BURDEKIN

30 September 2003

The Manager Announcements
Australian Stock Exchange Limited

ASX Code: BKS
62 pages (incl. cover)

Dear Sir

2003 Financial Report

Please find attached Financial Report for year ended 30 June 2003.

Yours faithfully

Susan J Field
Director and Company Secretary

Burdekin Pacific Limited ABN 66 059 326 519
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BURDEKIN

BURDEKIN PACIFIC LIMITED

ACN 059 326 519

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2003

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ADDITIONAL COMPANY INFORMATION

Principal registered office and principal place of business

Level 13
BGC Centre
28 The Esplanade
Perth WA 6000
Telephone: (08) 9322 6045

Nature of operations and principal activities

The principal activities during the year of the entities within the Consolidated Entity were:

- care and maintenance of the Mt Kasi Gold Project
- mineral exploration and evaluation,
- divestment and closure of technology investments

There have been no other significant changes in the nature of those activities during the year. The Company has concentrated on its stated strategy to refocus its activities on its historical core assets, namely its gold mining and exploration activities, and to divest of its investments in the technology sector.

Employees

As at 30 June 2003, the consolidated entity employed 4 full time equivalent people in Australia and 10 local employees in Fiji on mine care and maintenance duties (2002: 41 employees).

Directors Report

Your directors submit their report for the year ended 30 June 2003.

DIRECTORS
The names and details of the company's directors in office during the financial 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

Jerome Gino Vitale- Chair and Chief Executive Officer, 47
B Comm, ACA, FSIA, FAICD

Mr Vitale is an experienced mining and investment company executive. He has over 20 years experience working in various facets of the mineral resources industry, with particular emphasis on project financing and development. Mr Vitale is a Chartered Accountant, a Fellow of the Securities Institute of Australia, of which he was a director from 1989-1996, and a Fellow of the Australian Institute of Company Directors.

Between 1994 and 2000 Mr Vitale led a team responsible for the development and operation of the Company's successful McKinnons gold project, located in New South Wales. Between 1998 and 1999 he was responsible for the acquisition of an interest in, and later a merger with Pacific Islands Gold NL, resulting in Burdekin owning a 100% interest in the Mt Kasi gold project located in Fiji.

Craig Sambell Rugless - Non-executive Director, 54
BSc, PhD,MAusIMM)

Dr Rugless is a foundation director of the Company. He is a geologist with over 30 years experience in exploration and project development in Australia and Oceania. He completed undergraduate studies in economic geology at Sydney University in 1968 and 1983 a PhD degree at the University of New South Wales based on the geology and geochemistry of a volcanic massive sulphide copper-zinc deposit at Viti Levu, Fiji.

Dr Rugless has worked with mining companies including BH South Ltd, Australian Anglo American Ltd and Homestake Australia Ltd, and he has been responsible for major exploration programmes leading to the discovery of significant gold mineralization in Kalgoorlie and Mt Gibson in Western Australia. He is principal of Pathfinder Exploration Pty Ltd, a successful independent technical consulting company.

Susan Jane Field - Executive Director & Company Secretary, 42
BBus, ACA, CD

Ms Field is a Chartered Accountant with senior management experience in the corporate sector and in public practice. Prior to joining Burdekin in 1999, she spent a number of years with Ernst & Young, in the firm's Advisory & Assurance Services Division, including a period as Manager with responsibilities including technical and accounting standards advisory and compliance programmes.

Prior to entering public practice, Ms Field gained over 11 years experience in the financial services and retail banking industry. During this period she held various positions in a number of operational management roles.

Ms Field was appointed to the Board on 3 July 2002.

Neil Wiles - Executive Director, 40

Mr Wiles is the founder and was Chief Executive Officer of eMAX Entertainment Pty Ltd ("eMAX"), a company that became a 100% subsidiary of Burdekin in December 2001.

Mr Wiles was appointed to the Board on 8 February 2002 and resigned on 3 July 2002.

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 Burdekin Pacific Limited were:

	Ordinary Shares Fully Paid	Options over Ordinary Shares
Mr J G Vitale	**2,366,545**	5,450,000
Dr C S Rugless	**2,233,634**	1,820,000
Ms S.J. Field	**2,452,500**	1,820,000

EARNINGS PER SHARE

Basic earnings per share	**(4.1) cents**
Diluted earnings per share	**(4.1) cents**

DIVIDENDS

No dividends have been paid or declared since the start of the year. The Directors do not recommend the payment of a dividend.

CORPORATE INFORMATION

Corporate Structure

Burdekin Pacific Limited is a listed public company, incorporated and domiciled in Australia. Burdekin Pacific Limited is the ultimate parent entity and has prepared a consolidated financial report incorporating entities it controlled during the financial year. The group's corporate structure is illustrated at Note 35.

Nature of operations and principal activities

The principal activities during the year of the entities within the Consolidated Entity were:

- care and maintenance of the Mt Kasi Gold Project
- mineral exploration and evaluation,
- divestment and closure of technology investments

There have been no other significant changes in the nature of those activities during the year.

Employees

As at 30 June 2003, the consolidated entity employed 4 full time equivalent people in Australia and 10 local employees in Fiji on care and maintenance duties (2002: 31 full time equivalent people in Australia and 10 local employees in Fiji).

Directors Report

REVIEW AND RESULTS OF OPERATIONS

Group Overview

Burdekin Pacific Limited was formed as a mineral exploration company in April 1993 and was listed on the Australian Stock Exchange in December 1993. In its early years Burdekin successfully acquired and developed the McKinnon's Gold Project near Cobar, New South Wales. During the 2000 and 2001 financial years the Company diversified its asset base to include technology investment operating in the Australia and Pacific region. This was reversed in July 2002 when the Company decided to refocus its activities on resources.

(a) Operating Results for the Period and Financial Position

The consolidated loss for the financial year after significant items and income tax expense was $4,541,373 (2002: $6,429,729). As a result of the consolidated loss, at 30 June 2003 the Consolidated Entity has a net deficiency over assets of $288,742 compared to a net surplus in the prior year of $2,763,265. The largest contributor to this reversal in the Company's net asset position was the result of a provision of $2,236,942 arising from a diminution of estimated realisable value of securities held by the Company for resale on the London AIM market as part of a financing agreement entered into in February 2003 with Ocean Resources Capital Holdings plc ("Ocean"). Notwithstanding this the deficiency in the current ratio was reduced from $1,533,317 to $380,203 at balance date as a result of this transaction.

(b) Mining and Exploration

During the year Burdekin continued to maintain the Company's gold mining and exploration assets and in particular the Mt Kasi tenement package. Plans to complete a comprehensive drilling programme and to commence a feasibility study at Mt Kasi with the view to advancing the project toward bankable status were delayed due to delays with the completion of a capital raising.

Although the drilling programme was not completed, the Company made limited progress during the year including:

- the mining lease at Mt Kasi was renewed for a period of 5 years commencing 1 January 2003. An application for further renewal will be lodged upon completion of the planned bankable study in line with the anticipated mine life at the time.
- preliminary field work and drilling programme planning was undertaken;
- detailed geological mapping was completed in the first quarter and which confirmed that the siliceous epithermal lodes at Mt Kasi extend over a strike length of at least 3 km and that the mineralising system is open to North and South;
- initial Portable Infrared Mineral Analyser ("PIMA") short-wave infrared spectral studies of surface and drill hole samples at Mt Kasi confirmed that the mineral assemblages developed by the hydrothermal alteration system;
- essential mine care and maintenance activities continued during the course of the year and relationships with local landowners and government authorities maintained; and
- the Company continued to earn royalties from gold production sourced from the treatment of ore at the Far Fanning open cut mine in northern Queensland.

REVIEW AND RESULTS OF OPERATIONS continued

(c) Closure of technology Investments

The Company continued to rationalise its former investments in the technology sector as a result of which eMAX Entertainment Pty Ltd continues under voluntary administration and ICE Interactive Pty Ltd has continuing obligations under a Deed of Company Arrangement.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The following events have occurred since the end of the financial year:

Subsequent to year end the Company has sold on market 1.4 million of its 2.6 million shares in Ocean. The net proceeds realised, after transaction costs, are approximately $630,000. The proceeds realised are equivalent to the carrying value of the shares at 30 June 2003.

The remaining shares have a value of approximately $570,000 based on the last sale price for Ocean shares at the date of this report.

Except for the matters discussed above, there has not been any matter or circumstance, other than as referred to in the accounts or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of these operations, or the state of affairs of the consolidated entity in financial years after the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors expect that, subject to equity funding being secured and market conditions in the gold sector not deteriorating, the focus for the 2004 financial year will be to develop its gold exploration assets, in particular the 100% owned Mt Kasi Project in Fiji, where a 300,000 ounce gold resource has already been established.

A drilling programme and feasibility study estimated to cost approximately $1,600,000 has been developed by the Company with a view to quickly progressing the project to a possible decision to mine. The work programme includes 10,000 metres of reverse circulation ("RC") and diamond drilling. The Company plans to commence the drilling programme as soon as practicable after funding is in place.

The Company will continue to maintain its interest in other mining and exploration assets, including the exploration interests held in East Kimberleys, Western Australia.

At the date of this report other than a small royalty (from the Far Fanning project in Queensland, sold in a prior year) the Company has minimal direct income and does not anticipate generating a profit in the 2004 financial year. Subject to equity funding becoming available, it expects that it will advance with further exploration and development of the Mt Kasi Gold Project, Fiji. The Directors believe Mt Kasi has the potential to provide the Company a cash flow in future years and allow the Company to self fund ongoing exploration.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity previously held licences issued by the Environmental Protection Authority which specify limits for discharges to the environment and which are due to the Consolidated Entity's operations. These licenses regulate the management of discharges to the environment associated with the mining operations as well as the storage of dangerous goods required for the treatment process within mining operations. Following the closure of the McKinnon's Gold Mine in June 2000 the majority of dangerous goods have been removed from site and these licences have been released.

There have been no known breaches of the Consolidated Entity's licence conditions.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 21,990,008 unissued ordinary shares under options. Refer note 20(c) of the financial statements for further details of the options outstanding. In addition to the details disclosed at note 20(c), 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 or in the interest issue of any other registered scheme.

Shares issued as a result of the exercise of options

There were no options exercised during or since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year the Company indemnified Mr J G Vitale, against liability for costs and expenses incurred in defending proceedings brought against him by Mr N G Wiles, Communitee Pty Ltd and Mr D C Braden. Refer details at Note 18 (b) an 26 (a) respectively.

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

During the previous financial year the Company indemnified Mr J G Vitale and Mrs S J Field for joint and several guarantees provided by them to the Australian Taxation Office for unpaid PAYG tax incurred by subsidiaries ICE and eMAX for $558,395 and $154,540 respectively. The Company provided Mr Vitale and Ms Field with a fixed and floating charges over its assets and the assets of its subsidiaries in support of these indemnities. At the date of this report the unpaid PAYG tax has been reduced to $408,395 and $127,287 respectively.

DIRECTORS' AND OFFICERS' EMOLUMENTS

Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors, the Chief Executive Officer and other executives. The Board of Directors assess the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality Board and executives. Such officers are given the opportunity to receive their emolument in a variety of forms including cash and fringe benefits such as expense payment plans. It is intended that the manner chosen will be optimal for the recipient without creating undue cost for the Company.

DIRECTORS' AND OFFICERS' EMOLUMENTS continued

The Employee Option Plan is one method used to assist in achieving these objectives. All employees including senior executives have the opportunity to qualify for participation in the Burdekin Pacific Limited Employee Option Plan ("Plan") which currently provides share option incentives where specified criteria are met including criteria relating to the persons potential future contribution to the growth and profitability of the consolidated entity. There have been no share options issued under this plan during or since the end of the year.

Details of the nature and amount of each element of this emolument of each director of the company and the four executive officers being eligible officers of the company and the Consolidated Entity receiving the highest emolument for the financial year are as follows:

Emoluments of directors of Burdekin Pacific Limited

The emoluments are paid to directors in their capacity as directors of the parent entity.

	Annual Emoluments				Long Term Emoluments	
	Base Salary	Consultants' Fees	Directors' Fees	Other [1]	Option Grant [2]	Superannuation
J G Vitale	170,000	-	30,000	9,237	29,726	18,000
C S Rugless	-	18,816	20,000	-	9,927	-
S J Field	75,000	-	20,000	9,306	9,927	8,550
N G Wiles	-	-	-	-	-	-

[1] The category 'Other' includes the values of payments to third parties including fringe benefits tax and movements in employee entitlement provision.

[2] Bloomberg states that the Black & Scholes model does have certain limitations and in particular where a company does not have a record of profitability and as such does not pay dividends this model is not always a suitable measure. As Directors' Options are unlisted, non-transferable and the tenure is relatively short (ie 18 months), and in consideration of the limitations described above an average discount for lack of marketability has been applied.

Emoluments of directors of the Consolidated Entity

The emoluments are paid to directors in their capacity as directors of the consolidated entity.

