

PMA
PRECIOUS METALS
AUSTRALIA LIMITED

Company Announcement Office
Australian Stock Exchange Limited
Level 10
20 Bond Street
SYDNEY NSW 2000

AUSTRALIAN STOCK EXCHANGE



BY FACSIMILE: 1 300 300 021

Dear Sir

**COMPANY ANNOUNCEMENT
ANNUAL REPORT 2002**

Please find attached the Annual Report for 2002

Yours faithfully

A handwritten signature in black ink, consisting of a stylized initial 'A' followed by a horizontal line that ends in a small dot.

Angus C Pilmer
Company Secretary
Precious Metals Australia
WEST PERTH WA 6872

Telephone: (08) 9322 1788
Facsimile: (08) 9322 1744

13 June, 2003

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

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**PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY**

CORPORATE DIRECTORY

DIRECTORS

The Earl of Warwick
Non-Executive Director, Chairman

James A Wall
Non-Executive Director

Angus C Pilmer appointed 4 June 2002
Non-Executive Director

Roderick H J Smith resigned 28 May 2002

Andrew K McKee resigned 4 June 2002

COMPANY SECRETARY

Angus C Pilmer appointed 4 June 2002

Andrew K McKee resigned 4 June 2002

PRINCIPAL PLACE OF BUSINESS

2nd Floor, 44 Ord Street
West Perth WA 6005
Telephone 61 8 9322 1788
Facsimile 61 8 9322 1744

REGISTERED OFFICE

2nd Floor, 44 Ord Street
West Perth WA 6005
Telephone 61 8 9322 1788
Facsimile 61 8 9322 1744

SOLICITORS

Wilson & Atkinson
2nd Floor QVI Building
250 St George's Terrace
Perth WA 6000

BANKERS

National Australia Bank Limited
Capital Office
50 St George's Terrace
Perth WA 6000

HOME STOCK EXCHANGE

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
Perth WA 6000

SHARE REGISTRY

Advanced Share Registry Services
Level 7, 200 Adelaide Terrace
East Perth WA 6892
Telephone 61 8 9221 7288
Facsimile 61 8 9221 7869

AUDITOR

KPMG
Chartered Accountants
152-158 St George's Terrace
Perth WA 6000

COUNTRY OF INCORPORATION AND DOMICILE

Australia

ASX CODE

PMA (shares)
PMAOB (options -- December 2005)

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

CHAIRMAN'S REPORT

The significant events for your Company which affected the financial year 2002 have been the resolution of the dispute with Westgold Resources NL and the crystallisation of the remaining contingent liabilities that arose during and following the construction of the Windimurra Vanadium project.

With respect to the dispute with Westgold Resources NL, the terms of the settlement have already been made public and it suffices to repeat what has been previously publicly announced – that both Mr R H J Smith and Mr A K McKee (two ex directors of the Company) have made significant personal financial contributions to the resolution of this matter.

The contingent liabilities detailed in the last Annual Report (2001) which exceeded \$6 million have, following negotiations and settlements, been brought to account as payable at \$1.2 million. The more precise definition of the Company's liabilities is now included in the Statement of Financial Position allowing for a more accurate assessment of the Company's position as at 30 June 2002 even though these negotiations have only recently been concluded.

An announcement by Xstrata plc that the operations at Windimurra will be suspended has left the board with no alternative but to recognise the minimum value of the royalty asset. This asset has been written down to \$2,000,000 at 30 June 2002 from an amount of \$22,150,755 at 30 June 2001. The Company is entitled to the continued receipt of the minimum royalty of \$500,000 per annum during the suspension of operations. However a decision by Xstrata plc to permanently close Windimurra would result in the permanent cessation of royalty payments.

The market for Vanadium and its' compounds is not a transparent one and accordingly price information needs to be treated with care. There are indications of an improvement in the Vanadium market, Strategic Minerals (www.stratcor.com) in March 2003 announced an increase in their price for Ferro-Vanadium. A strengthening Vanadium price may have a positive bearing on any Xstrata plc decision with respect to the Windimurra Project and on any potential plans to resume production.



The Earl of Warwick
Non Executive Chairman

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

SCHEDULE OF MINING TENEMENTS

The consolidated entity has interests in the following tenements as at 30 June 2002.

(Precious Metals Australia Limited 100% beneficially owned unless otherwise stated)

KIMBERLEY GOLD TENEMENTS

PALM SPRINGS

Mr Bradley

M80/315 (95%)

M80/252 (95%)

M80/418

GML80/197

M80/106 (95%)

OTHER

Barrambie

M57/173 (80%)

All tenements are in Western Australia and are granted under the Western Australian Mining Act 1978, as amended. Exploration or mining leases applied for but not yet granted are not shown until approved by the Minister for Mines

KEY

M - Mining Lease

GML - Gold Mining Lease

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

DIRECTORS' REPORT

The Directors present their report together with the financial report of Precious Metals Australia Limited ("PMA" or "the Company") and the consolidated financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2002, and the auditors' report thereon.

DIRECTORS

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

The Earl of Warwick, Non-Executive Director, Chairman

Mr James A Wall, Non-Executive Director

Mr Angus C Pilmer, Non-Executive Director
Appointed 4 June 2002

Mr Roderick J H Smith, Non-Executive Director,
Resigned 28 May 2002

Mr Andrew K McKee, Non-Executive Director
Resigned 4 June 2002

PRINCIPAL ACTIVITIES

The principal commercial activities of the Company during the financial year were the maintenance of certain mineral exploration properties and receipt of royalty income. In addition, significant time and resources were committed to defending various claims made against the Company and its former directors by Westgold Resources NL.

RESULTS

The consolidated net loss of the Company for the financial year ended 30 June 2002 after the provision for income tax amounted to \$21,513,994 (2001: \$5,288,579) and after the write down of the Windimurra Royalty asset by \$19,000,067.

DIVIDEND

No dividends have been paid by the Company during the financial year ended 30 June 2002 nor have the directors recommended that any dividend be paid.

REVIEW OF OPERATIONS

The Company was engaged in defending the claims made against it and two of the Company's directors for damages in excess of \$3 million.

In addition to the above litigation, the Company also had to deal with a number of claims made both by and against various contractors in relation to the completion of the Windimurra Vanadium Project as a consequence of its responsibilities as a joint venture party during the construction of this project.

The Company continued to maintain its interests in the Palm Springs gold tenements whilst it attended to the environmental clean up and rehabilitation obligations following the closure of the Palm Springs operation.

The Company maintains its interest in the mineral tenement at Barraambie (vanadium).

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

DIRECTORS' REPORT (continued)

CHANGE IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Company that occurred during this financial year were:

- (a) The resignation of Mr R J H Smith and Mr A K McKee, both founding directors of the Company, following the Company's decision to negotiate a settlement with Westgold Resources NL and cease its defence of claims made by Westgold Resources NL.
- (b) The abandonment of a rights issue offering 15,854,855 shares at an issue price of 10 cents a share (pursuant to a 1 for 1 non renounceable pro rate share issue to shareholders) following the decision by the Company not to defend the claims made by Westgold Resources NL.

