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AUSTRALIAN UNITED GOLD LTD

ABN: 38 008 982 474

ANNUAL REPORT

2003

**AUSTRALIAN UNITED GOLD LTD
CORPORATE DIRECTORY**

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**AUSTRALIAN UNITED GOLD LTD
CORPORATE DIRECTORY**

DIRECTORS

Hersh Solomon MAJTELES (Chairman)

Alexander CLEMEN

Robert John COLLINS— resigned 18 August 2003

David Nathan ZUKERMAN – appointed 18 August 2003

AUDITORS

Stanton Partners
1 Havelock Street
West Perth WA 6005

BANKERS

Challenge Bank
40 St Georges Terrace
Perth WA 6000

COMPANY SECRETARY

Bruce R McCullagh

REGISTERED OFFICE

1st Floor, 8 Parliament Place
West Perth WA 6005

Telephone: (08) 9481 7833
Facsimile: (08) 9481 7835
Email: aui@austunitedgold.com
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SHARE REGISTRY

Computershare Investor Services
Level 2 Reserve Bank Building
45 St. Georges Terrace
Perth WA 6000
GPO Box D182
Perth WA 6840
Investor Enquiries (08) 9323 2059
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2096
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ASX code for shares: AUL

AUSTRALIAN UNITED GOLD LTD

DIRECTORS' REPORT

The Directors present their report of Australian United Gold Ltd ("the Company") for the year ended 30 June 2003.

DIRECTORS

The following persons were Directors of Australian United Gold Ltd during the financial year and up to the date of this report.

Hersh Solomon Majteles (Chairman)
David Nathan Zukerman – appointed August 18 2003
Alexander Clemen
Robert John Collins – resigned August 18 2003

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was to monitor its interest in mineral exploration in the Republic of Guinea.

RESULTS

The net loss for the financial year after providing for income tax amounted to \$ 199,825 (2002: \$628,799).

DIVIDENDS

Since the end of the previous financial year, no dividend has been declared or paid by the Company. The Directors do not recommend the payment of a dividend.

REVIEW OF OPERATIONS

The Bankoie Project covers an area of 125 square kilometres and is located in the Republic of Guinea, West Africa. It is held 40% Australian United Gold Ltd (AUL), 40% Compagnie Miniere Atlantique SA (CMA) and 20% Mincor Resources NL (Mincor).

No exploration was conducted in the year to June 2003 however previously, several exploration campaigns were undertaken to evaluate the project area. Initial exploration included general geological reconnaissance and semi-regional soil/laterite sampling. This work was successful in identifying areas containing old gold workings and/or elevated gold values.

Two areas of relatively high gold-in-soil anomaly were identified and selected for drill testing. Drill traverses were spaced at 400 metres apart. Holes were kept to a depth of 15 to 30 metre and designed to intersect weathered bedrock such that good geochemical samples could be collected.

A total of 3,054 metres were drilled in 141 holes in three areas. The results of the drilling were slightly disappointing. Many holes returned wide intersections of gold anomalism, in the order of 0.3 g/t gold, but only a few ore grade intersections were returned.

During the next 12 months the Company and its joint venture partners will investigate other regional geochemical soil anomalies which have been identified on the prospect.

Investment

The Company maintains a strategic investment in mineral exploration company Tiger Resources Ltd.

**AUSTRALIAN UNITED GOLD LTD
DIRECTORS' REPORT**

SIGNIFICANT CHANGES

There have not been any significant changes in the state of affairs of the Company during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS

The Company will continue to focus on its exploration and resource investment activities.

INFORMATION ON DIRECTORS

(a) Qualifications, experience and special responsibilities:-

(i) Hersh Solomon MAJTELES LLB

Mr Majteles has a Bachelor of Law Degree (University of WA) and is a solicitor in private practice in Western Australia. Mr Majteles has extensive experience in general commercial law.

(ii) Robert John COLLINS Dp.Acc – resigned August 18 2003.

Mr Collins holds a Diploma in Accounting and was principal in his own accounting practice in Perth for over 20 years and has had extensive experience in financial and general commercial matters. He has held board positions in listed mining companies for over 20 years.

(iii) Alexander CLEMEN B.Sc (Hons), M.Aus.I.M.M.

Mr Clemen is a qualified geologist with over 20 years experience practising in this field. He has worked for several large, international mining companies in various parts of the world and has gained experience in exploring for gold, base metals, industrial minerals and diamonds. He is also a director of other publicly listed companies.