	Annual Emoluments				Long Term Emoluments	
	Base Salary	Consultants' Fees	Directors' Fees	Other [1]	Option Grant [2]	Superannuation
J G Vitale	280,000	-	30,000	9,237	29,726	31,112
C S Rugless	-	18,816	20,000	-	9,927	-
S J Field	120,000	-	20,000	9,306	9,927	12,600
R E Williams [3]	35,080	-	-	-	-	3,157
N G Wiles	-	-	-	-	-	-

[1] The category 'Other' includes the values of payments to third parties including fringe benefits tax and movements in employee entitlement provision.

DIRECTORS' AND OFFICERS' EMOLUMENTS continued

Emoluments of directors of the Consolidated Entity continued

(2) Bloomberg states that the Black & Scholes model does have certain limitations and in particular where a company does not have a record of profitability and as such does not pay dividends this model is not always a suitable measure. As Directors' Options are unlisted, non-transferable and the tenure is relatively short (ie 18 months), and in consideration of the limitations described above an average discount for lack of marketability has been applied in the order of 45%.

(3) Mr Williams is a non-executive director of a number of the Company's controlled entities.

Emoluments of the five most highly paid eligible officers of the Company and the Consolidated Entity

The emoluments are paid to five most highly paid officers of the Company and the Consolidated Entity.

	Annual Emoluments				Long Term Emoluments	
	Base Salary	Consultants' Fees	Directors Fees	Other (1)	Options Grant (2)	Superannuation
J G Vitale	280,000	-	30,000	9,237	29,726	31,112
S J Field	120,000	-	20,000	9306	9,927	12,600
N G Wiles (3)	133,662	-	-	3,546	-	12,030
C R Hall	91,323	-	-	-	-	8,219
R E Williams	35,080	-	-	-	-	3,157

(1) The category 'Other' includes the values of payments to third parties including fringe benefits tax and a contribution to Directors and Officers liability insurance and movements in employee entitlement provision.

(2) Bloomberg states that the Black & Scholes model does have certain limitations and in particular where a company does not have a record of profitability and as such does not pay dividends this model is not always a suitable measure. As Directors' Options are unlisted, non-transferable and the tenure is relatively short (ie 18 months), and in consideration of the limitations described above an average discount for lack of marketability has been applied in the order of 45%.

(3) Mr Wiles was a full time employee up until 2 April 2003.

(4) During the financial period Messrs Williams and Hall worked for the Company predominantly on part-time basis.

DIRECTORS' MEETINGS

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

Director	Number Held	Number Attended
J G Vitale	17	17
C S Rugless	17	17
S J Field	17	17
N G Wiles	-	-

As at the date of this report the company does not have an Audit Committee. The Board considers the Company is too small to warrant a formal audit committee, however this policy is kept under review and may be changed as the composition of the Company's Board and the Company's circumstances change.

CORPORATE GOVERNANCE

The Company has to date not adhered to the ASX Guidelines in Corporate Governance as it is essentially a single project, speculative exploration company. Compliance with the guidelines will be kept under review as the company advances toward production status.

The Company does however recognise the need for high standards of corporate behaviour and accountability, and to this end the Directors of Burdekin Pacific Limited support and have adhered to the Company's stated principles of corporate governance. The company's corporate governance statement is contained in the additional ASX information section of the annual report.

Signed in accordance with a resolution of Directors, made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the Directors

J G Vitale
Director
Perth, 30 September 2003

Statement of Financial Performance
For Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
Other revenues from ordinary activities	2	**629,397**	1,089,243	**33,196**	227,967
Forgiveness of liabilities	2	**571,482**	620,771	**-**	-
Exploration and evaluation expenses		**(124,197)**	(214,675)	**(101,812)**	(98,161)
Borrowing costs expensed	3(a)	**(22,655)**	(78,025)	**(20,028)**	(36,637)
Care & maintenance - Mt Kasi Limited, Fiji		**(438,268)**	(482,624)	**-**	-
Care & maintenance - McKinnons, Cobar		**-**	(64,222)	**-**	(64,222)
Corporate administration expenses		**(1,163,076)**	(1,090,950)	**(1,082,202)**	(1,015,072)
ASIC, ASX, Share Registry, Annual Report and other compliance costs		**(252,408)**	(226,820)	**(222,668)**	(226,820)
Audesso Limited Pre IPO related costs		**-**	(447,369)	**-**	-
Technology research, development & market development expenses		**(380,378)**	(3,337,256)	**-**	-
Investment activities	3(c)	**(3,361,270)**	(2,197,802)	**(3,112,797)**	(8,340,451)
Loss From Ordinary Activities Before Income Tax Expense		**(4,541,373)**	(6,429,729)	**(4,506,311)**	(9,553,396)
Income tax expense relating to ordinary activities	4	**-**	-	**-**	-
Loss From Ordinary Activities After Related Income Tax Expense Attributable To Members of Burdekin Pacific Limited	22(a)	**(4,541,373)**	(6,429,729)	**(4,506,311)**	(9,553,396)
Earnings Per Share:					
Basic (cents per share)	28	**(4.1) cents**	(8.8) cents		
Diluted (cents per share)	28	**(4.1) cents**	(8.8) cents		

Notes to the financial statements are included on pages 12 to 56

Statement of Financial Position

As at 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
CURRENT ASSETS					
Cash assets		**311,664**	44,024	**309,548**	36,177
Receivables	5	**105,585**	300,420	**3,890**	86,365
Inventories	6	**-**	6,588	**-**	-
Other financial assets	7	**1,263,058**	55	**1,263,058**	55
Other	8	**11,939**	28,202	**11,939**	20,207
TOTAL CURRENT ASSETS		**1,692,246**	379,289	**1,588,435**	142,804
NON-CURRENT ASSETS					
Receivables	9	**340,183**	372,472	**2,149,001**	2,156,527
Other financial assets	10	**-**	-	**-**	-
Plant & equipment	12	**24,699**	116,377	**7,146**	32,539
Deferred exploration, evaluation & development costs	13	**5,892,112**	6,626,905	**70,111**	70,111
TOTAL NON-CURRENT ASSETS		**6,256,994**	7,115,754	**2,226,258**	2,259,177
TOTAL ASSETS		**7,949,240**	7,495,043	**3,814,693**	2,401,981
CURRENT LIABILITIES					
Payables	14	**1,554,268**	1,741,703	**545,051**	485,909
Interest-bearing liabilities	15	**377,849**		**377,849**	-
Provisions	16	**140,332**	170,903	**134,115**	37,854
TOTAL CURRENT LIABILITIES		**2,072,449**	1,912,606	**1,057,015**	523,763
NON-CURRENT LIABILITIES					
Payables	17	**372,640**	833,842	**114,245**	89,737
Interest-bearing Liabilities	18	**4,224,000**	340,368	**4,224,000**	340,368
Provisions	19	**1,568,893**	1,644,962	**618,630**	630,365
TOTAL NON-CURRENT LIABILITIES		**6,165,533**	2,819,172	**4,956,875**	1,060,470
TOTAL LIABILITIES		**8,237,982**	4,731,778	**6,013,890**	1,584,233
NET ASSETS /(DEFICIENCY OVER ASSETS)		**(288,742)**	2,763,265	**(2,199,197)**	817,748
EQUITY					
Contributed equity	20	**47,873,225**	46,353,859	**47,873,225**	46,353,859
Deferred Equity	21	**270,000**	300,000	**270,000**	300,000
Accumulated losses	22	**(48,431,967)**	(43,890,594)	**(50,342,422)**	(45,836,111)
TOTAL EQUITY		**(288,742)**	2,763,265	**(2,199,197)**	817,748

Notes to the financial statements are included on pages 12 to 56

Statement of Cash Flows

For the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers					
- Royalty Revenue /Gold sales		182,723	222,429	-	-
- Other Revenue		24,210	668,384	21,000	86,725
Payments to suppliers & employees					
- Administration/corporate		(947,936)	(880,365)	(993,706)	(849,792)
- Technology R&D and Market development/operating costs		(540,551)	(1,641,515)	-	-
Payments to suppliers & employees of Audesso Limited & its subsidiaries, a wholly owned controlled entity of Burdekin Pacific Ltd		(556,224)	(666,325)	-	-
Exploration & evaluation expenditure		(109,194)	(146,062)	(64,376)	(79,949)
Interest received		17,646	128,061	11,478	119,285
Interest & other finance costs		(396)	-	(396)	-
Payments for mine redundancies & rehabilitation costs/Care & maintenance		-	(80,654)	-	(80,654)
Net Cash Provided By/(Used In) Operating Activities	23(a)	(1,929,722)	(2,396,047)	(1,026,000)	(804,385)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of plant & equipment		(8,371)	(4,370)	(8,371)	(2,282)
Proceeds from sale of plant & equipment		3,989	400,000	-	400,000
Proceeds from security deposits		55,000	2,216,543	40,000	2,189,314
Payment for rental bond			(40,315)	-	(40,315)
Proceeds from rental bond refund		10,315	-	10,315	-
Advances to controlled entities		-	-	(1,217,176)	(3,428,643)
Option fee payment for tenement prospect		-	(25,000)	-	-
Advances to other related entities – associates		-	(604,499)	-	(604,499)
Repayments received from controlled entities		-	-	573,433	222,429
Advances to other entities		(87,949)	(100,000)	(87,949)	(100,000)
Payment for costs incurred proposed 2002 float – Audesso Mining Limited		(141,797)	(61,439)	-	-
Payment of pre-acquisition creditors – ICE Interactive Pty Ltd		-	(162,000)	-	-
Purchase of unlisted shares		-	(3,241,344)	-	(3,241,344)
Proceeds from sale of shares		20,780	-	20,780	-
Proceeds from sale of shares in controlled entity	23(e)	372,500	-	-	-
Net Cash on purchase of controlled entities		-	(10,206)	-	-
Net Cash Used In Investing Activities		224,467	(1,632,630)	(668,968)	(4,605,340)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of ordinary shares		1,317,646	-	1,317,646	-
Payment of issue costs		(64,814)	-	(64,814)	-
Proceeds from borrowings		734,526	-	734,526	-
Repayment of borrowings		(19,019)	-	(19,019)	-
Proceeds from directors loans		28,331	-	-	-
Repayment of directors loans		(23,331)	-	-	-
Finance lease principal paid		-	(1,390,670)	-	-
Net Cash Provided By/(Used In) Financing Activities		1,973,339	(1,390,670)	1,968,339	-
Net Increase/(Decrease) In Cash Held		268,084	(5,419,347)	273,371	(5,409,725)
Add opening cash brought forward		44,024	5,463,348	36,177	5,445,902
Effects on exchange rate on cash		(444)	23	-	-
CLOSING CASH CARRIED FORWARD	23(b)	311,664	44,024	309,548	36,177

Notes to the financial statements are included on pages 12 to 56

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial report has been prepared in accordance with historical cost convention and except where stated does not take into account changing money values or current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year except where otherwise stated.

In accordance with Accounting Standard AASB 1028 "Employee Benefits", on 1 July 2002 the consolidated entity changed its policy for recognising provisions for annual leave. Under the new policy the amount of the provision is calculated using the remuneration rate expected to apply at the time of settlement, rather than the remuneration rate that applies at reporting date. On review of this change, due to the size and nature of the employee entitlement provision it was determined that there was no material difference likely to effect the statement of financial performance in prior financial periods had the policy always been applied.

Accounting policies are selected and applied in a manner in which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Going Concern Basis

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

At 30 June 2003, the Consolidated Entity had current assets of $1,692,246 (2002: $379,289) and current liabilities of $2,072,449 (2002: $1,912,606) resulting in a net current asset deficiency of $380,203 (2002: $1,533,317). For the year then ended, the Consolidated Entity incurred a negative operating cash flow of $1,929,722 (2002: $2,396,047) and an operating loss of $4,541,373 (2002: $6,429,729).

The Consolidated Entity has a deficiency over net assets of $288,742, which can be largely attributed to the recognition of a $2,236,942 unrealised loss on a listed investment.

Having regard to these results, the Directors are nonetheless of the opinion that the going concern basis upon which the financial report is prepared is appropriate in the circumstances for the following reasons:

(i) at the date of this report, the Company announced a plan to raise up to $3,250,000 in fresh equity capital by means of:

 (a) a non-renounceable one for one rights issue. The Board anticipates a prospectus for the issue will be released simultaneously with the Annual Report in late October 2003; and

 (b) a public placement of shares to raise the balance up to a total of $3,250,000, with existing shareholders to have the right to participate in the public issue. The placement will be subject to the approval of shareholders at the forthcoming Annual General Meeting to be held in late November 2003.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

Going Concern Basis continued

At the date of this report, the issue has not been underwritten, however in view of the rise in the gold price since year end (approximately US$382 per ounce at the date of writing (approximately US$345 per ounce at 30 June 2003)) and more buoyant capital market conditions generally in the gold and resources sector, the Directors are confident that they will be able to place any shortfall from the issue not taken up by shareholders. At the completion of the proposed rights issue and public placement, the net asset deficiency at 30 June of $288,742 will be reversed by an amount equivalent to the net funds raised.