SUBSEQUENT EVENTS

Since 30 June, 2002 to the date of this report there have been a significant number of events that materially affect the Company as follows:

(a) **Westgold Litigation**

In July 2002 the Company reached agreements with Westgold Resources NL and two former directors, Mr R H J Smith and Mr. A K McKee, as well as the continuing Chairman, the Earl of Warwick, which in effect settled the action brought by Westgold Resources NL against the Company and the two former directors, Mr R H J Smith and Mr. A K McKee, in December 2000 which alleged that the defendants engaged in misleading or deceptive conduct with respect to the issue of shares to Westgold Resources NL in April 2000. The claim was for damages in the sum of \$3,090,770 and interest and costs.

This settlement with Westgold Resources NL was for a total amount of \$2,150,000 with the Company accepting liability for \$800,000 of this amount in respect of its share of the total settlement as announced to the Australian Stock Exchange on 18 July 2002.

In addition, the two former directors agreed to make a contribution of \$382,393 to the legal costs of the Company, incurred in the defence of the Westgold Resources NL claims. This contribution was deducted from the loan accounts associated with the two former directors. (Note 22(b)(iv)).

Westgold Settlement

The Company accepted a liability to Westgold of \$800,000. This amount was guaranteed by Mr R H J Smith. The Company failed to pay Westgold. Mr R H J Smith's guarantee was called upon. Mr R H J Smith subsequently issued demands on the Company to repay this amount, together with indemnified interest and other costs, and then in March 2003 he proceeded to make an application to the Supreme Court of Western Australia to wind up the Company and appoint an official liquidator.

Smith Settlement

In May 2003 the Company reached an agreement with the former director Mr R H J Smith whereby he withdrew his application to wind up the company and to appoint an official liquidator and the Company acknowledged.

- i) his entitlement to costs and interest totalling \$117,000.
- ii) that the share placements referred to in the Westgold Resources NL Settlement agreements would proceed at a price of 7 cents per share.
- iii) that the balance of monies owing to him of \$450,000 would be settled by the issue of 4,285,715 fully paid shares of 7 cents each to satisfy \$300,000 and the payment of \$150,000 following the completion of the share placements.
- iv) that these transactions are to be completed prior to 31 July 2003.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

DIRECTORS' REPORT (continued)

(b) Contractors Disputes

The Company has settled all outstanding contractors disputes that related back to the Windimurra Joint Venture and these include:

- i) In March 2003 a claim against the Joint Venture totalling \$6,850,000 was settled for \$1,000,000 with the Company's share of \$400,000 being met by the utilisation of existing dispute credits of \$214,570 and deferred payments of \$185,430 to be paid from future royalty income without interest or costs
- ii) An obligation to pay the stamp duty on a transfer of a 9% interest in the Windimurra Joint Venture to a subsidiary of Xstrata plc was assessed in December 2002 by the State Revenue Office at \$370,098. This assessment releases \$229,902 plus interest previously held in the proceeds account. (Note 7 ii)

(c) Sale of Barrambie

In April 2003 the Company completed negotiations to sell the mining tenement known as Barrambie previously written down to \$NIL for \$200,000 to Reed Resources NL by the payment of \$50,000 and the issue by Reed Resources NL of 750,000 fully paid shares of 20c.

(d) Windimurra Royalty Asset

In February 2003 Xstrata plc, the parent company of Xstrata Windimurra Pty Ltd, announced in its Annual Report for the year ended 31 December 2002 that its subsidiary would cease production and operations would be suspended whilst they assessed options which would include permanent closure.

Since the announcement by Xstrata plc and the effective suspension of production of Vanadium Pentoxide at Windimurra which previously supplied approximately 11% of the known world production of this product it is noted that the spot price has firmed approx \$1.40 per lb to \$2.80 per lb.

(e) Legal Costs

In April 2003 the Company reached agreement with the Company's former solicitors to reduce the accrued legal costs included in payables as at 30 June 2002 relating to the Westgold Litigation by \$108,000

Adjustments have been made for the 30 June 2002 financial statements to reflect the \$800,000 liability to Westgold, and \$382,393 contribution by Directors noted in part (a), and the contractor disputes in part (b)(ii), and the write-down in the Windimurra Royalty, as these events provide additional information for events existing at 30 June 2002. The other events noted above have not been adjusted in the 30 June 2002 year.

MEETINGS OF DIRECTORS

	FULL MEETINGS OF DIRECTORS	
	ATTENDED	ELIGIBLE TO ATTEND
R J H Smith	6	6
A K McKee	7	7
The Earl of Warwick	6	7
J A Wall	7	7
A C Pilmer	1	1

The Company is of a size and nature such that issues ordinarily dealt with by audit and other committees were resolved by the full board.

DIRECTORS' INTERESTS

The relevant interests of each director in the share capital of the companies within the consolidated entity, as notified by the directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report and after the share consolidation, is as follows.

	PRECIOUS METALS AUSTRALIA LIMITED	
	ORDINARY SHARES	OPTIONS
The Earl of Warwick	1,980,633	-
J A Wall	-	250,000

PRECIOUS METALS AUSTRALIA LIMITED
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DIRECTORS' REPORT (continued)

DIRECTORS' EMOLUMENTS

Details of the nature and amount of each element of the emoluments of each director or former director of the Company are set out in the following table:

	DIRECTORS FEES	SUPERANNUATION	ENTITLEMENTS	OTHER BENEFITS	TOTAL
	\$	\$	\$	\$	\$
The Earl of Warwick	30,000	2,700	-	-	32,700
J A Wall	30,000	2,700	-	-	32,700
R J H Smith	7,500	-	-	-	7,500
A K McKee	7,500	-	-	-	7,500

SHARE OPTIONS GRANTED TO DIRECTORS AND MOST HIGHLY REMUNERATED OFFICERS

No options over unissued ordinary shares of the Company were granted during or since the end of the financial year to any of the directors or officers of the Company and consolidated entity as part of their remuneration.

OPTIONS

Unissued ordinary shares of the Company under option at the date of this report are as follows

	NUMBER	EXERCISE PRICE	EXPIRY DATE
Listed Options (FMAOB)	12,896,334	\$2.00	1 December 2005

No option holder has any right under the options to participate in any other share issue of the Company or other body corporate.

ENVIRONMENTAL REGULATION

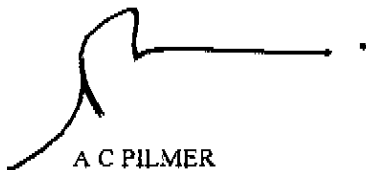
The consolidated entity's operations are subject to significant environmental regulation under both Commonwealth and State legislation in relation to its exploration and mining activities.