(iv) David Nathan ZUKERMAN

Mr Zukerman has an accounting and finance background. He has held a number of public company directorships in Australia and Asia during the past 25 years.

(b) Relevant interests in shares of the Company at June 30 2003:-

Name	Shares Directly	Shares Indirectly
H S Majteles	-	950,000
R J Collins	-	500,000

(c) Directors' interest in contracts:-

**AUSTRALIAN UNITED GOLD LTD
DIRECTORS' REPORT**

No Director has an interest, whether directly or indirectly, in a contract or proposed contract with the Company, other than as disclosed in Note 16.

(d) Emoluments of board members and senior executives:-

The level of fees, detailed below, paid to Directors is influenced by comparing fees paid to directors in other companies within the exploration industry, and then set at a level to attract qualified people to accept the responsibilities of directorship.

	Directors Fees	Superannuation	Consulting	Total
	\$	\$	\$	\$
H S Majteles	15,000	1,350	-	16,350
R J Collins	12,000	1,080	27,750	40,830
A Clemen	8,000	-	-	8,000

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2003 and the number of meetings attended by each Director.

Name:	Eligible to attend:	Attended:
H S Majteles	4	4
R J Collins	4	4
A Clemen	4	3

The Company does not have a formally appointed audit committee as all Directors are involved in all activities of the Company and the size and scope of operations does not warrant its formation.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Hersh Majteles retired by rotation as a Director at the Annual General Meeting on November 28, 2002 and offered himself for re-election and was re-elected.

At the forthcoming Annual General Meeting, to be held on 27 November 2003, Alex Clemen retires by rotation as a Director and offers himself for re-election. David Nathan Zukerman who was appointed as a Director on 18th August 2003, retires and offers himself for re-election by shareholders. Mr Collins resigned as a Director effective 18th August 2003.

ENVIRONMENTAL ISSUES

The Company's objective is to ensure that a high standard of environmental care is achieved and maintained on all properties. There are no known environmental issues outstanding.

DIRECTORS' BENEFITS

Except as detailed in note 16, no Director of the Company has received or become entitled to receive during or since the end of the previous financial year, any benefit (other than a benefit included in the aggregate amounts of emoluments received or due and receivable by Directors shown in the accounts or the fixed salary of a full time employee of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

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


D N Zukerman

**AUSTRALIAN UNITED GOLD LTD
DIRECTORS' REPORT**

DIRECTOR

Dated this 8th day of September 2003.
Perth, Western Australia

AUSTRALIAN UNITED GOLD LTD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
Revenues from ordinary activities	2	198,115	4,970
Operating Costs			
Depreciation		4,068	4,068
Exploration costs		-	243,502
Management fees		100,230	94,568
Directors fees and services		65,180	63,820
Insurance		-	22,300
Stock exchange fees		6,629	18,651
Diminution in value of investments		15,750	118,465
Occupancy costs		60,556	31,344
Other operating costs from ordinary activities		31,043	37,051
Cost of shares sold		114,484	-
		<u>397,940</u>	<u>633,769</u>
Loss from ordinary activities before income tax expense		(199,825)	(628,799)
Income tax expense relating to ordinary activities	4	-	-
Net loss from ordinary activities after related income tax		<u>(199,825)</u>	<u>(628,799)</u>
Loss per share (cents)	18	<u>(0.11)</u>	<u>(0.52)</u>

The accompanying notes form part of these financial statements

AUSTRALIAN UNITED GOLD LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	6	616,054	806,817
Receivables	7	6,109	9,408
		-----	-----
TOTAL CURRENT ASSETS		622,163	816,225
		-----	-----
NON-CURRENT ASSETS			
Equipment	8	5,086	9,154
Investments	9	9,250	53,484
		-----	-----
TOTAL NON-CURRENT ASSETS		14,336	62,638
		-----	-----
TOTAL ASSETS		636,499	878,863
		-----	-----
CURRENT LIABILITIES			
Payables	10	5,206	47,745
		-----	-----
TOTAL CURRENT LIABILITIES		5,206	47,745
		-----	-----
TOTAL LIABILITIES		5,206	47,745
		-----	-----
NET ASSETS		631,293	831,118
		=====	=====
EQUITY			
Contributed equity	11	13,647,398	13,647,398
Option premium reserve	12	53,625	53,625
Accumulated losses	21	(13,069,730)	(12,869,905)
		-----	-----
TOTAL EQUITY		631,293	831,118
		=====	=====