(ii) at 30 September 2003, the Company had cash, liquid investments in listed securities, receivables due in the next 3 months and stand-by loan facilities from Directors aggregating to a total of approximately $1,068,000. The Directors estimate that monthly cash operating costs, including care and maintenance costs at the Mt Kasi mine, will be reduced to approximately $90,000 per month from October 2003. The Directors believe that on this basis, funds available at the date of this report will be sufficient to fund the Company's immediate liquidity requirements. Exploration commitments at Mt Kasi are not subject to a formal timetable from the Fijian authorities, however it is intended that up to 10,000 metres of RC and diamond drilling and feasibility study work costing an estimated $1,600,000 will be conducted upon completion of the planned capital raisings referred to at (i) above. There is also an element of discretion in relation to the specific timing for ongoing exploration expenditures for Mt Kasi and other projects held by the Company;

(iii) the $1,068,000 noted above includes stand-by loan facilities of $180,000 provided by the Directors; in addition the directors have agreed to a deferral of payment of Directors fees and other accrued costs, including a portion of salary payments. In addition, a number of other creditors of Audesso Limited, a wholly owned subsidiary, have agreed to a deferral of payment on all or part of balances owed;

Notwithstanding the Directors' expectations noted above, there is significant uncertainty that the Company and the Consolidated Entity will be able to continue as going concerns. Should the Company or the Consolidated Entity not continue as going concerns and pay their debts as and when they fall due, they may be unable to realise their assets, in particular deferred exploration, evaluation and development costs, and discharge their liabilities in the normal course of business and at the amount stated in the Financial Statements.

These financial statements do not include any adjustments relating to recoverability and classification of recorded assets 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.

(a) Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the consolidated entity, being Burdekin Pacific Limited (the parent entity) and its controlled entities as defined in accounting standard AASB1024 "Consolidated Accounts". A list of controlled entities appears in Note 11 to the financial statements. Consistent accounting policies have been employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(b) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amount payable in the future to their present value as at the date of the acquisition.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

(c) Depreciation

Plant and equipment are depreciated over the estimated useful life using the reducing balance and straight-line methods. The estimated useful lives used in the calculation of depreciation range from one to ten years.

(d) Recoverable Amount of Non-Current Assets

Non-current assets are written down to a recoverable amount when the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

(e) Exploration and Evaluation Development and Restoration Costs

Cost Carried Forward
Acquisition costs arising from the purchase of interests in mining and exploration tenements are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

Exploration and Evaluation Expenditure
Exploration and evaluation expenditure is expensed directly to the profit and loss in the period it is incurred.

Restoration, Rehabilitation and Environmental Expenditure
Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure.

Restoration, rehabilitation and environmental costs necessitated by development and production activities are accrued on a gradual basis over the production life of the mining activity and treated as costs of production.

Restoration, rehabilitation and environmental obligations recognised include the costs of reclamation, stabilisation and re-vegetation of any mine residue, tailings or overburden dumps, plant closure, platform removal and other costs associated with the restoration of the site including subsequent monitoring of the environment.

Costs are estimated on the basis of current undiscounted costs, current legal requirements and current technology.

Estimates of current costs are reassessed at least annually. Changes in estimates relating to areas of interest in the exploration and evaluation phase are dealt with retrospectively, with any amounts that would have been written off or provided against under the accounting policy for exploration and evaluation immediately written off.

Changes in estimates of costs relating to producing areas are dealt with prospectively over the remaining mine life.

In determining the restoration obligations, the entity has assumed no significant changes will occur in the relevant Australian Federal and State Government legislation and in Fijian legislation in relation to restoration of such mineral mines in the future.

(f) Leases

Operating lease payments are recognised as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

(g) Income Tax

Tax-effect accounting principles are adopted whereby income tax expense is calculated on pre-tax accounting results after adjustment for permanent differences. The tax-effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in the deferred tax assets and deferred tax liabilities, as applicable. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

(h) Goods and Services Tax

Revenues, expenses and assets are recognized net of the amount of goods and services tax (GST), except;

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of an asset or as part of an item of expense; or
(ii) for receivables and payables which are recognized inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Capital Gains Tax

No provisions has been made for capital gains tax which may arise in the event of sale of revalued assets as no decision has been made to sell any of these assets.

(j) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal value amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by the employees up to reporting date. In determining the present value of future cash outflow, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits; and
- other types of employee benefits.

are recognised against results on a net basis in their respective categories.

The value of the equity-based compensation scheme described in Note 25 is not being recognised as an employee benefits expense.

(k) Inventories

Stores and consumables have been valued at the lower cost and net realisable value, with cost being determined on a first in first out basis.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

(l) Comparative Figures

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(m) Investments

Investments in controlled entities are recorded at net realisable value based on the lower of cost and net tangible assets of each controlled entity.

All other non-current investments are carried at the lower of cost and recoverable amount. Listed shares held for trading are held at cost less recoverable amount adjustment. Where listed shares have been revalued, any capital gains tax which may become payable has not been taken into account in determining the revalued carrying amount.

(n) Earnings Per Share

Basic earnings per share is calculated as net result attributable to members adjusted to exclude costs of servicing equity divided by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated as net result attributable to members, adjusted for, where applicable:

- cost of servicing equity (other than 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 revenues and expenses during the period that would result from dilution of potential ordinary shares.

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

(o) Foreign Currency

Translation of Foreign Currency Transactions
Transactions in foreign currencies within the consolidated entity are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the entities within the consolidated entity that are outstanding at balance date and are denominated in foreign currencies have been converted to local currency using the pot rate ruling at the end of the financial year.

All other foreign currency transactions during the financial year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing on that date. Non-monetary items are translated at exchange rates current at the transaction dates, or, where a non-monetary item has been re-valued at the exchange rate current at the date of revaluation.

Exchange rate differences are brought to account in the profit and loss account in the period in which they arise except that:

(i) exchange differences which relate to assets under construction for future productive use are included in the cost of assets; and

(ii) exchange differences on transactions entered into in order to hedge the purchase or sale of specific goods and services are deferred and included in the measurement of the purchase or sale.

Translation of Financial Reports of Overseas Operations

The overseas operation in Fiji is not considered to be self-sustaining as it is not financially or operationally independent of Burdekin Pacific Limited. Consequently the financial reports of the overseas operation are translated using the temporal method and any exchange differences are taken directly to net profit and loss.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

(p) Financial Instruments Issued by the Company

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.

Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds.

Transaction Costs on the Issue of Equity Instruments

Transaction costs arising on the issue of equity are treated as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and Dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instrument.

(q) Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and money market investments readily convertible to cash within two working days.

(r) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is not longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest, when applicable, is taken up as income on an accrual basis.

(s) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

(t) Interest-Bearing Liabilities

All loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of borrowing.

(u) Provisions

Provisions are recognised when a consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

Onerous Contracts

An onerous contract is considered to exist where the consolidated entity has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds unrecognised assets.

(v) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognised:-

Interest

Control of a right to receive consideration for the provision of, or an investment in assets has been attained.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Liabilities Forgiven

The gross amount of a liability forgiven by a credit provider is recognised as revenue.

Sale of Goods

Control of the goods has passed to the buyer.

Sale of Non-current Assets

An unconditional contract is entered into with the buyer.

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Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
2. REVENUE FROM ORDINARY ACTIVITIES					
Revenues from operating activities					
Revenue from professional services		-	453,549	-	86,725
Revenue from sale of gold and silver		-	91,372	-	-
Royalties		**214,323**	154,950	-	-
Other revenue		**24,927**	50,153	**21,718**	1,176
		239,250	750,024	**21,718**	87,901
Interest					
Other persons/corporations		**17,647**	132,447	**11,478**	119,286
Total interest		**17,647**	132,447	**11,478**	119,286
Proceeds from sale of non-current assets					
- investments		-	20,780	-	20,780
- other assets		**372,500**	185,992	-	-
Total proceeds from sale of non-current assets		**372,500**	206,772	-	20,780
Total revenues from operating activities		**629,397**	1,089,243	**33,196**	227,967
Revenues from non-operating activities					
Forgiveness of liabilities owed by:					
ICE Interactive Pty Ltd		-	620,771	-	-
eMAX Entertainment Pty Ltd		**571,482**	-	-	-
Total revenues from non-operating activities		**571,482**	620,771	-	-
Total revenues from ordinary activities		**1,200,879**	1,710,014	**33,196**	227,967
3. EXPENSES AND LOSSES/(GAINS)					
(a) **Expenses**					
Depreciation of non-current assets					
Plant and equipment		**20,980**	58,728	**17,616**	28,957
Plant and equipment under charge			660,801	-	
Amortisation of non-current assets		-			
Purchased goodwill		-	246,380	-	-
Total depreciation and amortisation expenses		**20,980**	965,909	**17,616**	28,957
Borrowing costs expensed					
Interest expense					
Other persons/corporations		**22,655**	69,229	**20,028**	36,637
Finance lease		-	8,796	-	-
Total borrowing costs expensed		**22,655**	78,025	**20,028**	36,637

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
3. EXPENSES AND LOSSES/(GAINS) (cont'd)					
Bad and doubtful debts - other corporations		**87,949**	100,000	**87,949**	100,000
Exploration and evaluation costs (excluding depreciation)		**119,520**	162,096	**94,942**	95,983
Capitalised exploration expenditure written off		**-**	50,401	**-**	-
Operating lease rental					
- minimum lease payments		**104,453**	147,676	**62,669**	47,038
Recoverable amount write down of investments		**1,894,588**	-	**1,894,588**	-
(b) **Losses/(Gains)**					
Unrealised net foreign currency loss/(gain)		**105,071**	2,797	**342,354**	-
Net (gain) on disposal of investments		**-**	(15,900)	**-**	(15,900)
(c) **Investment activities**					
Loss from operating activities before income tax expense includes the following items:					
Recoverable amount for non recovery of investment in unlisted shares		**-**	3,146,213	**-**	3,146,215
Recoverable amount for non recovery of investment in listed shares	7	**2,236,942**	-	**2,236,942**	-
Provision for non recovery of loans to controlled entities		**-**	-	**787,906**	-
Provision for non-recovery of loans to other entities		**87,949**	100,000	**87,949**	100,000
Net gain on deconsolidation of subsidiary		**(1,537,379)**	-	**-**	-
Net loss on assignment of receivable on sale of subsidiary	23(e)	**2,388,174**	-	**-**	-
Recoverable amount write down for non recovery of receivables in eMAX Entertainment Pty Ltd		**185,584**	-	**-**	-
Plant and equipment written down to recoverable amount		**-**	874,756	**-**	-
Written down value of non-current assets disposed of during the year		**-**	185,992	**-**	-
Amortisation of purchased goodwill		**-**	246,380	**-**	-
Recoverable amount for non recovery of investment in controlled entity		**-**	-	**-**	1,183,994
Write off of purchase goodwill		**-**	1,939,962	**-**	-
Provision for non-recovery of loans to related entity – associates		**-**	604,499	**-**	604,499
Write back previous writedown capitalised exploration expenditure Mt Kasi Gold Project, Fiji		**-**	(4,900,000)	**-**	-
Total investment activities		**3,361,270**	2,197,802	**3,112,797**	8,340,451

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
4. INCOME TAX					
The prime facie tax, using tax rates applicable in the country of operation, on operating loss differs from income tax provided in the financial statements as follows:					
Operating loss		**(4,541,373)**	(6,429,729)	**(4,506,311)**	(9,553,396)
Prime facie tax benefit calculated at 30% (2002: 30%) of operating loss		**1,362,412**	1,928,918	**1,351,893**	2,866,018
Tax effect on permanent differences					
Non-deductible expenses		**(54,006)**	(156,093)	**(41,627)**	(4,554)
Write down to recoverable amount of investments		**(671,083)**	(943,864)	**(671,083)**	(1,299,062)
Write off purchased goodwill		**-**	(572,703)	**-**	
Provision for non-recovery of loans to associated entities		**-**	(181,350)	**-**	(181,350)
Provision for non-recovery of loans to other entities		**(26,385)**	-	**(26,385)**	-
Provision for non-recovery of loans to controlled entities		**-**	-	**(236,372)**	(991,723)
Write back previous write down capitalised expenditure		**-**	1,470,000	**-**	-
Capitalised expenditure written off		**-**	(15,120)	**-**	-
Income tax losses incurred in the jurisdiction of Fiji not brought to account as a future income tax benefit		**(109,428)**	(118,629)	**-**	-
Tax effect benefits not brought to account		**(501,510)**	(1,411,159)	**(376,426)**	(389,329)
Income tax benefit attributable to operating loss		**-**	-	**-**	-
Estimated future income tax benefit at 30% (2002:30%) arising from tax losses of the company and its controlled entities not brought to account at balance date as realisation of the benefit is not regards as virtually certain:	4(i)	**9,544,851**	9,551,078	**3,269,100**	2,892,674

The future income tax benefit will only be obtained in the relevant tax jurisdiction if:

(a) future assessable income tax is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(b) the conditions for deductibility imposed by the tax legislation are complied with; and
(c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

	CONSOLIDATED	
	2003	2002
	$	$
4(i) Includes Australian dollar equivalent of amounts in the jurisdiction of Fiji	**3,221,966**	3,024,693

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

Tax consolidation

Legislation to allow groups, comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantively enacted on 21 October 2002. This legislation, which includes both mandatory and elective elements, is applicable to the Company.

At the date of this report the directors have not assessed the financial effect, if any, the legislation may have on the company and the consolidated entity and, accordingly, the directors have not made a decision whether or not to elect to be taxed as a single entity. The financial effect of the implementation of the tax consolidation system on the economic entity has not been recognised in the financial statements.