Exploration and Development

The consolidated entity's exploration and development activities are conducted in Western Australia. There are significant environmental regulations under the Western Australian Mining Act 1978 and Environmental Protection Act 1986. Licence requirements relating to waste disposal, water and air pollution exist in relation to mining activities.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has previously agreed to indemnify the following current directors of the Company, Mr J A Wall, The Earl of Warwick and Mr A C Pilmer, and former directors, Messrs R H J Smith and A K McKee against liabilities or claims that may arise from carrying out their duties as directors except where the claim or liability arises from conduct involving a lack of good faith, gross negligence or criminal intent.



A C PILMER
Director

Perth, Western Australia
13 June 2003

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

STATEMENTS OF FINANCIAL PERFORMANCE
For the Year Ended 30 June 2002

	Note	Consolidated		Company	
		2002	2001	2002	2001
		\$	\$	\$	\$
Revenue from sale of goods	2	-	2,231,277	-	2,231,277
Revenue from rendering of services	2	-	126,126	-	126,126
Revenue from royalties	2	500,000	380,137	500,000	380,137
Other revenue from ordinary activities	2	66,753	29,494,987	66,753	29,321,820
Total Revenue		566,753	32,232,527	566,753	32,059,360
Employee expenses	3	(44,798)	(402,682)	(44,798)	(399,643)
Depreciation and amortisation expenses	3	(1,152,396)	(2,199,059)	(1,152,396)	(2,187,324)
Borrowing costs	3	(71,330)	(923,957)	(71,330)	(3,139,100)
Other expenses from ordinary activities	3	(20,823,837)	(33,995,408)	(20,628,143)	(30,817,824)
Loss from ordinary activities before related income tax expenses		(21,525,608)	(5,288,579)	(21,329,914)	(4,484,531)
Income tax expense relating to ordinary activities	6	-	-	-	-
Net loss attributable to members of the parent entity	18	(21,525,608)	(5,288,579)	(21,329,914)	(4,484,531)
Basic loss per share		\$1.36	\$0.03		

The above statements of financial performance should be read in conjunction with the accompanying notes.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2002

	Note	Consolidated		The Company	
		2002 \$	2001 \$	2002 \$	2001 \$
Current Assets					
Cash	23(a)	283,329	545,701	282,837	545,209
Receivables	7	893,726	993,247	893,726	993,247
Total Current Assets		1,177,055	1,538,948	1,176,563	1,538,456
Non-Current Assets					
Receivables	7	-	5,757	-	5,757
Other financial assets	8	-	1,324	104	1,428
Property, plant & equipment	9	7,580	8,301	7,580	8,301
Exploration, evaluation & development	10	-	405,810	-	405,810
Windimurra royalty	11	2,000,000	22,150,755	2,000,000	22,150,755
Total Non-Current Assets		2,007,580	22,571,947	2,007,684	22,572,051
Total Assets		3,184,635	24,110,895	3,184,247	24,110,507
Current Liabilities					
Payables	12	1,303,476	1,154,523	1,303,476	1,150,217
Provisions	14	1,020,000	21,095	800,000	1,095
Deferred income	15	102,125	125,000	102,125	125,000
Total Current Liabilities		2,425,601	1,300,618	2,205,601	1,276,312
Non-Current Liabilities					
Payable	12	185,430	-	185,430	-
Interest-bearing liabilities	13	-	504,438	-	504,438
Provisions	14	-	206,627	-	206,627
Total Non-Current Liabilities		185,430	711,065	185,430	711,065
Total Liabilities		2,611,031	2,011,683	2,391,031	1,987,377
Net Assets		573,604	22,099,212	793,216	22,123,130
Shareholders' Equity					
Contributed equity	16	48,369,635	48,369,635	48,369,635	48,369,635
Option premium reserve	17	3,965,772	3,965,772	3,965,772	3,965,772
Accumulated Losses	18	(51,761,803)	(30,236,195)	(51,542,141)	(30,212,277)
Total Shareholders' Equity		573,604	22,099,212	793,266	22,123,130

The above statements of financial position should be read in conjunction with the accompanying notes.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

STATEMENTS OF CASH FLOWS
For the Year Ended 30 June 2002

	Note	Consolidated		The Company	
		2002	2001	2002	2001
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash receipts in the course of operations		523,264	3,140,334	523,264	3,140,334
Cash payments in the course of operations		(800,655)	(8,956,568)	(769,983)	(7,622,819)
Interest received		43,490	73,816	43,490	73,816
Borrowing costs paid		-	(1,271,461)	-	(1,257,606)
Net cash used in operating activities	23(b)	(233,901)	(7,013,879)	(203,229)	(5,666,275)
Cash Flows from Investing Activities					
Payments for exploration, evaluation and development		(23,652)	-	(8,785)	-
Payments for plant & equipment		(4,819)	(4,328)	(4,819)	(4,328)
Loans to subsidiaries		-	-	(45,539)	(1,159,886)
Proceeds from sale of assets		-	176,827	-	3,660
Proceeds from sale of interest in Windimurra project		-	29,192,643	-	29,192,643
Proceeds from sale of investments		-	18,000	-	18,000
Cash balance on sale of interest in Windimurra project		-	(74,118)	-	(74,118)
Payments to proceeds account		-	(963,588)	-	(963,588)
Net cash (used in)/provided by investing activities		(28,471)	28,307,820	(59,143)	26,986,502
Cash Flows from Financing Activities					
Proceeds from issue of shares and options		-	3,876,010	-	3,876,010
Expenses relating to issue of shares and options		-	(354,622)	-	(354,622)
Proceeds from borrowings		-	1,149,208	-	1,149,208
Repayment of convertible notes		-	(5,000,000)	-	(5,000,000)
Proceeds from security deposit		-	8,148	-	8,148
Repayment of borrowings		-	(22,033,770)	-	(22,033,770)
Net cash used in financing activities		-	(22,355,026)	-	(22,355,026)
Net decrease in cash held		(262,372)	(1,061,085)	(262,372)	(1,034,799)
Cash at the beginning of the year		545,701	1,606,786	545,209	1,580,008
Cash at the end of the year	23(a)	283,329	545,701	282,837	545,209
Financing arrangements	23(c)				

The above statements of cash flows should be read in conjunction with the accompanying notes.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

NOTES TO FINANCIAL STATEMENTS
For the Year Ended 30 June 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

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

It has been prepared on the basis of historical costs and except where stated, do not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(b) Going Concern

The Company and consolidated entity have incurred an operating loss of \$21,329,914 and \$21,513,994 respectively. Further, at 30 June 2002 the consolidated entity has a shortfall in working capital of \$218,021. At 30 May 2003 the Company had cash of \$603,111

