ltd	Pending	100%
P 16/2343	Kalgoorlie-Boulder Resources Ltd	Pending	100%
P 16/2344	Kalgoorlie-Boulder Resources Ltd	Pending	100%
P 16/2345	Kalgoorlie-Boulder Resources Ltd	Pending	100%
JACKPOT			
M 15/1341	Kalgoorlie-Boulder Resources Ltd	Granted	100%
M 15/1357	Kalgoorlie-Boulder Resources Ltd	Granted	100%
M 15/1358	Kalgoorlie-Boulder Resources Ltd	Granted	100%
M 15/1359	Kalgoorlie-Boulder Resources Ltd	Granted	100%
KUNDANA			
P 15/3964	Allen Royce William	Granted	100%
P 15/4349	Allen Royce William	Granted	100%
P 15/4350	Allen Royce William	Granted	100%
P 26/2813	Allen Royce William	Granted	100%
M 15/1365	Allen Royce William	Pending	100%
KURNALPI			
M 28/129	Allen Royce William	Pending	100%
E 28/1422	Allen Royce William	Pending	100%
LAKE JOHNSTON			
E 63/844	Allen Royce William	Granted	100%
MT VETTERS			
E 63/131	Allen Royce William	Granted	100%
NORTH CARBINE			
P 16/2187	Allen Royce William	Pending	100%
ORA BANDA			
M 24/574	OMG Cawse Pty Ltd	Pending	100%
P 24/3937	Allen Royce William	Pending	100%

Additional Information For Listed Public Companies

Tenement Type and No.	Holder/Applicant	Status	Share Held
SIBERIA			
P 24/3506	Allen Royce William	Granted	100%
P 24/3507	Allen Royce William	Granted	100%
P 24/4244	Allen Royce William	Pending	100%
P 24/4245	Allen Royce William	Pending	100%
M 24/646	Centaur Mining and Exploration Ltd	Pending	100%
M 24/802	OMG Cawse Pty Ltd	Pending	100%
M 24/807	Centaur Mining and Exploration Ltd	Pending	100%
M 24/808	OMG Cawse Pty Ltd	Pending	100%
M 24/839	OMG Cawse Pty Ltd	Pending	100%
M 24/863	OMG Cawse Pty Ltd	Pending	100%
SCOTIA			
M 24/647	Centaur Mining and Exploration Ltd	Pending	100%
DUNDAS			
P 63/1636	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1637	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1638	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1639	Australian Gold Investments Pty Ltd	Pending	100%
NORSEMAN			
E 63/489	Australian Gold Investments Pty Ltd	Granted	100%
E 63/694	Australian Gold Investments Pty Ltd	Granted	100%
L 63/58	Australian Gold Investments Pty Ltd	Granted	100%
M 63/7	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/91	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/144	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/146	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/165	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/206	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/215	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/216	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/236	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/260	Kinross Gold Australia Pty Ltd	Granted	100%
M 63/348	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/349	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/350	Australian Gold Investments Pty Ltd	Pending	100%
M 63/366	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/373	Australian Gold Investments Pty Ltd	Pending	100%
M 63/378	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/390	Australian Gold Investments Pty Ltd	Pending	100%
M 63/391	Australian Gold Investments Pty Ltd	Pending	100%
M 63/392	Australian Gold Investments Pty Ltd	Pending	100%
M 63/409	Australian Gold Investments Pty Ltd	Pending	100%
M 63/410	Australian Gold Investments Pty Ltd	Pending	100%
M 63/411	Australian Gold Investments Pty Ltd	Pending	100%
M 63/412	Kinross Gold Australia Pty Ltd	Pending	100%