In the event that the tax consolidation system is implemented, the head entity has also agreed to compensate its wholly-owned subsidiaries for the carrying amount of deferred tax balances.

4 (a) Franking credit balance

	BURDEKIN PACIFIC LIMITED	
	2003	**2002**
	$	**$**
The amount of franking credits available for the subsequent year are:		
Franking account balance as at the end of the financial year at 30% (2002:30%)	**2,439**	2,439

Due to the changes in Australian income tax legislation, from 1 July 2002 franking accounts are maintained on a 'tax paid rather than 'after tax distributable profits' basis. The comparative franking account balance as at 30 June 2002 has been restated on the 'tax paid basis' so as to be comparable with the disclosure at 30 June 2003.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
5. RECEIVABLES (CURRENT)					
Trade debtors	5(a),	**758**	283,332	**98**	104,089
Provision for doubtful debts	(b)	**-**	(139,397)	**-**	(94,129)
		758	143,935	**98**	9,960
Interest receivable		**-**	-	**-**	-
Other receivables	5(b)	**101,243**	130,713	**208**	62,717
GST receivable		**1,387**	16,312	**1,387**	4,228
Amounts other than trade debts receivable from related parties:					
Director and director related entities					
- director related	5(b)	**2,197**	9,460	**2,197**	9,460
		105,585	300,420	**3,890**	86,365
(a) Australian dollar equivalents					
Includes Australian dollar equivalent of amounts receivable in foreign currencies not effectively hedged:					
- Fiji		**660**	96,274	**-**	-

b) Terms and conditions

Terms and conditions relating to the above receivables:

(i) Trade debtors are non-interest bearing and are generally on 30 day terms.
(ii) Sundry debtors and other receivables are provided on an unsecured basis and are non-interest bearing.
(iii) Non-hedged foreign currency receivable, represents long outstanding trade debtors at Mt Kasi Limited, (Fiji). These receivables have been fully provided as non-recoverable in prior periods including 2002 and have been written off in the 2002 financial period.
(iv) Details of the terms and conditions of related party receivables are set out in note 32.

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
6. INVENTORIES (CURRENT)					
Raw materials, stores and consumables – at cost		**-**	6,588	**-**	-
Total inventories at lower cost and net realisable value		**-**	6,588	**-**	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
7. OTHER FINANCIAL ASSETS (CURRENT)					
Shares:					
Listed on a prescribed stock exchange at cost	7(a)	**3,500,000**	926	**3,500,000**	926
Recoverable amount provision		**(2,236,942)**	(871)	**(2,236,942)**	(871)
		1,263,058	55	**1,263,058**	55
Unlisted		-	-	-	-
		1,263,058	55	**1,263,058**	55
(a) Aggregate quoted market value at balance date of investments listed on a prescribed stock exchange					
Listed Shares		**1,263,058**	55	**1,263,058**	55

Listed shares are readily saleable with no fixed terms. There would be no material capital gains tax payable if these assets were sold at the reporting date.

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
8. OTHER ASSETS (CURRENT)					
Prepayments		**11,609**	28,202	**11,609**	20,207
Capitalised borrowing costs		**330**	-	**330**	-
		11,939	28,202	**11,939**	20,207

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
9. RECEIVABLES (NON-CURRENT)					
Funds held on deposit to secure bank guarantees	9(a)	**274,599**	284,777	**90,000**	100,315
Security deposits and performance bonds		**35,584**	55,895	**10,000**	10,000
Rental Bonds		**30,000**	31,800	**30,000**	30,000
		340,183	372,472	**130,000**	140,315
Non-trade receivables from related parties:					
Wholly owned group					
- Unsecured loans to controlled entities		**-**	-	**13,128,335**	13,368,564
- Provision for non-recovery		**-**	-	**(13,109,334)**	(13,352,352)
		-	-	**19,001**	16,212
- Secured loans to controlled entities		**-**	-	**6,999,348**	6,620,980
- Provision for non-recovery		**-**	-	**(4,999,348)**	(4,620,980)
		-	-	**2,000,000**	2,000,000
Other parties					
- Unsecured loan to associates	9(a)	**-**	-	**713,165**	-
- Provision for doubtful debts		**-**	-	**(713,165)**	-
		-	-	**-**	-
		340,183	372,472	**2,149,001**	2,156,527

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

(i) Term deposits have a weighted average term equivalent to 8.5 months (2002: 9.7 months) and have a weighted average fixed interest rate equivalent to 2.6% per annum (2002: 3.0% per annum) for the year.

The term deposits are held as security by a bank which has provided bank guarantees, on behalf of the consolidated entity, in respect of:

- exploration and mining leases to the extent of $310,183, which the company or one of its subsidiaries has entered into; and
- cash back security totalling $30,000 has been provided to secure rental bonds.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
10. OTHER FINANCIAL ASSETS (NON-CURRENT)					
Investments at cost comprise:					
Shares					
Controlled entities – unlisted	11	-	-	**9,862,378**	11,046,373
Provision for non-recovery		-	-	**(9,862,378)**	(11,046,373)
		-	-	-	-
Investment held in other entities					
Unlisted Shares					
eMAX Entertainment Pty Ltd (in administration)	10(a)	**1,183,994**	-	**1,183,994**	-
Provision for non-recovery		**(1,183,994)**	-	**(1,183,994)**	-
		-	-	-	-
Two Way TV Australia Pty Ltd	10(b)	-	3,146,213	-	3,146,213
Provision for non-recovery		-	(3,146,213)	-	(3,146,213)
		-	-	-	
Total investments		-	-	-	-

There would be no capital gains if these assets were sold at their market values at reporting date.

10(a) On completion of a review of the financial and operating position of eMAX Entertainment Pty Ltd ("eMAX"), on 10 September 2002 the Board of eMAX resolved to appoint Voluntary Administrators to eMAX to take operational control of the company. Messrs Vincent Smith and Bryan Hughes of Chartered Accountants Norgard Clohessy were appointed and Burdekin agreed to fund the company during the initial period of Administration with the view to the business being sold as a going concern.

At a creditors meeting which was held on 4 October 2002, it was announced that the business of eMAX had been sold as a going concern for fixed consideration of approximately $98,000 plus deferred consideration comprising a share of gross margin generated by the business over the next two years, estimated by the Administrator to be approximately $150,000.

In addition, creditors passed a unanimous resolution to implement a Deed of Company Arrangement ("DOCA"). Under the proposal, Burdekin has agreed to renounce its right to participate in dividends in relation to its pre-administration loan account – approximately $630,000, until such time that all other unsecured creditors have been paid in full. Burdekin also agreed to provide an indemnity to the Australian Taxation Office ("ATO") for $142,000 in relation to unpaid PAYG. At the date of this report the balance that remains outstanding is approximately $127,000.

Under the DOCA, it is anticipated that control of eMAX will remain with the Voluntary Administrators for up to two years during which period the deferred component of the sale of business consideration is to be collected and distributed to creditors. As a result of this eMAX has been de-consolidated effective 10 September 2002 and is no longer considered as a subsidiary of the consolidated group. The financial effect of this resulted in a net gain of $385,898. It is expected that on completion of the DOCA that the company will be liquidated.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

10. OTHER FINANCIAL ASSETS (NON-CURRENT continued

10(b) In September 2001, the Company acquired an initial 19% interest of Two Way TV Australia Pty Ltd ("TWTVA") for cash consideration of $3,000,000, with a further 9% to be acquired for an additional $2,000,000 on a deferred basis. TWTVA holds the technology licence for Australia for Two Way TV Ltd, a UK based provider of live enhanced entertainment and interactive TV applications and technology. In respect of this investment, agreement was reached in July 2002 under which the Company was released from a contractual obligation to subscribe for a further $2,000,000 million in equity capital in TWTVA. In return Burdekin was required to relinquish its existing investment in TWTVA, with the effect that Burdekin has no further material obligations in respect of this investment.

11. INTERESTS IN SUBSIDIARIES

Name	Country of Incorporation	Percentage of equity interest held by the consolidated entity 2003 %	2002 %
Volley Oil Pty Ltd	Australia	100	100
Tennscourt Oil Pty Ltd	Australia	100	100
GEL Oil Pty Ltd	Australia	-	100
Gold Dredging Pty Ltd	Australia	100	100
Leeturn (No 164) Pty Ltd	Australia	100	100
Nationwide Pacific Pty Limited	Australia	100	100
Audesso Limited	Australia	100	100
Audesso Mining (Fiji) Limited	Fiji (i)	100	100
Pacific Islands Gold (Fiji) Ltd	Fiji (i)	100	100
Pacific Islands Gold de Mexico de SACV	Mexico (ii)	100	100
ICE Interactive Pty Ltd	Australia	100	100
ICE Interactive Australia Pty Ltd	Australia (iii)	-	100
eMAX Entertainment Pty Ltd	Australia (iv)	100	100
Xstream Pty Ltd	Australia (iv)	100	100

(i) Controlled entities that are audited by Price Waterhouse Coopers, Lautoka, Fiji.
(i) Dormant company that is not required to be audited.
(iii) During the year the company, which was a dormant company, was liquidated.
(iv) During the year this company was placed into Voluntary Administration. Although the parent company still technically owns 100% of the shares on issue it does not consider that it has the ability to control the operations of the company and as such has been de-consolidated, effective from 10 September 2002. Refer to details at Note 10(a).

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
12. PLANT AND EQUIPMENT					
Plant and equipment					
At cost		**434,757**	490,968	**428,375**	428,375
Accumulated depreciation		**(425,058)**	(427,918)	**(421,229)**	(403,613)
	12 (a)	**9,699**	63,050	**7,146**	24,762
Plant & equipment under charge					
At fair value	12 (a) (b) (c)	**15,000**	45,550	**-**	-
Capital work in progress					
At cost	12 (d)	**-**	7,777	**-**	7,777
Total plant and equipment		**24,699**	116,377	**7,146**	32,539
(a) Reconciliations					
Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current and previous financial year					
Plant and equipment					
Carrying amount at beginning		**63,050**	56,543	**24,762**	51,437
Additions		**-**	4,370	**-**	2,282
Additions through acquisition of entities	23 (f)	**-**	60,865	**-**	-
Written down value – closure technology investment		**(32,371)**	-	**-**	-
Depreciation expense	3 (a)	**(20,980)**	(58,728)	**(17,616)**	(28,957)
		9,699	63,050	**7,146**	24,762
Plant & equipment under charge					
Carrying amount at beginning			-		
Additions through acquisition of entities	23 (f)	**45,550**	1,581,107	**-**	-
Depreciation expense	3 (a)	**-**	(660,801)	**-**	-
Disposals		**(8,371)**			
Write-down of non-current assets to fair value	3 (c)	**(22,179)**	(874,756)	**-**	-
		15,000	45,550	**-**	-

b) Assets pledged as security

Included in the balance is plant and equipment, furniture and fittings and leasehold improvements owned by the Company's subsidiary ICE Interactive Pty Ltd ("ICE"). ICE was placed into Voluntary Administration on 9 July 2002 and has subsequently entered into a Deed of Company Arrangement with the unsecured creditors. Burdekin has provided loan funds of $3,999,348 under a registered charge over fixed and floating assets of ICE. The term of the charge precludes the assets being sold or being used for security for further mortgages without the permission of the first mortgage holder.

As ICE has discontinued its operations and is now effectively a dormant company it is considered appropriate to value the secured assets at their fair value, based upon their sale other than as a going concern.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

12. PLANT AND EQUIPMENT continued

c) Valuations

The fair values have been determined by reference to directors valuations based upon independent valuations obtained by Voluntary Administrator, Norgard Clohessy during their appointment as Voluntary Administrator for ICE Interactive Limited, now ICE Interactive Pty Ltd.

Such valuations have been performed on an open market basis, being the amounts for which assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date; in particular if sold in an auction form.

d) Capital Works in Progress

Capital costs incurred in completing variations to fit-out of office premises.
At the date of the report the Company has not entered into an operating lease. Due to the uncertainty on whether a lease will ultimately be entered into the total amount of capital expenditure has been expensed in the current period.

e) Aggregate Depreciation

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of the assets during the year:

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
Plant and equipment		**20,980**	58,728	**17,616**	28,957
Plant and equipment under charge		**-**	-	**-**	-
		20,980	58,728	**17,616**	-

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
13. DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT COSTS					
Exploration, evaluation and development costs carried forward in respect of mining areas of interest					
Pre-production					
- exploration and evaluation phases					
Fiji	13(a)	**5,521,546**	5,405,542	**-**	-
Australia		**370,566**	1,221,363	**70,111**	70,111
	13(b)	**5,892,112**	6,626,905	**70,111**	70,111

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

13. DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT COSTS continued

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
13(a) exploration and evaluation – Fiji					
- Fiji exploration and evaluation expenditure		**6,900,000**	6,900,000	**-**	-
- deferred royalties payable to Fijian Government		**(244,051)**	(260,573)	**-**	-
- other deferred debt payable to Fijian Government authorities		**(1,134,403)**	(1,233,885)	**-**	-
Net Carrying Value		**5,521,546**	5,405,542	**-**	-

A long term deferral of debt obligations to the Fijian Government until six months following re-commissioning of the Mt Kasi Mine was agreed by the Government Cabinet at a meeting held on 20 July 1998. At that time payments will be required to be made in twelve equal instalments.