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company does have a source of income in the form of a minimum royalty of \$500,000 per annum payable in quarterly instalments. There is uncertainty about the continued receipt of this royalty and the life of the Windimurra minesite as a result of a decision by Xstrata AG to suspend operations at Windimurra (see note 11). Notwithstanding the suspension of operations at Windimurra the Company received its scheduled quarterly royalty instalment on 31 March 2003. In addition, the Company is reliant on raising further equity capital to settle a number of outstanding debts as described in the following paragraph

It is the intention of the Company to call a general meeting during July 2003 to seek approval from shareholders to make certain placements of shares, as a consequence of a settlement reached with Westgold Resources NL and in order to settle the outstanding loan accounts associated with the former directors Mr. R H J Smith and Mr A K McKee, and to provide working capital for the Company, as follows:

1. The issue of 4,285,715 fully paid shares of 7c each to Mr. R H J Smith in order to satisfy \$300,000 paid by him to Westgold Resources NL under the terms of a guarantee he provided
2. The issue of 4,285,715 fully paid shares of 7c each to Mr. R H J Smith in order to satisfy \$300,000 loan accounts due to him and his associated company Pacific Quest Investments Pty Ltd.
3. The issue of 1,428,571 fully paid shares of 7c each to Mr. A K McKee in order to satisfy a \$100,000 loan account due to a company associated with Mr. A K McKee.
4. The issue of 7,142,857 fully paid shares of 7c each to Earl of Warwick for cash in order to raise working capital of \$500,000

These proposed placements, as a consequence of the terms of the settlement reached with Westgold Resources NL and the above parties, are subject to shareholder approval at the proposed meeting

Following these placements, the Directors consider that there are reasonable grounds to believe that the Company will continue to obtain investors' support to meet its funding requirements for the foreseeable future.

Should shareholders fail to approve the proposed placements and the Company is unsuccessful in raising additional capital, there is significant uncertainty as to whether the Company can continue as a going concern and therefore whether assets would be realised and liabilities settled in the ordinary course of business and at the amounts recorded in the financial statements.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

(c) Recoverable amount of Non-Current Assets valued on a Cost Basis

The carrying amounts of non-current assets, other than exploration and evaluation expenditure carried forward, are reviewed to determine whether they are in excess of their recoverable amount at balance date.

If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount.

The write-down is recognized as an expense in the net profit or loss in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

(d) Principles of Consolidation

The consolidated financial statements of the economic entity include the financial statements of the Company, being the parent entity, and its controlled entities ("the consolidated entity").

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances and effects of transactions between controlled entities included in the financial statements have been eliminated.

(e) Revenue Recognition

Sales Revenue

Sales Revenue is recognized when the control of goods passes to the buyer.

Interest Revenue

Interest Revenue is recognized as it accrues.

Royalty Income

Royalty payments to the Company will be calculated on Project returns without deduction of interest, tax, depreciation or amortisation and includes a minimum annual royalty of \$500,000 paid and recognized as income quarterly.

Asset Sales

The gross proceeds of asset sales are included as revenue of the consolidated entity. The profit or loss on disposal of assets is brought to account at the date a contract of sale is signed.

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(g) Income Tax

The consolidated entity adopts the income statement liability method of tax effect accounting. Tax effect accounting procedures are followed whereby the income tax expense in the profit and loss statement is matched with the accounting profit after allowing for permanent differences. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the balance sheet as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effects of capital losses are not recorded unless realisation is virtually certain.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

(h) Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are initially recorded at cost or at director's valuation and depreciated as outlined below

Depreciation

Items of property, plant and equipment are depreciated using the straight line method over their estimated useful lives. The depreciation rates used for each class of asset are as follows:

Plant and equipment 7% - 33%

Leased plant and equipment

Leases of plant and equipment under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalized. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the profit and loss statement.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(i) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development costs are accumulated in respect of each area of interest.

These costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off in the financial period the decision is made. Each area of interest is also reviewed annually and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

When production commences, carried forward exploration, evaluation and development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

Provisions are made for mine site rehabilitation and restoration on an incremental basis during the course of mine life (which includes the mine closure phase). Provisions, which are determined on an undiscounted basis, include the following costs: reclamation, plant closure, waste site closure and monitoring activities. These costs have been determined on the basis of current costs, current legal requirements and current technology. Changes in estimates are dealt with on a prospective basis.

(j) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use of sale. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalized is those incurred in relation to that borrowing, net of any interest earned on those borrowings.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

(k) Provision for Employee Entitlements

Wages, Salaries and Annual Leave

The liability for employees' entitlements to wages, salaries and annual leave represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates and include related on-costs.

Long Service Leave

The liability for employees' entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Superannuation Plan

The Company contributes to several superannuation plans. Contributions are charged against income as they are made.

(l) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company or consolidated entity. Trade accounts are normally settled within 60 days.

(m) Investments

Controlled Entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

Other Entities

Investments in other listed companies are carried at the lower of cost and recoverable amount, being a directors' valuation based on market values at the time of the valuation.

(n) Cash and Cash Equivalents

For the purposes 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, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

(o) Trade and Other Receivables

Trade receivables are recognized and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

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

(p) Share Capital

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 received.

(q) Windimurra Royalty

The Windimurra Royalty has been recorded at cost and is being amortised on a straight line basis over the estimated life of the mine, being 20 years.

Expenditure which no longer satisfies the Recoverable Amount of Non-Current Assets Valued on a Cost Basis (note 1(c)), is written off where the Directors are of the opinion that the carry forward net cost may not be recoverable under the policy stated at note 1(c). The write-off is charged against the results for the year. At 30 June 2002 the Windimurra Royalty has been written down to its recoverable amount.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES				
Sales of goods revenue from operating activities	-	2,231,277	-	2,231,277
Rendering of services revenue from operating activities	-	126,126	-	126,126
Royalty revenue	500,000	380,137	500,000	380,137
	500,000	2,737,540	500,000	2,737,540
Other Revenues				
From Operating Activities				
Interest:				
Other parties	43,490	79,423	43,490	79,423
Sundry income	23,263	28,094	23,263	28,094
From Outside Operating Activities				
Gross proceeds from sale of non-current assets	-	176,827	-	3,660
Gross proceeds on sale of investments	-	18,040	-	18,040
Gross proceeds on sale of Windimurra tenements	-	1,000,000	-	1,000,000
Gross proceeds on sale of controlled entity	-	2	-	2
Gross proceeds on sale of Windimurra project	-	28,192,601	-	-
Gross proceeds on sale of receivable from controlled entity	-	-	-	28,192,601
Total Other Revenues	66,753	29,494,987	66,753	29,321,820
Total Revenue from Ordinary Activities	566,753	32,232,527	566,753	32,059,360
3. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE				
Employee expenses	44,798	402,682	44,798	399,643
Depreciation and Amortisation				
Depreciation of:				
Plant and equipment	1,707	1,277,502	1,707	4,432
Amortisation of:				
Borrowing costs	-	14,772	-	14,772
Exploration, evaluation and development expenditure	-	43,769	-	32,034
Windimurra Royalty	1,150,689	863,016	1,150,689	863,016
Leased plant and equipment	-	-	-	1,273,070
Total depreciation and amortisation	1,152,396	2,199,059	1,152,396	2,187,324
Borrowing costs				
Borrowing costs:				
Related parties	71,330	104,438	71,330	104,438
Other parties	-	819,519	-	805,662
Finance charges on leased assets	-	-	-	2,229,000
	71,330	923,957	71,330	3,139,100