Additional Information For Listed Public Companies

Tenement Type and No.	Holder/Applicant	Status	Share Held
M 63/413	Australian Gold Investments Pty Ltd	Pending	100%
M 63/470	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/471	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/514	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/515	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/516	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/517	Kinross Gold Australia Pty Ltd	Pending	100%
M 63/519	Australian Gold Investments Pty Ltd	Pending	100%
M 63/544	Australian Gold Investments Pty Ltd	Pending	100%
M 63/545	Australian Gold Investments Pty Ltd	Pending	100%
M 63/555	Australian Gold Investments Pty Ltd	Pending	100%
M 63/556	Australian Gold Investments Pty Ltd	Pending	100%
M 63/601	Australian Gold Investments Pty Ltd	Pending	100%
P 63/712	Australian Gold Investments Pty Ltd	Granted	100%
P 63/742	Kinross Gold Australia Pty Ltd	Granted	100%
P 63/752	Australian Gold Investments Pty Ltd	Granted	100%
P 63/753	Australian Gold Investments Pty Ltd	Granted	100%
P 63/754	Australian Gold Investments Pty Ltd	Granted	100%
P 63/762	Australian Gold Investments Pty Ltd	Granted	100%
P 63/770	Australian Gold Investments Pty Ltd	Granted	100%
P 63/771	Australian Gold Investments Pty Ltd	Granted	100%
P 63/772	Australian Gold Investments Pty Ltd	Granted	100%
P 63/774	Australian Gold Investments Pty Ltd	Granted	100%
P 63/775	Australian Gold Investments Pty Ltd	Granted	100%
P 63/776	Australian Gold Investments Pty Ltd	Granted	100%
P 63/777	Australian Gold Investments Pty Ltd	Granted	100%
P 63/778	Australian Gold Investments Pty Ltd	Granted	100%
P 63/779	Australian Gold Investments Pty Ltd	Granted	100%
P 63/780	Australian Gold Investments Pty Ltd	Granted	100%
P 63/781	Australian Gold Investments Pty Ltd	Granted	100%
P 63/783	Australian Gold Investments Pty Ltd	Granted	100%
P 63/784	Australian Gold Investments Pty Ltd	Granted	100%
P 63/787	Australian Gold Investments Pty Ltd	Granted	100%
P 63/788	Australian Gold Investments Pty Ltd	Granted	100%
P 63/812	Australian Gold Investments Pty Ltd	Granted	100%
P 63/849	Australian Gold Investments Pty Ltd	Granted	100%
P 63/850	Australian Gold Investments Pty Ltd	Granted	100%
P 63/852	Australian Gold Investments Pty Ltd	Granted	100%
P 63/853	Australian Gold Investments Pty Ltd	Granted	100%
P 63/855	Australian Gold Investments Pty Ltd	Granted	100%
P 63/856	Australian Gold Investments Pty Ltd	Granted	100%
P 63/857	Australian Gold Investments Pty Ltd	Granted	100%
P 63/858	Australian Gold Investments Pty Ltd	Granted	100%
P 63/859	Australian Gold Investments Pty Ltd	Granted	100%
P 63/860	Australian Gold Investments Pty Ltd	Granted	100%
P 63/861	Australian Gold Investments Pty Ltd	Granted	100%
P 63/941	Kinross Gold Australia Pty Ltd	Granted	100%
P 63/942	Kinross Gold Australia Pty Ltd	Granted	100%
P 63/943	Australian Gold Investments Pty Ltd	Granted	100%

Additional Information For Listed Public Companies

Tenement Type and No.	Holder/Applicant	Status	Share Held
P 63/944	Australian Gold Investments Pty Ltd	Granted	100%
P 63/955	Kinross Gold Australia Pty Ltd	Granted	100%
P 63/958	Kinross Gold Australia Pty Ltd	Granted	100%
P 63/959	Kinross Gold Australia Pty Ltd	Granted	100%
P 63/1087	Australian Gold Investments Pty Ltd	Granted	100%
P 63/1088	Australian Gold Investments Pty Ltd	Granted	100%
P 63/1117	Australian Gold Investments Pty Ltd	Granted	100%
P 63/1120	Australian Gold Investments Pty Ltd	Granted	100%
P 63/1121	Australian Gold Investments Pty Ltd	Granted	100%
P 63/1159	Australian Gold Investments Pty Ltd	Granted	100%
P 63/1330	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1393	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1394	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1395	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1396	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1397	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1398	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1399	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1400	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1401	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1402	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1403	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1404	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1405	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1406	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1407	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1408	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1409	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1410	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1411	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1412	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1413	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1414	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1415	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1416	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1417	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1418	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1419	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1420	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1421	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1422	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1423	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1424	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1425	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1426	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1427	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1428	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1389	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1390	Australian Gold Investments Pty Ltd	Pending	100%

Additional Information For Listed Public Companies

Tenement Type and No.	Holder/Applicant	Status	Share Held
P 63/1391	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1392	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1454	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1455	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1456	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1457	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1458	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1459	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1460	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1461	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1462	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1463	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1464	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1465	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1466	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1467	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1562	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1563	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1564	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1565	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1566	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1567	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1568	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1569	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1570	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1571	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1572	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1573	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1574	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1575	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1576	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1577	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1578	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1579	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1580	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1581	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1582	Australian Gold Investments Pty Ltd	Pending	100%
P 63/1583	Australian Gold Investments Pty Ltd	Pending	100%



Corporate Governance Statement

STATEMENT

The Board of Directors of Kalgoorlie-Boulder Resources Ltd ('Company') is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company, on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company aspires to best practice levels of corporate governance in accordance with the Principles of Good Corporate Governance and Best Practice Recommendations as issued by the ASX Corporate Governance Council in March 2003 ('ASX Guidelines'). Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Guidelines, the Company has followed each Recommendation where the Board has considered the Recommendation to be appropriate. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Further information about the Company's corporate governance practices is set out on the Company's website at www.kalgoorlieboulderres.com.au. In accordance with the recommendations of the ASX, information published on the Company's website includes charters, codes of conduct and other policies and procedures relating to the Board and its responsibilities.