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
13(b) Acquisition, exploration and evaluation expenditure					
Balance at the beginning of the year		**6,626,905**	1,630,306	**70,111**	70,111
- evaluation expenditure incurred during the year		**119,520**	162,096	**94,942**	95,983
- evaluation expenditure expensed directly against profit		**(119,520)**	(162,096)	**(94,942)**	(95,983)
- write back of previous write down Mt Kasi Gold Project (Fiji)	(i)	**-**	4,900,000	**-**	-
- disposal of mining tenement through sale of shares in subsidiary		**(850,797)**	-	**-**	-
- foreign exchange movement on translation		**116,004**	147,000	**-**	-
- expenditure written off during the year		**-**	(50,401)	**-**	-
Balance at the end of the year		**5,892,112**	6,626,905	**70,111**	70,111

(i) Following the political unrest in Fiji in May 2000, the Board reviewed the carrying value of capitalised expenditure for the Mt Kasi Gold Project and took a conservative view providing for the non-recovery of $4,900,000 as at 30 June 2000. With the stabilization of conditions following democratic elections held in September 2001, considering the improved gold price, the investment incentives implemented recently by the Government in Fiji as well as the Company's stated objective to refocus on mining and exploration activities, in particular to advance the exploration and development of the Mt Kasi Project, the Directors have reviewed this previous write-down and at 30 June 2002 wrote it back to the previous carrying value of $6,900,000.

This write-back was been supported by an independent valuation of the Mt Kasi gold project prepared for inclusion in a prospectus for the possible float of group subsidiary Audesso Limited during the 30 June 2002 financial year. This valuation has placed indicative values on these assets in ordinary course of business substantially higher than the book values recorded at 30 June 2003.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
14. PAYABLES (CURRENT)					
Trade creditors	14(b)	**556,886**	868,804	**354,873**	263,946
Other creditors and accruals	14(a), 14(b) 14(c)	**997,374**	792,383	**199,170**	221,824
Goods and services tax		**8**	80,516	**8**	139
		1,554,268	1,741,703	**545,051**	485,909
(a) Includes Australian dollar equivalent of amounts payable in foreign currencies not effectively hedged:					
- Fiji Dollars		**138,346**	68,304	**-**	-

(b) Terms and conditions relating to the above financial instruments:

(i) Trade creditors are non-interest bearing and are normally settled between 60 and 90 (2002: 30 and 60) day terms.

(ii) Other creditors are non-interest bearing and are normally settled between 60 and 90 (2002: 30 and 60) day terms.

(c) Included in the above consolidated payables balance are amounts which have been joint end severally guaranteed by Mr J.G. Vitale and Ms S.J. Field on behalf of the Company's subsidiaries ICE Interactive Pty Ltd and eMAX Entertainment Pty Ltd for $180,000 and $127,387 respectively. Mr Vitale and Ms Field have been provided with supporting securities by way of registered mortgages over the Company's and its subsidiaries assets.

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
15. INTEREST-BEARING LIABILITIES (CURRENT)					
Secured:					
Ocean Resources Capital Holdings plc	15(a)	**301,280**	-	**301,280**	-
Unsecured:					
Deferred vendor consideration payable	15(b)	**66,000**	-	**66,000**	-
Other loan	15(c)	**10,569**	-	**10,569**	-
		76,569	-	**76,569**	-
		377,849	-	**377,849**	-
(a) Includes Australian dollar equivalent of amounts payable in foreign currencies not effectively hedged:					
- Great British Pounds		**301,280**	-	**301,280**	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

15. INTEREST-BEARING LIABILITIES (CURRENT) continued

Terms and conditions relating to the above financial instruments:

15(a) A short-term loan with a face value of £120,000 has been provided by Ocean Resources Capital Holdings plc ("Ocean") to provide the Company with working capital until such time that Ocean shares held by the Company are sold, on the following terms and conditions:

(i) an undertaking to provide a secured charge on the Ocean shares held by the Company.
(ii) interest is payable on the loan at an annual rate of LIBOR plus 2%, payable in arrears on the last business day of each calendar month.
(iii) the loan is required to be paid on or before 31 May 2003, or on the sale of the Ocean shares. whichever is earlier unless mutually agreed otherwise.

15(b) This is made up of the deferred consideration payable (under the purchase agreement executed on 21 December 2001) to one of the vendors of eMAX Entertainment Pty Ltd of $36,000 and an amount of $30,000 was originally required to be paid in shares but likely to be paid in cash when settled. It has been mutually agreed by both parties that interest will accrue at a rate of 10% until the date that it has been paid in full.

15(c) This represents an insurance premium funding arrangement. The loan is payable over 12 months, is charged an annual interest rate of 16.5% and will be paid in full by the end of October 2003.

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003 $	2002 $	2003 $	2002 $
16. PROVISIONS (CURRENT)					
Employee entitlements	25	**140,332**	170,903	**134,115**	37,854
Restoration, rehabilitation and environmental		**-**	-	**-**	-
		140,332	170,903	**134,115**	37,854
17. PAYABLES (NON-CURRENT)					
Other creditors	17(a) 17(b)	**372,640**	833,842	**114,245**	89,737
		372,640	833,842	**114,245**	89,737
(a) Includes Australian dollar equivalent of amounts payable in foreign currencies not effectively hedged:					
- Fiji dollars		**-**	-	**-**	-

(b) Terms and conditions relating to the above financial instruments:

Included in the above consolidated payables balance are amounts which have been joint end severally guaranteed by Mr J.G. Vitale and Ms S.J. Field on behalf of the Company's subsidiaries ICE Interactive Pty Ltd for $258,395. The Company supported by registered mortgages over the Company's and its subsidiaries assets has indemnified these amounts.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
18. INTEREST BEARING LIABILITIES (NON-CURRENT)					
Unsecured					
Convertible Notes	18 (a)	**700,000**	-	**700,000**	-
Promissory Notes	18 (a)	**2,800,000**		**2,800,000**	
Deferred vendor consideration payable	18 (b)	**324,000**	340,368	**324,000**	340,368
		3,824,000	340,368	**3,824,000**	340,368
Secured					
Convertible Notes	18 (c)	**400,000**	-	**400,000**	-
		4,224,000	340,368	**4,224,000**	340,368

Terms and conditions relating to the above financial instruments:

(a) On 28 February 2003 the Company issued unsecured, 2 year loan securities with an aggregate face value of $3,500,000 to a London based AIM listed investment house, Ocean Resources Capital Holdings plc ("Ocean"). The $700,000 Convertible Notes were issued on the following terms and conditions:

Maturity Date:	28 February 2005;
Coupon Rate:	10% per annum, payable semi annually in arrears 31 May and 30 November;
Conversion Price:	6.0 cents per share;
Conversion Rights:	may convert twice yearly until maturity, with 28 days notice from each interest payment date; and
Transferability:	the notes are freely transferable.

The $2,800,000 Promissory Notes do not hold any conversion rights however the Company has agreed that it will seek shareholder approval for conversion rights on the same terms as the Convertible Notes.

(b) The deferred cash consideration payable is an amount owed to an eMAX Entertainment Pty Ltd ("eMAX") vendor under the original Sale and Purchase Agreement executed on 21 December 2001 and which was prima facie due to have been paid on or before 31 March 2003.

The Company has commenced proceedings in the Federal Court of Western Australia against Communitee Pty Ltd, a vendor of shares in eMAX and a former director of eMAX. The Company considers that there have been material breaches of warranties given in the sale and purchase agreement, breaches of the *Trade Practices Act (1974 Cth)* and the *Fair Trading Act 1987 (NSW)*.

The original purchase price to be paid for eMAX by Burdekin was $1,200,000, payable in cash and shares. Of this, $540,000 was paid at the time of the acquisition. eMAX was placed into administration on 10 September 2002. At that time Burdekin had advanced loan funds and met other costs associated directly with eMAX amounting to approximately $600,000. Under the action, the Company is seeking relief from the specific performance of the contract which requires the payment of further consideration of $270,000 (see Note 21) in Burdekin shares and $324,000 in cash; an adjustment of the original purchase price paid by Burdekin to nil, and the payment to Burdekin of compensation in the amount or loss or damage suffered as a result of the contract.

The defendants have lodged a cross claim in the Federal Court making a claim for relief by way of a judgment in the amount of $594,000 plus interest; unspecified damages pursuant to S52 of the *Trade Practices Act* and costs. In addition the defendant has initiated a claim against Burdekin Pacific Limited and a director, Mr Vitale under S 106 of the NSW *Industrial Relations Act 1996* seeking to vary the original terms of his employment contract as well as the terms of the sale and purchase agreement.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

18. INTEREST BEARING LIABILITIES (NON-CURRENT) continued

The Company has indemnified Mr Vitale, against liability for costs and expenses incurred in defending proceedings brought against him by Mr Wiles and Communitee Pty Ltd. The Directors believe that the Company has good prospects in successfully prosecuting its claim and defending the counter claim made in the Federal Court of Western Australia as well as defending the claim made in the Industrial Relations Court of NSW, however, has considered it prudent to continue to recognise the total liability to eMAX until the matter is resolved.

(c) Under a Heads of Agreement dated 5 June 2003, Straits Resources Limited advanced $400,000 to Burdekin which was to form part of the purchase price for the acquisition of an interest in the Mt Kasi Gold Project. As was agreed, in the event that the sale did not complete, the advance is to be treated as a convertible loan on the following terms and conditions:

Maturity Date:	18 June 2005;
Coupon Rate:	7.5% per annum, payable semi annually in arrears 31 May and 30 November;
Conversion Price:	2.5 cents per share;
Conversion Rights:	subject to shareholder approval, may convert twice yearly until maturity, by giving at least 7 days notice prior to an Interest Repayment Date; and
Security:	the Notes are secured by a fixed and floating charge over the assets of Burdekin Pacific Limited, Audesso Limited and Nationwide Pacific Pty Limited ranking parri-passu with security held by existing guarantors.

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003 $	2002 $	2003 $	2002 $
19. PROVISIONS (NON-CURRENT)					
Employee Entitlements	25	**80,560**	92,295	**80,560**	92,295
Restoration, rehabilitation and environmental	19(a)	**1,488,333**	1,552,667	**538,070**	538,070
		1,568,893	1,644,962	**618,630**	630,365

19(a) Provision for restoration, rehabilitation and environmental

A provision for restoration, rehabilitation and environmental is recognised in relation to exploration and mining activities for such costs as restoration, stabilisation and revegetation of mine residue, tailings or overburden dumps, plant closure, platform removal and other costs associated with the restoration of the mining site, including subsequent monitoring of the environment.

Estimates of the restoration costs are based on anticipated technology and legal requirements and expected future costs. The estimated costs have not been discounted to their present value. In determining the provision, the consolidated entity has assumed no significant change will occur in the relevant legislative area of interest in relation to such mines and exploration activities in the future.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

19(b) Movement in provisions

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
Carrying value at beginning		**1,552,667**	1,563,762	**538,070**	538,070
Additional provision		**-**	-	**-**	-
Amounts utilised during the year		**-**	-	**-**	-
Foreign exchange translation movement		**(64,334)**	(11,095)	**-**	-
		1,488,333	1,552,667	**538,070**	538,070

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
20. CONTRIBUTED EQUITY					
(a) Issued and paid up capital					
Ordinary shares fully paid		**47,873,225**	46,353,859	**47,873,225**	46,353,859

(b) Movement in shares on issue

	2003 Number of Shares	2003 $	2002 Number of Shares	2002 $
Beginning of the financial year	**74,914,512**	**46,353,859**	358,569,141	45,873,859
Reconstruction of Capital (1 for 5)			(358,569,141)	-
Reconstruction of Capital (1 for 5)			71,714,512	-
Issues of Fully Paid Ordinary Shares completed during the year				
Share placement completed on 21 Dec 01	**-**	**-**	3,200,000	480,000
Share placement completed on 19 Jul 2002	**11,000,000**	**330,000**	-	-
Share Purchase Plan completed 10 Sep 2002	**25,238,935**	**807,646**	-	-
Directors shares issued 24 Dec 2002	**2,450,000**	**73,500**	-	
Share placement pursuant to Prospectus dated 28 February 2003	**4,788,203**	**148,434**	-	-
Share placement pursuant to Prospectus dated 5 March 2003	**1,851,852**	**50,000**	-	-
Share placement completed on 5 Jun 03	**6,000,000**	**180,000**	-	-
	126,243,502	**47,943,439**	3,200,000	480,000
Less transaction costs	**-**	**(70,214)**	-	-
	126,243,502	**47,873,225**	74,914,512	46,353,859

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

20. CONTRIBUTED EQUITY continued

(i) On 10 December 2001 a 1 for 5 reconstruction of capital was completed as approved by shareholders at the AGM held on 30 November 2001.
(ii) Completion shares were issued to vendors of eMAX Entertainment Pty Ltd following execution of share Acquisition Deed on 21 December 2001 as approved by the shareholders at AGM held on 30 November 2001.