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
3. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE (continued)				
Other expenses from ordinary activities				
Profit on Windimurra debt forgiveness	-	-	-	(3,725,536)
Costs of goods sold	-	3,166,098	-	3,166,098
Costs attributable to sale of Windimurra Project and tenements	-	29,192,601	-	-
Costs attributable to sale of receivable from controlled entity and tenements	-	-	-	29,192,601
Rehabilitation of minesite	225,766	-	-	-
Exploration expenditure write off	429,462	-	414,595	-
Net cost of legal settlements	854,430	131,000	854,430	131,000
Write down of Windimurra Royalty asset	19,000,067	-	19,000,067	-
Administration and other costs	314,112	1,505,709	359,051	2,053,661
	20,823,837	33,995,408	20,628,143	30,817,824
a) Individually significant items included in loss from ordinary activities before income tax expense				
Profit on Windimurra debt forgiveness	-	-	-	(3,725,536)
Costs associated with/(reversal of previous over accrual) assignment of joint venture interest	(229,902)	600,000	(229,902)	600,000
Rehabilitation costs on Palm Springs minesite	225,766	-	-	-
Final settlement of the Company's share of joint venture claims	400,000	-	400,000	-
Less the Company's share of a credit entitlement due from the settlement of a contractual dispute (See Note 7(iii))	(214,570)	-	(214,570)	-
Less amounts accrued at 30 June 2001	(131,000)	-	(131,000)	-
Net impact on statement of financial performance	54,430	-	54,430	-
Legal costs incurred in various litigation matters including the defence of the claims made by Westgold Resources NL	564,854	539,207	564,854	539,207
Less reduction of costs from agreement with former directors (see Note 22 (b)(iv))	(382,393)	-	(382,393)	-
Net impact on statement of financial performance	182,461	539,207	182,461	539,207
Settlement of the claims made by Westgold Resources NL	800,000	-	800,000	-
Write down of the carrying value of Windimurra Royalty to recoverable amount	19,000,067	-	19,000,067	-
Exploration expenditure written off	417,848	-	414,595	-

PRECIOUS METALS AUSTRLIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
3. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE (continued)				
(b) Loss from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:				
Net expense from movement in provision for:				
Settlement of the claims made by Westgold Resources NL	800,000	-	800,000	-
Rehabilitation of Palm Springs minesite	200,000	(97,005)	-	-
Employee entitlements	-	140,262	-	140,262
Diminution in value of shares	-	(179)	-	(179)
Non recovery of receivable from controlled entity	-	-	45,539	490,530
	1,000,000	43,078	845,539	630,613
Net (gain)/loss on disposal of non-current assets:				
Property, plant and equipment	3,832	(176,827)	3,832	(3,660)
Write off of investment	1,324	-	1,324	-
	5,156	(176,827)	5,156	(3,660)

4. REMUNERATION OF AUDITORS

Remuneration received, or due and receivable by
the auditor of the parent entity and its affiliates for:

Audit	26,000	31,557	26,000	31,557
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5. LOSS PER SHARE

Basic loss per share		\$1.35	\$0.03
		2002	2001
		Number	Number
Weighted average number of ordinary shares used in the calculation of basic loss per share		15,854,765	158,546,424

There are no dilutive potential ordinary shares therefore diluted on per share has not been calculated or disclosed.
Details relating to the options are set out in Note 19

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
6. TAXATION				
The prima facie tax benefit on the operating loss calculated at 30% (2001: 34%)	(6,454,198)	(1,798,117)	(6,398,974)	(1,524,741)
Decrease/(increase) in income tax benefit due to:				
Legal costs	138,009	121,830	138,009	117,754
Non-assessable profit on sale of joint venture interest	-	-	-	(1,266,682)
Amortisation of Windimurra royalty	345,207	293,425	345,207	293,425
Settlement with Westgold Resources NL	240,000	-	240,000	-
Write down of Windimurra royalty	5,700,020	-	5,700,020	-
Non-assessable profit on sale of plant and equipment	-	(58,877)	-	-
Non-deductible stamp duty on sale of joint venture interest	(68,971)	204,000	(68,971)	204,000
Other non-deductible expenditure	-	14,199	-	424
Provision for loan to controlled entities	-	-	13,662	166,780
Tax losses recovered	-	-	31,047	-
	99,933	1,223,540	-	2,009,040
Income tax benefit not brought to account	(99,933)	(1,223,540)	-	(2,009,040)
Income tax expense attributable to operating profit	-	-	-	-
Future Income Tax Benefit				
Further income tax benefit comprises the estimated future income tax benefit at current income tax rates on the following items:				
Income tax losses	17,933,209	17,788,486	17,675,734	17,772,244
Timing differences	66,000	368,767	-	368,767
	17,999,209	18,157,253	17,675,734	18,141,011
Future income tax benefit at 30% (2001: 30%)	5,399,763	5,447,176	5,302,720	5,442,303

The future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not virtually certain and recovery of timing differences is not assured beyond reasonable doubt.

The potential future income tax benefit will only be obtained if:

- the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realized, or the benefit can be utilized by another company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997; and
- the relevant company and/or the consolidated entity continues to comply with the conditions for deductibility imposed by the law. The company is presently evaluating the extent to which tax benefits from tax losses incurred in the past can be carried forward to offset future income tax; and
- no changes in tax legislation adversely affect the relevant company and/or the consolidated entity in realizing the benefit.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
7. RECEIVABLES				
Current				
Other debtors	32,076	29,659	32,076	29,659
Proceeds account (ii)	647,080	963,588	647,080	963,588
Dispute Account (iii)	214,570	-	214,570	-
	893,726	993,247	893,726	993,247
Non-Current				
Loans to controlled entities (i)	-	-	24,209,060	24,163,521
Less provision for non-recovery	-	-	(24,209,060)	(24,163,521)
Other debtors	-	5,757	-	5,757
	-	5,757	-	5,757

- (i) Further details of loans to controlled entities are set out in Note 22(d).
(ii) The Proceeds account was established as a separate bank account on the sale of the Company's interest in the Windimurra Project in order to provide for the settlement of the Company's share of any outstanding claims or liabilities arising out of its joint venture responsibilities. (Note 30 (b) ii)).
(iii) The Company is entitled to receive a credit from the successful resolution of a dispute with a contractor which arose following the construction of the Windimurra Project.