EXPLANATION FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

During the year ended 30 June 2007 the Company has complied with each of the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ('ASX Principles and Recommendations'), other than in relation to the matters specified below.

Principle 2 Recommendation 2.1

Notification of Departure:

The Board is not comprised of a majority of independent Directors. Two of the five Directors (Michael Atkins and David Prentice) satisfy the test of independence as set out in Box 2.1 of the ASX Corporate Governance Council Practice Recommendations.

Explanation for Departure:

Given the size and scope of the Company's operations, the Board considers that is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and day-to-day operations perspective. The need for access to supporting equity and skills as required, and a flexible cost structure have been greater imperatives for the Company as an exploration company, than the largely mutually exclusive concept of independence, which is much more relevant to larger corporations with substantial workforces. However, the Company continues to assess the need to enhance the membership of the Board and is cognisant of the ASX Corporate Governance Council definitions and recommendations.

Principle 2 Recommendation 2.1

Notification of Departure:

The position of chief executive officer within the Company is vacant with the duties of the chief executive officer being fulfilled by certain non-executive directors, including the chairman, and the executives of the Company.

Explanation for Departure:

The Company is in the process of acquiring the services of a chief executive officer with experience in exploration and mine development.

Principle 2 Recommendation 2.4

Notification of Departure:

The Board has not established a separate Nomination Committee.

Explanation for Departure:

The Company does not have any formally constituted committees of the Board. The Board considers that the Company is not of a size nor are its affairs of such complexity to justify formation of separate or special committees. The Board as a whole addresses the governance aspects of the full scope of the company's activities.

Corporate Governance Statement

Principle 4 Recommendation 4.2

Notification of Departure:

The Board has not established a separate Audit Committee.

Explanation for Departure:

The Company does not have any formally constituted committees of the Board. The Board considers that the Company is not of a size nor are its affairs of such complexity to justify formation of separate or special committees. The Board as a whole addresses the governance aspects of the full scope of the company's activities.

Principle 9 Recommendation 9.2

Notification of Departure:

The Board has not established a separate Remuneration Committee.

Explanation for Departure:

The Company does not have any formally constituted committees of the Board. The Board considers that the Company is not of a size nor are its affairs of such complexity to justify formation of separate or special committees. The Board as a whole addresses the governance aspects of the full scope of the company's activities.



Independent Auditor's Report

to the members of Kalgoorlie Boulder Resources Ltd

We have audited the accompanying financial report of Kalgoorlie Boulder Resources Ltd, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Accounting Standard AASB 124 *Related Party Disclosures*, under the heading "remuneration report" in pages 9 to 11 of the directors' report and not in the financial report.

Directors' responsibility for the financial report and the AASB 124 remuneration disclosure contained in the directors' report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Ian K Macpherson CA

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www.ordgroup.com.au



Chartered Accountants

Independent Auditor's Report

to the members of Kalgoorlie Boulder Resources Ltd

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Kalgoorlie Boulder Resources Ltd on 28 September 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion on the financial report

In our opinion:

- (a) the financial report of Kalgoorlie Boulder Resources Ltd is in accordance with 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 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Significant uncertainty regarding going concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters referred to in Note 2 "Going Concern" to the financial statements, there is significant uncertainty whether the entity will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets nor to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Auditor's opinion on the AASB 124 remuneration disclosures contained in the directors' report

In our opinion, the remuneration disclosures that are contained in pages 9 to 11 of the directors' report comply with Accounting Standard AASB 124.

ORD PARTNERS

Chartered Accountants



Ian Macpherson
Partner

Perth, 28 September 2007

O | R | D
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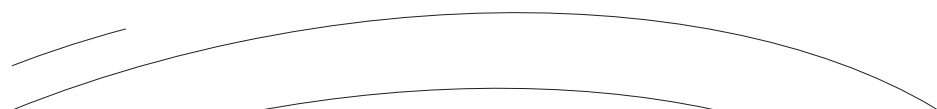
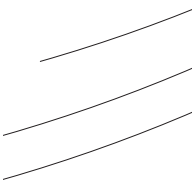
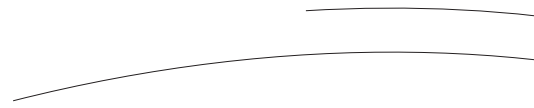


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