The accompanying notes form part of these financial statements

**AUSTRALIAN UNITED GOLD LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
Cash flows from Operating Activities			
Payments to suppliers		(300,991)	(471,204)
Interest received		27,254	5,112
Net cash (outflow) from operating activities	17	(273,737)	(466,092)
Cash flows from Investing Activities			
Purchase of shares		(86,000)	-
Sale of shares		168,974	-
Net cash inflow from investing activities		82,974	-
Cash flows from Financing Activities			
Proceeds from issue of shares		-	1,050,000
Share placement fee		-	(8,863)
Proceeds from issue of options		-	54,500
Option placement fee		-	(875)
Net cash inflow from financing activities		-	1,094,762
Net increase/(decrease) in cash held		(190,763)	628,670
Cash at the beginning of the financial year		806,817	178,147
Cash at the end of the financial year	6	616,054	806,817

The accompanying notes form part of these financial statements

**AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of these financial statements are:-

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Consensus Views and the Corporations Act 2001.

The financial report covers the economic entity of Australian United Gold Ltd. Australian United Gold Ltd is a listed public company incorporated and domiciled in Australia.

This financial report has been prepared on the accrual basis in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

The following is a summary of the significant accounting policies which have been adopted in the preparation of this financial report:

(a) Depreciation

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets. The depreciation rates for equipment varies between 10% and 25% per annum.

(b) Mineral Exploration and Development Expenditure

Exploration and evaluation costs relating to an area of interest are carried forward provided the rights to tenure of the area of interest are current, and provided further that either:-

- (i) it is expected that the expenditure will be recovered through successful development and exploitation of the area of interest, or alternatively by its sale, or
- (ii) exploration and/or evaluation activities in the area of interest have not yet 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 are continuing.

(c) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the Statement of Financial Performance is matched with the accounting profit (after allowing for permanent differences). The future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to the deferred income tax and future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

(d) Interests in Joint Ventures

The proportion of assets, liabilities, expenses and revenues attributable to the interests of the Company in joint ventures is incorporated in the financial statements under the appropriate headings.

**AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(e) Investments

Investments in listed and unlisted securities are brought to account at cost less any amounts for provision for diminution in the value of the investment. Dividend income is recognised in the Statement of Financial Performance when received.

(f) Earnings Per Share

Basic Earnings Per Share

Basic earnings per share is determined by dividing the loss from ordinary activities after income tax by the weighted average number of ordinary shares outstanding during the financial year.

(g) Cash

For the purpose of the statement of cash flows, cash includes cash on hand, and at call, deposits with banks or financial institutions, and bank bills, net of bank overdrafts.

(h) 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 assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

(i) Accounts Payable

Trade payables and other account payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(j) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

	2003 \$	2002 \$
2. Revenue		
Other Revenue:		
Interest income	27,843	4,970
Share sales	170,272	-
	198,115	4,970
	198,115	4,970

**AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
3. Loss from Ordinary Activities		
Loss before income tax is arrived at after:-		
Charging:		
Exploration expenditure	-	243,502
Depreciation of equipment	4,068	4,068
Management fee	100,230	94,568
Provision for diminution in value of investments	15,750	118,465
Cost of shares sold	114,484	-
	=====	=====
4. Income Tax		
Reconciliation of prima facie income tax benefit on loss from ordinary activities to income tax as provided in the financial statements		
Loss from ordinary activities	(199,825)	(628,799)
	=====	=====
Prima facie income tax benefit thereon at 30%	(59,947)	(188,640)
Adjusted for the tax effect of:		
Permanent differences:		
Provision for diminution in value of investments	4,725	35,540
Other	-	7,717
	-----	-----
Tax losses not brought to account	55,222	145,383
	-----	-----
Income tax benefit	-	-
	=====	=====

As of 30 June 2003 the Company has estimated carried forward tax losses estimated at \$4,115,000. The benefit of these losses, (approximately \$1,234,500) is not brought to account as realisation is not certain. The benefit will only be obtained if:-

- (i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised.
- (ii) The Company continues to comply with the conditions for deductibility imposed by the Law; and
- (iii) No changes in tax legislation adversely affect the Company in realising the benefits for the deductions for the losses.

AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

	2003	2002
	\$	\$
5. Auditors' Remuneration		
Amounts received or due and receivable by the Company's auditors for:-		
Auditing the Company's financial statements	5,632	2,500
Other services to the Company	1,250	1,772
	-----	-----
	6,882	4,272
	=====	=====
6. Cash assets		
Cash at bank	60,525	105,710
Deposit at call	555,529	701,107
	-----	-----
	616,054	806,817
	=====	=====
7. Receivables		
Current		
Other debtors	6,109	9,408
	=====	=====
8. Equipment		
Opening balance: Written Down Value	9,154	13,222
Depreciation for year	(4,068)	(4,068)
	-----	-----
Closing balance : Written Down Value	5,086	9,154
	=====	=====
Equipment at cost	16,273	16,273
Less provision for depreciation	(11,187)	(7,119)
	-----	-----
	5,086	9,154
	=====	=====
9. Investments		
Investments listed on prescribed stock exchanges - at cost	50,000	201,946
Less: provision for diminution in value	(40,750)	(148,462)
Investment in Cybertrade Australia Ltd	-	500,000
Less: provision for diminution in value	-	(500,000)
	-----	-----
	9,250	53,484
	=====	=====

The market value of the listed investments at the date of the Directors Declaration was \$13,000

**AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
10. Payables		
Current		
Other creditors and accruals	5,206	47,745
	-----	-----
	5,206	47,745
	=====	=====

11. Share Capital

(a) Paid Up Capital

179,608,765 Ordinary shares fully paid	13,647,398	13,647,398
	=====	=====

(b) Movements in Paid Up Capital during the last two years:

Date	Details	Number of Shares	Issue Price \$	Amount \$
30 June 2001	Balance	109,608,765		12,606,261
26 April 2002	Issue Less placement fee	70,000,000	0.015	1,050,000 (8,863)
30 June 2002	Balance	<u>179,608,765</u>		<u>13,647,398</u>
30 June 2003	Balance	<u>179,608,765</u>		<u>13,647,398</u>

12. Option Premium Reserve

Date	Details	Number of Options	Issue Price \$	Amount \$
28 Feb 2002	Issued exercisable @ 5 cents Expired 30 th June 2003	109,000,000	0.0005	54,500 -
	Less placement fee			(875)
	Balance	<u>109,000,000</u>		<u>53,625</u>

All of the above options expired on 30 June 2003.

**AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

13. Commitments

(i) Management Agreement

The Company has a management agreement with a management services company for the provision of services at \$90,000 per annum plus CPI. Charges are at commercial terms in accordance with the agreement entered into on 1 August 1999 for a five year term.

(iii) Superannuation Commitments

The Company contributed 9% (2002: 8%) of the income of two Directors to their personal superannuation plans, as appropriate, totalling \$2,430.

14. Segment Reporting

The Company's operations are in the mining industry in the Guinea Republic.

	Australia	Australia	Guinea	Guinea	Consolidated	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Revenue	<u>198,115</u>	<u>4,970</u>	<u>-</u>	<u>-</u>	<u>198,115</u>	<u>4,970</u>
Share of net loss	<u>199,825</u>	<u>385,297</u>	<u>-</u>	<u>243,502</u>	<u>199,825</u>	<u>628,799</u>
Income tax expense	-	-	-	-	-	-
Net Loss after tax	<u>199,825</u>	<u>385,297</u>	<u>-</u>	<u>243,502</u>	<u>199,825</u>	<u>628,799</u>
Segment Assets	636,499	878,863	-	-	636,499	878,863
Segment liabilities	5,206	47,745	-	-	5,206	47,745
Net Assets	<u>631,293</u>	<u>831,118</u>	<u>-</u>	<u>-</u>	<u>631,293</u>	<u>831,118</u>

15. Related Parties

(a) The names of persons who held office as Directors of Australian United Gold Ltd during the financial year were:-

Mr H S Majteles
Mr R J Collins
Mr A Clemen

**AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(b) Related Party Transactions

A Company under the control of Mr R J Collins, received fees for the provision of consulting services during the year. The aggregate amount charged for such services was \$27,750 (2002: \$27,260).

(c) All amounts referred to in note (b) were charged at normal commercial rates.

(d) Transaction of Directors and Director-Related Entities concerning shares.