8. OTHER FINANCIAL ASSETS

Non-Current				
Shares in controlled entities – unlisted at cost	-	-	104	104
Listed shares in other corporations – at cost	-	2,039	-	2,039
Less: Provision for diminution in value	-	(715)	-	(715)
	-	1,324	104	1,428

9. PROPERTY, PLANT & EQUIPMENT

Plant & equipment at cost	17,262	96,856	17,262	96,856
Less: Accumulated depreciation	(9,682)	(88,555)	(9,682)	(88,555)
	7,580	8,301	7,580	8,301

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

Plant and equipment				
Carrying amount at beginning of year	8,301	46,014,215	8,301	8,405
Additions	4,819	4,328	4,819	4,328
Depreciation	(1,707)	(1,277,502)	(1,707)	(4,432)
Disposals	(3,833)	(44,732,740)	(3,833)	-
	7,580	8,301	7,580	8,301

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
10. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE				
Costs carried forward in respect of areas of interest in the:				
Exploration and Evaluation phase	405,810	405,810	405,810	405,810
Expenditure by the year	23,652	-	8,785	-
	429,462	405,810	414,595	405,810
Less: Exploration expenditure written off	429,462	-	414,595	-
Total	-	405,810	-	405,810

The ultimate recoupment costs carried forward for exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas of interest

11. WINDIMURRA ROYALTY

Non-Current

Windimurra royalty balance at the beginning of the year	22,150,755	23,013,771	22,150,755	23,013,771
Amortisation in the year 30 June 2002	(1,150,688)	(863,016)	(1,150,688)	(863,016)
	21,000,067	22,150,755	21,000,067	22,150,755
Written off at 30 June 2002 to recoverable amount	19,000,067	-	19,000,067	-
Windimurra royalty at the end of the year-recoverable amount	2,000,000	22,150,755	2,000,000	22,150,755

The carrying value of the Windimurra Royalty as a non-current asset has been reassessed by the directors at its recoverable amount of \$2,000,000 after taking into account:

- i) The continued depressed price of Vanadium throughout the year, the failure of the project to generate and pay above the minimum royalty to the Company, and that on 21 February 2002 the 100% owner and operator of the Windimurra Vanadium Mine, Xstrata AG advised that for the purposes of its results for the year ended 31 December 2001, it has identified an impairment in the value of the Windimurra Vanadium Project.
- ii) The announcement in February 2003 by Xstrata plc (the parent company of its wholly owned subsidiary Xstrata Windimurra Pty Ltd, the owner and operator of the Windimurra project) that a decision had been taken to stop production and suspend operations at the Windimurra plant as soon as possible and to assess options, which include permanent closure.
- iii) The suspension of operations has not affected the Company's entitlement to continue to receive the minimum royalty at the rate of \$500,000 per annum. The Royalty Agreement with Xstrata Windimurra Pty Ltd allows for the payment of a minimum royalty of \$500,000 per annum paid in quarterly instalments which will cease if all mining operations at the Windimurra minesite are terminated with all rehabilitation obligations in respect of the tenements having been satisfied in full. Accordingly, the recoverability of \$2,000,000 is dependent on the continued payment of the minimum royalty until at least 30 June 2006. There is some prospect, but no certainty, that the project may be permanently closed which would then ultimately lead to the cessation of the minimum royalty entitlement thereby reducing the value of this asset to NIL.

Should operations be resumed there would likely be cause to reconsider the recoverable amount of the asset resulting in a potential increase to its value.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
12. PAYABLES				
Current				
Trade creditors	688,906	1,154,523	688,906	1,150,217
Loans (Note 22(b)(iv))	400,000	-	400,000	-
Other creditors (Notes 30(b)(i))	214,570	-	214,570	-
	<u>1,303,476</u>	<u>1,154,523</u>	<u>1,303,476</u>	<u>1,150,217</u>
Non Current				
Other creditors (Notes 30(b)(i))	185,430	-	185,430	-
13. INTEREST BEARING LIABILITIES				
Non-Current				
Other loans (Note 22(b)(i))	-	504,438	-	504,438
14. PROVISIONS				
Current				
Settlement of the claims made by Westgold Resources NL (Note 30(a))	800,000	-	800,000	-
Provision for rehabilitation of minesite	220,000	20,000	-	-
Employee entitlements	-	1,095	-	1,095
	<u>1,020,000</u>	<u>21,095</u>	<u>800,000</u>	<u>1,095</u>
Non-Current				
Directors' entitlements	-	206,627	-	206,627
15. DEFERRED INCOME				
Deferred income	102,125	125,000	102,125	125,000
	<u>102,125</u>	<u>125,000</u>	<u>102,125</u>	<u>125,000</u>

The minimum Windimurra Royalty payment is \$125,000 a quarter.

On 29 June 2002 the Company received payment of \$102,125 on account of the royalty payment due on 1 July 2002 and the balance of \$22,875 was received during July 2002.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	The Company		The Company	
	2002	2002	2001	2001
	Number	\$	Number	\$
16. CONTRIBUTED EQUITY				
Issued and paid-up share capital				
Ordinary shares, fully paid	15,854,855	48,369,635	15,847,651	48,369,635
Balance at the beginning of the financial year	158,547,651	48,369,635	158,540,935	48,368,022
Movements in ordinary share capital				
Shares issued	(a)	-	6,716	1,344
Share Reconstruction	(b)	(142,692,796)	-	-
Transfer from option premium reserve	(c)	-	-	269
Balance at the end of financial year	15,854,855	48,369,635	15,847,651	48,369,635

- (a) On 1 September 2000, 5,625 shares were issued at 20 cents (option conversion)
On 30 September 2000, 1,091 shares were issued at 20 cents (option conversion)
- (b) In July 2001 the Company obtained shareholders' approval for a share reconstruction and effected a consolidation to one ordinary fully paid share for ten ordinary fully paid shares.
- (c) On 1 September 2000, 5,625 options were exercised with an option premium of \$225.
On 30 September 2000, 1,091 options were exercised with an option premium of \$44.

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
17. OPTION PREMIUM RESERVE				
Balance at the beginning of the financial year	3,965,772	-	3,965,772	-
Proceeds from option premium	-	4,320,665	-	4,320,665
Expenses of option placement	-	(354,624)	-	(354,624)
Transfer to contributed equity	-	(269)	-	(269)
Balance at the end of the financial year	3,965,772	3,965,772	3,965,772	3,965,772

18. ACCUMULATED LOSSES

Accumulated losses at beginning of year	(30,236,195)	(24,947,616)	(30,212,227)	(25,727,746)
Net loss attributable to members of the parent entity	(21,525,608)	(5,288,579)	(21,329,914)	(4,484,531)
Accumulated losses at the end of the year	(51,761,803)	(30,236,195)	(51,542,141)	(30,212,277)

19. OPTIONS

Options to acquire ordinary shares in the capital of the Company have been granted as follows:

Listed 1 December 2005 Options

12,896,603 were outstanding as of the 30 June 2002. The options are also listed options are executable on or before 1 December 2005 at a price of \$2.00 per share.