(c) Share Options

Option on issue at the beginning of the year

- 400,008 options over ordinary shares pursuant to a Prospectus dated 20 March 2000 (i).
- 1,500,000 options over ordinary shares pursuant to terms and conditions approved by shareholders at AGM held on 30 November 2001 (ii)

Terms and conditions of Options on issue at the beginning of the year

(i) One third exercisable at $1.50 at any time after 180 days of their issue, one third are exercisable at an exercise price of $1.87 at any time after the second anniversary of their date of issue, the balance of the options are exercisable at an exercise price of $2.25 at any time after the third anniversary of their date of issue. An option not exercised before 5.00 pm (WST) on the fifth anniversary date of their issue will lapse.
(ii) On 21 December 2001 the Company executed a Share Acquisition Deed to acquire eMAX Entertainment Pty Ltd ("eMAX") as approved by shareholders at AGM held 30 November 2001. 1,500,000 options to subscribe for ordinary shares exercisable at 20 cents were issued to certain of the vendors of eMAX with an expiry date of 31 August 2005.

Options over ordinary shares cancelled / lapsed during the year

No options were cancelled or lapsed during the financial year.

Options over ordinary shares issued during the year

(i) 11,000,000 free attaching options to subscribe for ordinary shares at 15 cents were issued with an expiry date of 31 May 2005, as approved by shareholders at the GM held on 3 September 2002.
(ii) 9,090,000 Directors Options to subscribe for ordinary shares at 6 cents were issued with an expiry date of 31 May 2004, as approved by shareholders at the AGM held on 29 November 2002.

At end of the year there were 21,990,008 (2002: 1,900,008) unissued ordinary shares in respect of which options were outstanding.

(d) Terms and conditions of contributed equity

The rights attaching to ordinary shares is set out in the Company's Constitution which was adopted by shareholders at General Meeting held on 15 October 1999.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid on shares held.

The voting right attached to each ordinary fully paid share entitles their holder to one vote, either in person or by proxy, at a meeting of the Company.

At balance date the Company's issued capital comprised totally of fully paid shares.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
21. DEFERRED EQUITY					
Deferred vendor consideration payable in shares	20(a)	**270,000**	300,000	**270,000**	300,000

(a) Under the original eMAX sale and purchase agreement executed on 21 December 2001 the Company is required to issue deferred share consideration of fully paid ordinary shares to the value $270,000 (2002: $300,000). Prima facie the shares were to have been issued at the prevailing share price 10 days prior to 31 March 2003, however the Company has commenced proceedings in the Federal Court of Western Australia against Communitee Pty Ltd, a vendor of shares in eMAX and a former director of eMAX. Refer notes 15(b) and 18(b) for additional detail.

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
22. ACCUMULATED LOSSES					
Accumulated losses	22(a)	**(48,431,967)**	(43,890,594)	**(50,342,422)**	(45,836,111)
(a) Accumulated losses					
Balance at beginning of year		**43,890,594**	37,460,865	**45,836,111**	36,282,715
Net loss attributable to members of Burdekin Pacific Limited		**4,541,373**	6,429,729	**4,506,311**	9,553,396
Balance at end of year		**48,431,967**	43,890,594	**50,342,422**	45,836,111

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003 $	2002 $	2003 $	2002 $
23. STATEMENT OF CASH FLOWS					
(a) Reconciliation of the operating loss after tax to the net cash flows from operations					
Loss from ordinary activities after tax		**(4,541,967)**	(6,429,729)	**(4,506,311)**	(9,553,396)
Non cash items					
Depreciation /Amortisation of non-current assets		**20,980**	965,909	**17,616**	28,957
Write down of non-current assets		**215,540**	874,756	**7,777**	-
Exploration & evaluation written off		**-**	50,401	**-**	-
Option fee expense for tenement package		**-**	25,000	**-**	-
Forgiveness of liability owed by ICE Interactive Pty Ltd		**(571,482)**	(620,771)	**-**	-
Provision for non-recovery loan to controlled entity		**-**	-	**787,906**	3,305,743
Provision for non-recovery loan to associated entity		**-**	604,499	**-**	604,499
Provision for non-recovery loan to other entity		**88,469**	100,000	**88,469**	100,000
Recoverable amount write down of investments		**1,894,588**	3,146,213	**1,894,588**	3,146,215
Provision for restoration, rehabilitation & environmental expense		**(64,334)**	(11,095)	**-**	-
Provision for redundancies		**-**	(22,583)	**-**	(22,583)
Payment of pre-acquisition creditors – ICE Interactive Pty Ltd		**-**	162,000	**-**	-
Fair value increase deferred vendor consideration payable		**19,632**		**19,632**	
Net foreign currency (gains)/losses		**105,071**	-	**342,354**	-
Write off of purchased goodwill		**-**	1,939,962	**-**	1,183,994
Write back previous write down capitalise exploration expenditure – Mt Kasi, Fiji		**-**	(4,900,000)	**-**	-
Net (profit)/loss on disposal of investment		**-**	(15,900)	**-**	(15,900)
Net loss on assignment of receivable on sale of subsidiary		**2,388,174**	-	**-**	-
Net gain on deconsolidation of subsidiary		**(1,537,379)**	-	**-**	-
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		**6,513**	(639,777)	**21,695**	(74,546)
(Increase)/decrease in inventory		**6,588**	3,950	**-**	-
(Increase)/decrease in prepayments		**16,593**	15,802	**8,598**	16,585
(Decrease)/increase in payables		**(33,211)**	2,170,313	**207,150**	420,508
(Decrease)/increase in employee entitlements		**56,059**	185,026	**84,526**	55,539
Exchange rate changes on opening cash		**444**	(23)	**-**	-
Net cash flow from/(used in) operating activities		**(1,929,722)**	(2,396,047)	**(1,026,000)**	(804,385)
(b) Reconciliation of cash					
Cash balances comprise:					
- cash on hand		**311,664**	44,024	**309,548**	36,177

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

23. STATEMENT OF CASH FLOWS continued

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
(c) Financing facilities available					
At reporting date, the following financing facilities had been negotiated and were available:					
Directors stand-by loan facility					
Total facility		**180,000**	180,000	**180,000**	180,000
Used at reporting date		**(5,000)**	-	**(5,000)**	-
Facility unused at reporting date		**175,000**	180,000	**175,000**	180,000

(d) Non-Cash Financing and Investing Activities

Issue of Ordinary Shares and Options

As approved by shareholders at the Company's Annual General Meeting held on 29 November 2003 the Company completed the: -

(i) issue of 2,450,000 ordinary fully paid shares to the directors or their nominees for no cash consideration in payment for unpaid salaries and fees at a deemed issue price of 3 cents; and

(ii) issue of 9,090,000 options to subscribe for fully paid ordinary shares at any time at an exercise price of 6 cents on or before 31 May 2004.

Issue of Convertible Notes and Promissory Notes

On 28 February 2003 the Company issued unsecured, 2 year loan securities with an aggregate face value of $3,500,000 to a London based AIM listed investment house, Ocean Resources Capital Holdings plc ("Ocean"). The $700,000 Convertible Notes were issued on the following terms and conditions:

Maturity Date:	28 February 2005;
Coupon Rate:	10% per annum, payable semi annually in arrears 31 May and 30 November;
Conversion Price:	6.0 cents per share;
Conversion Rights:	may convert twice yearly until maturity, with 28 days notice from each interest payment date; and
Transferability:	the notes are freely transferable.

The $2,800,000 Promissory Notes do not hold any conversion rights however the Company has agreed that it will seek shareholder approval for conversion rights on the same terms as the Convertible Notes.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

23. STATEMENT OF CASH FLOWS continued

(e) Disposal of Controlled Entity

During the year the Company disposed 100% of the shares in its controlled entity, GEL Oil Pty Ltd, being the company that owns the Pinjin tenement suite. The aggregate loss to the consolidated entity was $478,295. Details of the disposal are as follows:

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003 $	2002 $	2003 $	2002 $
Proceeds on disposal		**372,500**	-	-	-
The carrying amount of assets and liabilities disposed by major class are:					
- Deferred exploration, evaluation costs		**850,795**	-	-	-
- Liabilities		-		-	
Net assets of entity sold		**850,795**	-	-	-
Loss on disposal		**(478,295)**	-	-	-
Net cash effect					
- Cash proceeds		**372,500**	-	-	-
- cash balance disposed		-	-	-	-
		372,500	-	-	-

In addition to the immediate cash consideration, the sale agreement also comprises three production payments totalling $517,000, which are dependent on a future decision to mine. Refer details at Note 26(b).

As part of the transaction, the parent entity Volley Oil Pty Ltd ("Volley") agreed to assign a long term receivable for $2,388,175 for $1.00 consideration.

(f) Acquisition of Controlled Entity

(i) ICE Interactive Pty Ltd (formerly ICE Interactive Limited)

On 12 September 2001, the parent entity's interest in the share capital of ICE Interactive Limited (now ICE Interactive Pty Ltd) increased to 100% from a voting interest of 40%. The principal activity of ICE was to develop interactive television software and applications and to provide professional services in this area. The consideration comprised a nominal amount and a non-binding reasonable effort's undertaking to provide ICE with funding to deal with existing outstanding financial obligations.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

23. STATEMENT OF CASH FLOWS continued

(f) Acquisition of Controlled Entity continued

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003 $	2002 $	2003 $	2002 $
Consideration					
- cash paid for ICE		-	2	-	-
Net Assets of ICE Interactive Limited as at 12 September 2001					
- cash		-	12,479	-	-
- sundry debtors		-	426,452	-	-
- inventories		-	169,125	-	-
- plant & equipment		-	1,581,107	-	-
- accounts payable		-	(1,363,048)	-	-
- lease liabilities		-	(1,381,874)	-	-
- employee provisions		-	(77,137)	-	-
- fair value of net tangible assets		-	(632,896)	-	-
- goodwill arising on acquisition		-	632,898	-	-
		-	2	-	-
Net cash effect					
Cash consideration paid for ICE		-	2	-	-
Cash included in net assets acquired		-	(12,479)	-	-
Net cash acquired on purchase of controlled entity as reflected in the consolidated financial report		-	(12,477)	-	-

(ii) eMAX Entertainment Pty Ltd

In October, 2001 the Company announced that it intended to exercise its first right of refusal to purchase 100% interest in eMAX Entertainment Pty Ltd (eMAX). eMAX was established in 1999 to provide online content and community management services. This right was exercised on 21 December 2001 for share and cash consideration of $1,200,000, of which $660,000 (nominal value) is payable on a deferred basis (refer also Note 18(a).

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

(f) Acquisition of Controlled Entity continued

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
Consideration					
cash paid for eMAX					
- to vendors		-	60,000	-	-
- direct transaction costs		-	35,129	-	-
		-	95,129	-	-
- share consideration paid		-	480,000	-	-
- fair value deferred cash and share consideration at 21 December 2002 (nominal value = $660,000)		-	608,865	-	-
		-	1,183,994	-	-
Net Assets of eMAX Entertainment Pty Ltd as at 21 December 2001					
- cash		-	72,446	-	-
- sundry debtors		-	265,194	-	-
- plant & equipment		-	60,865	-	-
- accounts payable		-	(670,023)	-	-
- employee provisions		-	(97,932)	-	-
- fair value of net tangible assets		-	(369,450)	-	-
- goodwill arising on acquisition		-	1,553,444	-	-
		-	1,183,994	-	-
Net cash effect					
Cash consideration paid for eMAX		-	95,129	-	-
Cash included in net assets acquired		-	(72,446)	-	-
Cash paid for purchase of controlled entity as reflected in the consolidated financial report		-	22,683	-	-

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
24. EXPENDITURE COMMITMENTS					
(a) Mineral tenement expenditure commitments					
Estimated lease rentals and exploration expenditure required to meet minimum expenditure requirements of the various Mines Departments in Australia to maintain current rights of tenure to mining and exploration tenements, payable:					
- not later than one year		**67,599**	193,742	**64,546**	183,242
- later than one year and not later than five years		**127,153**	233,592	**124,100**	194,217
- later than five years			-		-
		194,752	427,334	**188,646**	377,459

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

24. EXPENDITURE COMMITMENTS continued

This estimate is based on the consolidated entity's expected work program for currently granted tenements and will vary depending upon the result of exploration programs. The estimate also excludes any amount in relation to the Mt Kasi Project in Fiji in relation to which the quantum of exploration expenditure required to keep the tenements in good standing is to be determined in consultation with the Director of The Mineral Resources Department, Fiji. Should expenditure not reach the required level in respect of each area of interest, the consolidated entity's interest could be reduced. The Company intends to seek a joint venture partner to farm-in on its Kimberley projects. The present intention is that the new partner expends the minimum exploration required to keep the tenements in good standing and for Burdekin to retain a free carried interest therein.

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003 $	2002 $	2003 $	2002 $
25. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS					
Employee Entitlements					
The aggregate employee entitlement liability is comprised of:					
Provisions (current)	16	**140,332**	170,903	**134,115**	37,854
Provisions (non-current)	19	**80,560**	92,295	**80,560**	92,295
		220,892	263,198	**214,675**	130,149

Employee Share Plan

In November 1996, shareholders of the Company approved the establishment of an employee option plan. Shareholder approval was sought and obtained at a General Meeting held on 28 March 2000 to re-adopt the Employee Option Plan.