Aggregate numbers of shares of Australian United Gold Ltd acquired and disposed of by Directors and their Director-related entities from the Company were as follows:

	2003 Number	2002 Number
Ordinary shares acquired	-	1,200,000
Ordinary shares disposed	-	-

Aggregate number of shares of Australian United Gold Ltd held directly, indirectly or beneficially by Directors or their Director-related entities at balance date:

	2003 Number	2002 Number
Ordinary shares	1,450,000	1,150,000

	2003 \$	2002 \$
16. Remuneration of Directors & Executives		

(a) Directors' Remuneration

Income received or due and receivable as Directors fees	37,430	36,560
Consulting fees paid to entities associated with Directors	27,750	27,260
	-----	-----
	65,180	63,820
	=====	=====

The number of Directors whose income from Australian United Gold Ltd and any related body was within the following specified bands are as follows:-

	2003 Number	2002 Number
\$ 0 - \$10,000	1	1
\$10,001 - \$20,000	1	1
\$40,001 - \$50,000	1	1
	=====	=====

(b) No executive received \$100,000 or more during the year ended 30 June 2003.

**AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
17. Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities		
Loss from ordinary activities after income tax	(199,825)	(628,799)
Depreciation	4,068	4,068
Provision for diminution in value of investments	15,750	118,465
Decrease (increase) in receivables	3,299	(2,298)
(Decrease) increase in creditors and accruals	(42,539)	42,472
Gain on share sales	(54,490)	-
	-----	-----
Net cash outflow from operating activities	(273,737)	(466,092)
	=====	=====

	2003 Number	2002 Number
18. Earnings per share		
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	179,608,765	122,074,518
	=====	=====

19. Events Subsequent to Balance Date

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

20. Financial Instruments

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Non Interest Bearing	
	2003	2002	2003	2002
Financial Assets	\$	\$	\$	\$
Cash	60,525	105,710		-
Short Term Deposits	555,529	701,107		-
Receivables			6,109	9,408
Total Financial Assets				-
Financial Liabilities				
Liabilities - Creditors			(5,206)	(47,745)
Net Financial Assets (Liabilities)	616,054	806,817	903	(38,337)

**AUSTRALIAN UNITED GOLD LTD
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Reconciliation of net financial assets to net assets

	Note	2003 \$	2002 \$
Net financial assets as above		616,957	768,480
Non-financial assets and liabilities			
Equipment	8	5,086	9,154
Investments	9	9,250	53,484
		-----	-----
Net assets per statement of financial position		631,293 =====	831,118 =====

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

	2003 \$	2002 \$
21. Accumulated Losses		
Accumulated losses at beginning of the year	(12,869,905)	(12,241,106)
Loss for the year	(199,825)	(628,799)
	-----	-----
Accumulated losses at the end of the year	(13,069,730) =====	(12,869,905) =====

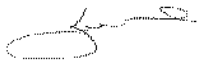
**AUSTRALIAN UNITED GOLD LTD
DIRECTORS' DECLARATION**

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 16 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory reporting requirements; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2003 and performance of the Company as represented by the results of its operation and its cashflow for the financial year ended on that date.

2. In the Directors' opinion:
 - (a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
 - (b) the financial statement and the notes thereto are in accordance with the Corporations Act 2001.

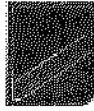
SIGNED in accordance with a resolution of the Directors on behalf of the Board.



D N Zukerman
DIRECTOR

Dated this 8th day of September 2003
Perth, Western Australia

INDEPENDENT AUDIT REPORT



STANTON PARTNERS

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN UNITED GOLD LTD

SCOPE

We have audited the financial report of Australian United Gold Ltd (the Company) for the financial year ended 30 June 2003 as set out on pages 5 to 17. The Company's directors are responsible for the preparation of the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements in Australia and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows.

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

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Registered Proprietary Member: Stanton Partners Australia Pty Ltd (A.B.N. 80 948 258 823)
as trustee for the Stanton Partners Unit Trust

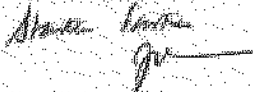
INDEPENDENT AUDIT REPORT

AUDIT OPINION

In our opinion, the financial report of Australian United Gold Ltd is in accordance with:

- a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2003 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

STANTON PARTNERS



J F Van Dieren
Partner

Perth, Western Australia
9 September 2003

**AUSTRALIAN UNITED GOLD LTD
SHAREHOLDER INFORMATION**

1. Distribution of Shareholders

(a) As at 19 September 2003 the distribution of members and their shareholdings were:-

Range of Holding	Holders	Shares Held	Percent
1 - 1,000	61	55,100	0.03
1,001 - 5,000	262	888,836	0.49
5,001 - 10,000	228	1,983,723	1.10
10,001 - 100,000	657	28,694,708	15.98
100,001 and over	237	147,986,398	82.40
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	1,445	179,608,765	100.00
	=====	=====	=====

(b) There exists 872 shareholders with unmarketable parcels of shares.