There is no usual market price for these options.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$

20. DIRECTORS' AND EXECUTIVES' REMUNERATION

Directors' Remuneration

The number of directors of the Company whose total income from the Company or related parties was within the following bands are as follows.

\$0 -	\$9,999	3	-	3	-
\$10,000 -	\$19,999	-	-	-	3
\$30,000 -	\$39,999	2	1	2	1
\$80,000 -	\$89,999	-	1	-	1
\$180,000 -	\$189,999	-	1	-	-

Income paid or payable, or otherwise made available, to all directors, by entities in the consolidated entity and related parties in connection with the management of affairs of the Company or its controlled entities:

72,900	324,320	72,900	324,320
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21. SEGMENT INFORMATION

The Company and the economic entity operate in one industry being mining and mineral exploration and in the one geographical segment, Australia.

22. RELATED PARTY DISCLOSURE

(a) Directors

The names of persons who were directors of the Company at any time during the financial year were Mr R H J Smith, (resigned 28 May 2002) Mr A K McKee (resigned 4 June 2002), The Earl of Warwick, Mr J Wall and Mr A C Pilmer.

Details of directors' remuneration are set out in the Directors' Report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

(b) Transactions with Directors and Director-Related Entities

- i. On 31 March 2000, shareholder entities controlled by Mr R H J Smith (Pacific Quest Investments Pty Ltd) and Mr A K McKee (Adapt Pty Ltd) loaned \$200,000 each to the Company. The loans were unsecured and an interest rate of 12.5% applied to the outstanding amount. An establishment fee of \$16,000 and interest of \$36,219 have accrued on each of these loans during the year ended 30 June 2001.
- ii. Interest of \$27,428 has accrued on each of these loans during the year ended 30 June 2002. Interest was also accrued on the personal loan accounts of Mr R H J Smith for \$6,403 and Mr A K McKee for \$10,071 during the year ended 30 June 2002 at an interest rate of 12.5% per annum.
- iii. Employee entitlements of \$80,311 were owed to Mr R H J Smith and credited to his loan account. Employee entitlements of \$126,316 were owed to Mr A K McKee and credited to his loan account.
- iv. As a consequence of a subsequent agreement, the loan accounts of Mr A K McKee (and associated entity) were reduced by \$316,003 and the loan accounts of Mr R H J Smith (and associated entity) were reduced by a total of \$66,361 by way of a rescission of entitlements and in order to make a contribution to legal costs. These rescissions left remaining loan account balances of \$300,000 to Smith (and associated entity) and of \$100,000 to McKee (and associated entity).

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

22. RELATED PARTY DISCLOSURE (continued)

(b) Transactions with Directors and Director-Related Entities (continued)

- v. Premises owned by entities controlled by The Earl of Warwick (Tagora Pty Ltd) were occupied by the Company and rent and outgoings totalling \$21,523 were paid by the Company during the year ended 30 June 2002. No formal lease documentation has been drawn up in relation to this agreement. The Company has received independent confirmation that the rental arrangement is below market conditions for similar tenancies. The Company can terminate the arrangement without notice with no penalty or make good costs.
- vi. Accounting fees of \$2,500 were accrued at 30 June 2002 and owing to A C Pilmer & Co, an accounting firm associated to Mr A C Pilmer for services rendered during the month of June 2002 pursuant to an agreement to provide general accounting and administrative services to the Company at normal commercial rates.

(c) Transactions of Directors and Director-Related Entities Concerning Shares or Share Options

Aggregate numbers of shares and share options of the Company held directly or indirectly or beneficially by directors of the Company or their director-related entities at balance date:

	2002 NUMBER	2001 NUMBER	POST RECONSTRUCTION
Ordinary shares	4,941,938	34,100,417	3,410,042
Listed Options	585,950	7,720,246	772,025
Director Options	NIL	3,000,000	300,000

The number of Director Options to be granted and the terms and conditions under which they were granted were approved by special resolution at a general meeting of the Company held on 6 August 1998. The Directors Options expire on 31 March 2003. The terms and conditions of Listed Options are described in note 19.

(d) Wholly-Owned Group

Details of ownership interests in wholly owned controlled entities are set out in Note 26

The aggregate amount receivable from wholly owned entities by the Company at balance date:

	The Company	
	2002	2001
	\$	\$
Non-Current		
Loans to subsidiary companies	24,209,060	24,163,521
Less provision for non-recovery	(24,209,060)	(24,163,521)
	-	-

Loans

Loans between group entities are unsecured and repayable at call. However, there is no present potential to recall such funds.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$
22. RELATED PARTY DISCLOSURE (continued)				
(e) Transactions with Other Related Parties				
Aggregate amounts included in the determination of operating loss before income tax that resulted from transactions with Windimurra Joint Venture.				
Management and administration fees	-	126,126	-	126,126
Salary reimbursement	-	18,755	-	18,755
Interest Received	-	9,942	-	9,942
23. NOTES TO THE STATEMENTS OF CASH FLOWS				
(a) Reconciliation of Cash				
For the purpose of the Statements of Cash Flows, cash includes on hand and at bank and short term deposits at call net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the balance sheets as follows:				
Cash at bank	283,329	545,701	282,837	545,209
(b) Reconciliation of operating loss after income tax to net cash used in operating activities				
Operating loss after income tax	(21,525,608)	(5,288,579)	(21,329,914)	(4,484,531)
Non-cash items:				
Amortisation of interest in Windimurra project	1,150,689	863,016	1,150,689	863,016
Amortisation of exploration, evaluation and development	-	43,769	-	32,034
Amortisation - other	-	14,772	-	1,287,842
Depreciation	1,707	1,277,502	1,707	4,432
Loss on disposal of assets	3,832	(176,827)	3,832	(3,660)
Write off of Windimurra Royalty	19,000,067	-	19,000,067	-
Finance lease expenditure	-	-	-	2,229,000
Write-off of investment	1,324	-	1,324	9
Profit on sale of joint venture interest	-	-	-	(3,725,536)
Provision for loans to controlled entities	-	-	45,539	490,530
Exploration expenditure written off	429,462	-	414,595	-
Change in assets and liabilities during the year:				
Increase/(Decrease) in provisions	592,278	140,262	592,278	140,262
(Decrease)/Increase in payables	334,383	(2,161,368)	338,689	(1,001,247)
Increase/(Decrease) in interest bearing liabilities	(504,438)	-	(504,438)	-
Increase/(Decrease) in deferred income	(22,875)	125,000	(22,875)	125,000
Increase/(Decrease) in provision for rehabilitation	200,000	(228,000)	-	-
Net movement in joint venture assets and liabilities	-	(2,244,620)	-	(2,244,620)
Decrease/(Increase) in trade debtors	99,521	583,002	99,521	583,002
(Decrease) in provision for diminution in investment	-	(179)	-	(179)
Decrease/(Increase) in other receivables	5,757	38,371	5,757	38,371
Net cash used in operating activities	(233,901)	(7,013,879)	(203,229)	(5,666,275)

PRECIOUS METALS AUSTRALIA LIMITED
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	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$

23. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

(c) Financing Arrangements

The consolidated entity has access to the following lines of credit:

Total facilities available:				
Guarantee and indemnity facility	258,000	263,000	258,000	263,000

Facilities utilised at balance date:

Facilities not utilised at balance date:				
Guarantee and indemnity facility	258,000	263,000	258,000	263,000

Guarantee and indemnity facility

The facilities are subject to annual review. The fee rates are 1.25% per annum. See Note 25 (a) for details.