Features of the Plan

All employees and executive directors of the companies of the Consolidated Entity will be eligible to participate in the Plan and will only be able to exercise their options after they have been with Consolidated Entity for a period of 12 months (although the Board may waive this requirement in appropriate circumstances). The options will be issued to the participant himself/herself, or if the Board permits, to a nominee (such as a spouse or family company).

Each option is to subscribe for one fully paid ordinary share in the Company and will lapse on the fifth anniversary of its date of issue. Options are not exercisable until 6 months after their date of issue. Shares issued upon the exercise of options will rank equally in all respects with the other fully paid ordinary shares of the Company.

The options will be issued for no consideration. The exercise price of the options will be the weighted average closing sale price of the Company's shares on the ASX over the 5 trading days immediately preceding the day on which the Board determines to offer options.

A central feature of the Plan is that restrictions have been placed on the exercise of options, the effect of which is that participants will ordinarily receive the full benefit of their options 4 years after the issue of those options.

The number of shares the subject of options issued under the Plan will not exceed 5% of the Company's issued capital from time to time.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS continued

Each option may only be transferred if the holder would be entitled to exercise the option. Further, if at any time a holder of the options ceases to be a person whom options may be issued, the holder can exercise those options, which he is entitled to exercise at that time, but his remaining options will lapse at the end of the then current exercise period, subject to the directors' discretion to determine otherwise. During the year there were no options issued or exercised under the plan.

At balance date there were no options on issue under the plan.

The market value of ordinary Burdekin Pacific Limited shares closed at 2.0 cents on 30 June 2003 (2002: 6.0 cents).

Superannuation Commitments

The Company contributes to a number of employee nominated superannuation funds on behalf of its employees. All the funds are accumulation funds and the company does not participate in any of these funds.

26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Details and estimates of maximum amounts of contingent liabilities, classified in accordance with the party from whom the liability could arise and for which no provisions are included in the financial statements, are as follows: -

(a) Contingent Liabilities

(i) Native Title

The consolidated entity's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time it is not possible to quantify whether such claims exist or the quantum of such claims.

(ii) Scheme of Compromise of Audesso Mining (Fiji) Limited

At a meeting held on 29 October 1998, Audesso Fiji entered into a scheme of compromise ("Scheme") with its unsecured creditors.

THE SCHEME

The Scheme comprised of the following elements:

(i) an initial payment to be made to unsecured creditors (excluding internal creditors (i.e. Audesso Limited and Nationwide Pacific Pty Limited), the Government of Fiji and certain statutorily preferred creditors) ("Unsecured Creditors") of 12.5 cents in the dollar, payable in two tranches of 5 cents and 7.5 cents within 4 and 6 months respectively of approval of the Scheme by the High Court of Fiji ("Court"). These payments were made on 5 September 1999 and 5 December 1999;
(ii) the balance of the debt owing to the Unsecured Creditors to be compromised, subject to the payment of a royalty as described below; and
(iii) a royalty of 25% of the annual excess cash flow (after allowing for capital repayments and other necessary operating costs) to be paid on a pro-rata basis to all Unsecured Creditors ("Royalty").

The Scheme came into effect on the date that a certified copy of the order by the Court approving the Scheme was delivered to the Registrar of Companies for Fiji.

The Secured Creditors (ABN AMRO and ABN AMRO Bank), the Government of Fiji and certain statutorily preferred creditors are not bound by the Scheme.

If the Scheme is not terminated before 31 December 2004 it will terminate upon that date.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS continued

(a) Contingent Liabilities continued

(iii) Proceedings commenced under S106 of the NSW Industrial Relations Act 1996

The former Managing Director of ICE Interactive Pty Ltd ("ICE") commenced proceedings seeking relief under S106 of the NSW Industrial Relations Act 1996 against ICE and subsequently joined Burdekin Pacific Limited ("Burdekin") and director Mr Vitale. The claim consists of $183,508.20 for the payment of the balance remaining on his original two-year employment contract, including unpaid annual leave and a pro-rata performance bonus. In addition to this Mr Braden is claiming $60,000 for the payment of a performance bonus component for the remainder of his contract term, and $91,667 compensation pursuant to lapsed options in ICE.

The Company has indemnified Mr Vitale, against liability for costs and expenses incurred in defending proceedings brought against him by Mr Braden. The Directors believe that the Company and Mr Vitale have good prospects in successfully defending the claim. As ICE was placed into voluntary administration on 9 July 2002 any existing claim Mr Braden has against ICE will be subject to adjudication by the joint Administrators, Messrs Vincent Smith and Bryan Hughes at Norgard Clohessy.

(b) Contingent Assets

On 24 December 2002, the Company announced that it had sold its interest in the Pinjin Joint venture to a private investor group through the sale of the shares in its then subsidiary GEL Oil Pty Ltd In addition to the cash consideration of $375,000 the consideration also comprised the following production payments totalling $517,000 to be paid as follows: -

(i) within 30 days of a decision to mine any deposit on the "Trouser Leg" suite of tenements	$292,000
(ii) within 30 days of commencement of mining at the Anglo Saxon deposit	$125,000
(iii) 6 months from date of first gold pour from Anglo Saxon deposit	$100,000

Although the future asset can be reliably measured at the reporting date it is not possible at this stage to determine if or when it is likely to become due and payable as at the date of this report there has not been a decision to mine any deposit on the "Trouser Leg" suite of tenements.

27. SUBSEQUENT EVENTS

The following events have occurred since the end of the financial year: -

Subsequent to year end the Company has sold on market 1.4 million of its 2.6 million shares in Ocean. The net proceeds realised, after transaction costs, is approximately $630,000. The proceeds realised is equivalent to the carrying value of the shares at 30 June 2003.

The remaining shares have a value of approximately $570,000 based on the last sale price for Ocean shares at the date of this report.

Except for the matters discussed above, there has not been any matter or circumstance, other than as referred to in the accounts or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of these operations, or the state of affairs of the consolidated entity in financial years after the financial year.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $
28. EARNINGS PER SHARE			
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:			
Net loss		**(4,541,373)**	(6,429,729)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share		**109,506,355**	73,025,979
Basic earnings per share (cents per share)		**(4.1)**	(8.8)
Diluted earnings per share (cents per share)		**(4.1)**	(8.8)

(a) Conversions, calls, subscriptions or issues after 30 June 2003

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this report.

At balance date there were 21,900,008 unissued ordinary shares in respect of which options are outstanding that are not considered to be dilutive and are therefore not used in the calculation of diluted earnings per share. These options are not dilutive and therefore have not been included in the calculation of the diluted earnings per share.

(b) Effect of change in accounting policy

There were no changes in accounting policies that had a material impact on either basic or diluted earnings per share during the period.

	Notes	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
29. REMUNERATION OF DIRECTORS					
(a) Directors' remuneration					
Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are directors or any related party:		**638,888**	955,476		
Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of Burdekin Pacific Limited, directly or indirectly, from the entity or any related party:				**600,651**	618,627

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

29. REMUNERATION OF DIRECTORS

	BURDEKIN PACIFIC LIMITED 2003 No.	BURDEKIN PACIFIC LIMITED 2002 No.
The number of directors of Burdekin Pacific Limited whose income (including superannuation contributions) falls within the following bands is:		
$0 - $9,999	1	-
$30,000 - $39,999	-	1
$40,000 - $49,999	1	1
$60,000 - $69,999	-	1
$120,000 - $129,999	-	1
$170,000 - $179,999	1	-
$340,000 - $349,999	-	1
$380,000 - $389,999	1	-

30. REMUNERATION OF EXECUTIVES

	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	BURDEKIN PACIFIC LIMITED 2003 $	BURDEKIN PACIFIC LIMITED 2002 $
Remuneration received or due and receivable by executive officers of the consolidated entity whose remuneration is $100,000 or more, from entities in the consolidated entity or a related party, in connection with the management of the affairs of the entities in the consolidated entity whether as an executive officer or otherwise:	701,146	787,011		
Remuneration received or due and receivable by executive officers of the company whose remuneration is $100,000 or more, from the company or a related party, in connection with the management of the affairs of the entities in the company whether as an executive officer or otherwise:			701,146	593,866

30.REMUNERATION OF EXECUTIVES

	CONSOLIDATED 2003 No.	CONSOLIDATED 2002 No.	BURDEKIN PACIFIC LIMITED 2003 No.	BURDEKIN PACIFIC LIMITED 2002 No.
The number of executives of the consolidated entity and the company whose remuneration falls within the following bands:				
$110,000 - $119,999	-	2	-	-
$120,000 - $129,999	-	-	-	2
$140,000 - $149,999	1	-	1	-
$170,000 - $179,999	1	-	1	-
$190,000 - $199,999	-	1	-	-
$340,000 - $349,999	-	1	-	1
$380,000 - $389,999	1	-	1	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

	Notes	CONSOLIDATED		BURDEKIN PACIFIC LIMITED	
		2003	2002	2003	2002
		$	$	$	$
31. AUDITORS' REMUNERATION					
Amounts received or due and receivable by Deloitte Touche Tohmatsu for:					
- an audit or review of the financial report of the entity and any other entity in the consolidated entity		**39,500**	41,497	**39,500**	41,497
- other services in relation to the entity and any other entity in the consolidated entity		**-**	118,773	**-**	64,240
Amounts received or due and receivable by auditors other than Deloitte Touche Tohmatsu for:					
- an audit of the financial report of subsidiary entities		**7,464**	8,246	**-**	-
		46,967	168,516	**39,500**	105,737

32. RELATED PARTY DISCLOSURES

Directors

The directors of Burdekin Pacific Limited during the financial year were:

J G Vitale
C S Rugless
S J Field (Appointed 3 July 2002)
N.G Wiles (Resigned 3 July 2002)

Wholly owned group transactions

Loans

During the year Burdekin Pacific Limited provided loans to a wholly owned subsidiaries to fund their operations. These loans have been provided interest free with no fixed term for repayment.

Other related party Transactions

Loans

As disclosed in 2002 Financial Report, during the 2002 financial year, Burdekin Pacific Limited advanced funds under a secured loan facility to a wholly owned entity (a previously associated company), ICE, aggregating to $604,499. The loan facility has been fully provided for as non-recoverable as at 30 June 2002.

Director related entity transactions

Consulting Services

(i) During the year fees totalling $18,816 were charged for geochemical and technical services that were provided by Pathfinder Exploration Pty Ltd, a company of which Dr C S Rugless is a director (2002: $39,737). These services provided were under normal commercial terms and conditions.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

32. RELATED PARTY DISCLOSURES continued

Equity instruments of directors

Interests at balance date

Interests in the equity instruments of Burdekin Pacific Limited held by directors of the reporting entity and their director-related entities at balance date:

	Ordinary Shares Fully Paid		Options over Ordinary Shares	
	2003 Number	2002 Number	2003 Number	2002 Number
Mr J G Vitale	**2,366,545**	605,001	**5,450,000**	-
Dr C S Rugless	**2,233,634**	601,251	**1,820,000**	-
Ms S J Field	**2,452,500**	-	**1,820,000**	-
Mr N G Wiles	-	1,992,000	-	1,500,000
	7,052,679	3,198,252	**9,090,000**	1,500,000

Adjustments in directors' equity holdings

- During the year there was a decrease of 1,992,000 ordinary shares and 1,500,000 options over ordinary shares in the holding of Mr Wiles following his resignation from Board.
- During the year there was an increase of 49,979 ordinary fully paid shares due to the appointment of Ms Field to the Board.

Movements in directors' equity holdings

- During the year 2,450,000 ordinary fully paid shares were issued in aggregate to the directors or their nominee for no cash consideration in payment for unpaid salaries and fees at a deemed issue price of 3 cents; as approved by shareholders at AGM held on 29 November 2002.
- During the year the directors purchased an aggregate total of 3,346,448 ordinary fully paid shares on market.
- During the year 9,090,000 options over ordinary shares in the aggregate holding and the issue of options to directors, as approved by shareholders at AGM held on 29 November 2002. Refer detail at Note 20 (c)

There have been no other transactions concerning equity instruments during the financial year with directors or their director related entities. All equity dealing with directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

33. SEGMENT INFORMATION

Segment Products and location

The consolidated entity's operating companies are organised and managed separately according to their business segment. In contrast to the prior year the Company now operates in only one significant industry segment being mining exploration. During the prior period the Company operated in two significant industry segments, including investment in technology businesses and continuing to support the historical core mining and exploration activities.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

33. SEGMENT INFORMATION continued

Segment Products and location continued

Geographically, the group operates in two predominant segments being Australia and Fiji. The consolidated entities most advanced mining and exploration asset, the Mt Kasi Gold Project is located in Fiji, however the group continues to maintain assets in Australia, currently within Western Australia.

Segment accounting policies

During the year intersegment transfers were made at cost with no margin to the subsidiary providing the service.