2. Voting Rights

There were 1,445 holders of fully paid ordinary shares who on a poll have one vote for each share held.

The twenty largest shareholders as at 19 September 2003 which represents 39.31% of the paid up capital were as follows :

Name of Holder	Number	%
Caconda Pty Ltd	7,753,492	4.32
David John Vincent	7,580,000	4.22
ANZ Nominees Limited	7,216,492	4.02
Loxden Pty Ltd	5,560,000	3.10
Nitram Plus Investments Pty Ltd	5,200,000	2.90
Piranha Nominees Pty Ltd <20203 Account>	4,750,000	2.64
Piranha Nominees Pty Ltd <20230 Account>	4,750,000	2.64
National Nominees Limited	3,638,500	2.03
Edward and Jean Smith	3,000,000	1.67
Paul Henry	2,840,666	1.58
Greg Elson	2,500,000	1.39
Gordon Holdings (QLD) Pty Ltd	2,500,000	1.39
Piranha Nominees Pty Ltd <20236 Account>	2,220,000	1.24
Piranha Nominees Pty Ltd <20242 Account>	1,900,000	1.06
Tromso Pty Limited	1,800,000	1.00
John Roy Malyon	1,555,000	0.87
Don George	1,500,000	0.84
John Raymond Shalala	1,500,000	0.84
Bow Lane Nominees Pty Ltd	1,404,000	0.78
Hanwell Properties Pty Ltd	1,400,000	0.78
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Total	70,568,150	39.31
	=====	=====

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main Corporate Governance practices that were in place throughout the financial year unless otherwise stated. These practices are dealt with under the following headings: Board of Directors, Auditors, Internal Control Framework, Ethical Standards, Environment, Business Risks and the Role of Shareholders.

BOARD OF DIRECTORS

The Board is responsible for the overall Corporate Governance of the company including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The company is not currently considered to be of a size, nor are its affairs of such complexity to justify the establishment of separate committees and accordingly all matters which may be capable of delegation to a committee are dealt with by the full board.

The Board meets regularly in order to retain full and effective control over the company and monitor the executive management. The Board has established a framework for the management of the company including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the company at the company's expense, subject to prior approval of the chairman, which shall not be unreasonably withheld.

Composition of the Board

The names of the directors of the company, together with details of their relevant qualifications and experience are set out in the directors' report in this annual report.

The procedures for election and retirement of directors are governed by the company's Constitution and the Listing Rules of Australian Stock Exchange Limited (ASX).

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

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

AUDITORS

Whilst the company does not have a formally constituted audit committee, the Board reviews the performance of the external auditors on an annual basis and meets with them:

- to review the results and findings of the audit, the adequacy of accounting and financial controls and to obtain feedback on the implementation of recommendations made; and
- to review the draft financial statements and audit or review reports at year end and half year.

The board monitors the need to form an audit committee on a periodic basis.

INTERNAL CONTROL FRAMEWORK

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors or irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that can be described under the following headings:-

- **Financial Reporting**

Projects requiring funding are evaluated and considered and budgeted by the board. Actual results are reported to the board. Procedures are in place to ensure that price sensitive information is reported to the Australian Stock Exchange in accordance with Continuous Disclosure Requirements.

- **Quality and Integrity of Personnel**

The company conducts a comprehensive review of the ability and experience of potential employees prior to appointment.

- **Operational reporting**

The Company has an agreement with a company for the provision of management services and the directors are in contact with its geologist on an informal basis.

ETHICAL STANDARDS

Australian United Gold Ltd recognises the need for directors and employees to observe the highest standards of behaviour and business ethics in conducting its business and intends to maintain a reputation of integrity.

ENVIRONMENT

The company aims to ensure a high standard of environmental care is achieved.

BUSINESS RISKS

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

The company's main areas of risk include:-

- exploration and development
- fluctuating commodity prices and exchange rates
- political and economic climate in its areas of operation
- continuous disclosure obligations.

Regular consideration is given to all these matters by the board.

THE ROLE OF SHAREHOLDERS

The Board of Directors ensure that shareholders are informed of all major developments affecting the company's state of affairs.