Geographical segment	Australia		Fiji		Consolidated	
	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $
Revenue						
Other revenues from customers outside the consolidated entity	**1,200,879**	1,710,014	**-**	-	**1,200,879**	1,710,014
Inter-segment revenues	**-**	-	**-**	-	**-**	-
Total segment revenue	**1,200,879**	1,710,014	**-**	--		
Unallocated revenue					**-**	-
Total consolidated revenue					**1,200,879**	1,710,014
Results						
Segment result	**(4,103,105)**	(5,947,105)	**(438,268)**	(482,624)		
Unallocated expenses					**-**	-
Consolidated entity operating loss					**(4,541,373)**	(6,429,729)
Assets						
Segment assets	**2,398,645**	2,061,255	**5,550,595**	5,433,788	**7,949,240**	7,495,043
Liabilities						
Segment Liabilities	**7,143,156**	3,645,593	**1,094,826**	1,086,185	**8,237,982**	4,731,778

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

33. SEGMENT INFORMATION (CONT'D)

Business segment	Australia		Fiji		Consolidated	
	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $
Other segment information						
Depreciation	**18,892**	719,529	**2,080**	-	**20,972**	719,529
Amortisation	**-**	246,380	**-**	-	**-**	246,380
Non cash expenses other than depreciation and amortisation						
Acquisition of assets	**-**	-	**-**	2,281	**-**	2,281
Write off of purchased goodwill	**-**	1,939,962	**-**	-	**-**	1,939,962
Plant and equipment written down to recoverable amount	**54,550**	874,756	**-**	-	**54,550**	874,756
Recoverable write down of investments	**2,236,942**	3,146,213	**-**	-	**2,236,942**	3,146,213
Provision for non recovery of loans	**87,949**	-	**-**	-	**87,949**	704,499
Write back of previous write down capitalised exploration expenditure	**-**	-	**-**	(4,900,000)	**-**	(4,900,000)

Business segment	Mining		Technology Investment		Consolidated	
	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $
Segment revenue	**629,397**	771,988	**571,482**	938,026	**1,200,879**	1,710,014
Segment assets	**7,949,240**	7,264,129	**-**	230,914	**7,949,240**	7,495,043
Acquisition of plant and equipment, intangible assets and other non-current assets	**-**	2,281	**-**	-	**-**	2,281

34. FINANCIAL INSTRUMENTS

34 (a) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

Financial Instruments	Notes	Floating interest rate		Fixed interest rate maturing in: 1 year or less		Over 1 to 5 years		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
		2003 $	2002 $	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $	2003 %	2002 %
(i) Financial Assets													
Cash assets		**309,214**	23,606	**-**	19,685	**-**	-	**2,450**	733	**311,664**	44,024	**0.01**	1.35
Receivables													
- trade & other		**-**	-	**-**	-	**-**	-	**103,388**	290,960	**103,388**	290,960	**N/A**	N/A
- director related entities		**-**	-	**-**	-	**-**	-	**2,197**	9,460	**2,197**	9,460	**N/A**	N/A
Short term deposits		**-**	-	**280,000**	295,215	**-**	-	**60,183**	77,257	**340,183**	372,472	**2.60**	4.91
Listed shares		**-**	-	**-**	-	**-**	-	**1,263,058**	55	**1,263,058**	55	**N/A**	N/A
Unlisted Shares		**-**	-	**-**	-	**-**	-	**-**	-	**-**	-		N/A
Total financial assets		**309,214**	23,606	**280,000**	314,900	**-**	-	**1,431,276**	378,465	**2,020,490**	716,971	**0.36**	2.2

N/A - not applicable for non-interest bearing financial instruments.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

34.FINANCIAL INSTRUMENT (cont'd)

34 (a) Interest rate risk (cont'd)

Financial Instruments	**Notes**	**Floating interest rate**		**Fixed interest rate maturing in: 1 year or less**		**Over 1 to 5 years**		**Non-interest bearing**		**Total carrying amount as per the balance sheet**		**Weighted average effective interest rate**	
		2003 $	**2002 $**	**2003 $**	**2002 $**	**2003 $**	**2002 $**	**2003 $**	**2002 $**	**2003 $**	**2002 $**	**2003 %**	**2002 %**
(ii) Financial liabilities													
Trade creditors		**-**	-	**-**	-	**-**	-	**556,886**	868,804	**556,886**	868,804	**N/A**	N/A
Other creditors		**-**	-	**-**	-	**-**	-	**1,370,014**	1,706,741	**1,370,014**	1,706,741	**N/A**	N/A
Employee entitlements		**-**	-	**-**	-	**-**	-	**220,892**	263,198	**220,892**	263,198	**N/A**	N/A
Interest-bearing liabilities		**-**	-	**377,849**	-	**3,900,000**	-	**324,000**	340,368	**4,601,849**	340,368	**9.74**	N/A
Total financial liabilities		**-**	-	**377,849**	-	**3,900,000**	-	**2,471,792**	3,179,111	**6,749,641**	3,179,111	**6.17**	N/A

N/A - not applicable for non-interest bearing financial instruments.

(i) Refer detail at Note 18 and 21

Notes to the Financial Statements for the Financial Year Ended 30 June 2002

34 FINANCIAL INSTRUMENT (cont'd)

34(b) Net fair values

The carrying value of all financial assets and liabilities approximates their net fair value. Net fair value has been determined by reference to quoted market prices where available or discounted expected cash flows.

34(c) Credit risk exposure

The credit risk exposure of the Consolidated Entity to financial assets, excluding investments in shares, which have been recognised on the balance sheet, is generally the carrying amount, net of any provisions for doubtful debts.

Following the political unrest in Fiji in May 2000, the conditions in Fiji have now stabilized following democratic elections held in September 2001 and this trend has continued during the current year.

There are no derivative financial instruments at balance date.

Concentration of credit risk

The Consolidated Entity consists currently of the Mt Kasi Gold Project in Fiji and which is presently under care and maintenance, and a number of mineral and exploration tenements located within Australia. Consequently no trade receivables are being generated as a part of operations.

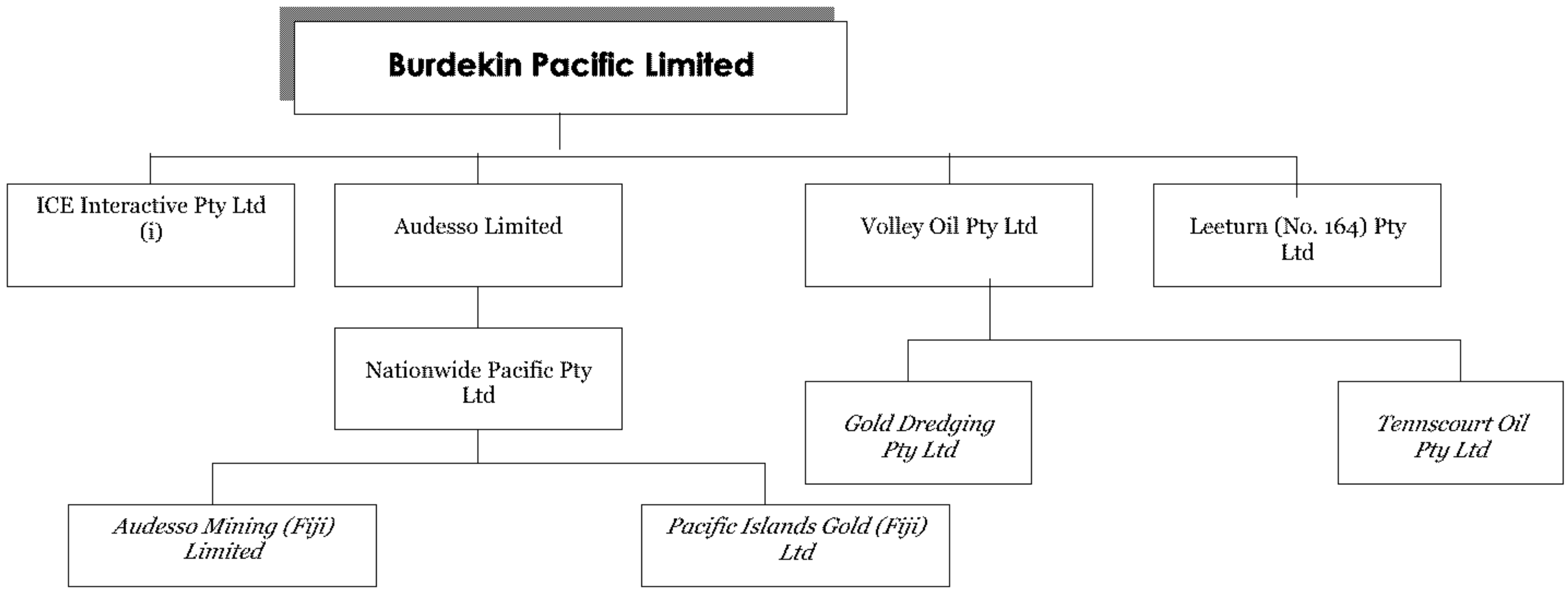
34(d) Hedging Instruments

At 30 June 2003 neither Burdekin Pacific Limited nor any of its subsidiaries had entered into any foreign currency forward exchange or forward gold contracts.

Notes to the Financial Statements for the Financial Year Ended 30 June 2003

35 ADDITIONAL COMPANY INFORMATION continued

Burdekin Pacific Limited is a listed public company, incorporated and domiciled in Australia. Burdekin Pacific Limited is the ultimate parent entity and has prepared a consolidated financial report incorporating the entities it controlled during the financial year, which are outlined in the following illustration of the group's corporate structure. **All of the Company's subsidiaries are wholly owned.**



(i) **ICE Interactive Pty Ltd**
At the date of this report the company is not operating following the execution of a Deed of Company Arrangement ("DOCA") on 26 August 2002.
All of the fixed assets of ICE, including intellectual property, relevant software licences, plant and Burdekin has retained equipment etc.

36 DISCONTINUING OPERATION

36(a) Discontinuance of operation of eMAX Entertainment Pty Ltd

The Board completed its review on the financial and operating position of eMAX Entertainment Pty Ltd and as a result appointed Messrs Vincent Smith and Bryan Hughes of the Chartered Accountants Norgard Clohessy in the capacity of Voluntary Administrators to take operational control of the company on 10 September 2002 with the view to the business being sold as a going concern.

At second creditors meeting which was held on Friday 4 October 2002, it was announced that the business of eMAX had been sold as a going concern for fixed consideration of approximately $98,000 plus deferred consideration comprising a share of gross margin generated by the business over the next two years, estimated by the Administrator to be approximately $150,000.

In addition, creditors passed a unanimous resolution to implement a Deed of Company Arrangement ("DOCA"). Under the proposal, Burdekin has agreed to renounce its right to participate in dividends in relation to its pre-administration loan account – approximately $630,000, until such time that all other unsecured creditors have been paid in full. Burdekin also agreed to provide an indemnity to the Australian Taxation Office ("ATO") for $142,000 in relation to unpaid PAYG. At the date of this report the balance that remains outstanding is approximately $127,000.

Under the DOCA, it is anticipated that control of eMAX will remain with the Voluntary Administrators for up to two years during which period the deferred component of the sale of business consideration is to be collected and distributed to creditors. As a result of this eMAX has been de-consolidated effective 10 September 2002 and is no longer considered as a subsidiary of the consolidated group. It is expected that on completion of the DOCA that the company will be liquidated.

36(b) Financial performance information

The financial performance of eMAX Entertainment for the period from 1 July 2002 to 10 September 2002 is as follows:

	EMAX Entertainment Pty Ltd	
	2003 $ 2.5 months	2002 $ 6 months
Revenues from ordinary activities	**162,359**	409,402
Expenses from ordinary activities (including borrowing costs)	**(347,964)**	(882,293)
Loss before income tax benefit	**(185,605)**	(712,346)
Income tax relating to ordinary activities	**-**	
Loss from ordinary activities after income tax	**(185,605)**	(712,346)

36(c) eMAX Entertainment Pty Ltd cash flows during the year

The net cash flows attributable to eMAX Entertainment Pty Ltd for the period ended 10 September 2002 are as follows:

	eMAX Entertainment Pty Ltd	
	2003 $ 2.5 months	2002 $ 6 months
Operating	**329,823**	455,006
Investing	**-**	-
Financing	**325,513**	386,738
Net Cash Outflow	**(4,310)**	(68,268)

Directors' Declaration

The Directors declare that:

a) the attached financial statements and notes thereto comply with Accounting Standards;
b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company and the consolidated entity;
c) in the Directors' opinion the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
d) in the Directors' opinion based on the reasons set out in the Note 1, "Going Concern Basis", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s 295(5) of the Corporations Act 2001.

On behalf of the Directors

J G Vitale
Director

Perth, 30 September 2003

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BURDEKIN PACIFIC LIMITED

Scope

The financial report and directors' responsibility
The financial report comprises the statement of financial position, statement of financial performance, statement of cashflows, accompanying notes to the financial statements, and the directors' declaration for both Burdekin Pacific Limited (the company) and the consolidated entity, for the financial year ended 30 June 2003 as set out on pages 9 to 57. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

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

Audit approach
We 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 whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

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

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 made by the directors.

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

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

Independence

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

Deloitte Touche Tohmatsu

Audit Opinion

In our opinion, the financial report of Burdekin Pacific Limited is in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and

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

(b) other mandatory professional reporting requirements in Australia.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1 'Going Concern Basis', there is significant uncertainty whether the company and the consolidated entity will be able to continue as going concerns and therefore whether they will realise their assets, in particular the deferred exploration, evaluation and development costs, and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

P J McIver
Partner
Chartered Accountants

Perth, 30 September 2003