24. COMMITMENTS

(a) Mining Tenement Expenditure Commitments

In order to maintain current rights of tenure to tenements, the Company and the consolidated entity are required to pay lease rentals and to meet the minimum statutory expenditure requirements of the Western Australian Department of Industry & Resources.

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$

The obligation to meet expenditure commitments ceases if the tenement is surrendered or expires.

These obligations are not provided for in the financial report and are payable:

Not later than 1 year	(i)	159,800	159,200	68,500	68,500
Later than 1 year but not later than 5 years	(i)	639,200	616,800	274,000	274,000
Later than 5 years	(i)	608,791	768,591	279,630	348,130
		1,407,791	1,544,591	622,130	690,630

- (i) If the consolidated entity decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

25. CONTINGENT LIABILITIES

(a) Guarantees

The consolidated entity has in place a guarantee and indemnity facility of \$238,000 that relates to the Palm Springs tenements. The primary purpose of this facility is to satisfy environmental bonds in respect of mining tenements, as required by the Department of Mines. At 30 June 2002 no amount had been drawn against this facility. No security is held over this facility. At 30 June 2003 the consolidated entity has recorded a provision of \$220,000. Subsequent to year-end the Company has completed, subject to a further review by the Department of Resources and Industry, its obligations to clean up and restore the minesite at Palm Springs in the Kimberley district of Western Australia. This was done at a cost of \$173,000.

PRECIOUS METALS AUSTRALIA LIMITED
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(b) Native Title

The Company holds mining tenements in Western Australia. In 1992, the decision of the High Court of Australia (Mabo Case), recognised the existence, in certain circumstances, of communal native title in Australia. The Company has received notification that some of its mining tenements may be the subject of Native Title claims. At the date of this report, the Company is unable to determine what effect (if any) Native Title claims will have on the operations of the Company.

The Company	
2002	2001
\$	\$

26. CONTROLLED ENTITIES

(a) Particulars in relation to controlled entities

Name of Entity	2002	2001
Midwest Coal Pty Ltd	100	100
Victory Street Pty Ltd	2	2
Kimberley Gold Pty Ltd	2	2
	<hr/>	<hr/>
	104	104

The controlled entities are incorporated in Australia and the Company holds 100% of the ordinary issued capital.

(b) Disposal of controlled entities

During the 2001 financial year the consolidated Entity disposed of all the ordinary shares of Windimurra Ltd. Details of the disposal is as follows:

	2002	2001
Consideration (cash)	-	2
Net assets of entities disposed of	-	2
	<hr/>	<hr/>
Profit on disposal	-	-
	<hr/>	<hr/>
	%	%
Interest held after disposal	-	-

The entity was disposed of on 11 December 2000 and the operating results to that date have been included in consolidated operating profit.

PRECIOUS METALS AUSTRALIA LIMITED
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27. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk Exposure

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted Average Interest Rate	Floating Interest Rate \$	Non- Interest Bearing \$	Total \$	
2002						
Financial assets						
Cash		3.42%	283,329	-	283,329	
Receivables	7	4.30%	647,080	-	647,080	
Other receivables	7	-	-	246,646	246,646	
Windimurra royalty	11	-	-	2,000,000	2,000,000	
			930,409	2,246,646	3,177,055	
Financial liabilities						
Payables	12,13	-	-	1,488,906	1,488,906	
Provision for Westgold Resources NL settlement	14	-	-	800,000	800,000	
			-	2,288,906	2,288,906	
Net financial assets/(liabilities)			930,409	(42,260)	888,149	
	Note	Weighted Average Interest Rate	Floating Interest Rate \$	Fixed Interest Maturing in 1-5 Years \$	Non- Interest Bearing \$	Total \$
2001						
Financial assets						
Cash		3.54%	545,701	-	-	545,701
Receivables	7	4.50%	963,588	-	35,416	999,004
Other financial assets	8	-	-	-	1,324	1,324
Windimurra royalty	11	-	-	-	22,150,755	22,150,755
			1,509,289	-	22,187,495	23,696,784
Financial liabilities						
Payables	12	-	-	-	1,154,523	1,154,523
Interest bearing liability	13	12.50%	-	504,438	-	504,438
Employee and director entitlements	14	-	-	-	207,722	207,722
			-	504,438	1,362,245	1,866,683
Net financial assets/(liabilities)			1,509,289	(504,438)	20,825,250	21,830,101

(b) Net Fair Value of Financial Assets and Liabilities

(i) *Recognised financial instruments*

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

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Equity investments traded on organized markets have been valued by reference to market prices prevailing at balance date (refer also to Note 8). For non-traded equity investments, the net fair value is an assessment by the directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

(ii) *Unrecognised financial instruments*

The Company and certain related parties have potential financial liabilities that may arise from certain contingencies disclosed in Note 25.

(iii) *Net Fair Values*

The carrying amounts of financial assets and liabilities at balance date are approximate their net fair value.

(c) **Credit Risk Exposures**

Credit risk represents the loss that would be recognised if counter-parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the consolidated entity, which have been recognised in the statement of financial position, is the carrying amount, net of any doubtful debts.

	Consolidated		The Company	
	2002	2001	2002	2001
	\$	\$	\$	\$

28. EMPLOYEE ENTITLEMENTS

Aggregate liability for employee entitlements, including on-costs

Current	-	1,095	-	1,095
Non-Current	-	206,627	-	206,627
	-	207,722	-	207,722

Number of employees

Number of employees at year end.	-	1	-	1
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29. ECONOMIC DEPENDENCY

Royalty payments to the Company will be calculated on Project returns without deduction of interest, tax, depreciation of amortisation and includes a minimum royalty of \$500,000 per annum to be paid on a calendar year basis.

Future production royalties in excess of the minimum royalty is calculated and paid on a calendar year basis.

30. EVENTS OCCURRING AFTER BALANCE DATE

(a) **Westgold Litigation**

In July 2002 the Company reached agreements with Westgold Resources NL and two former directors, Mr R H J Smith and Mr. A K McKee, as well as the continuing Chairman, the Earl of Warwick, which in effect settled the action brought by Westgold Resources NL against the Company and the two former directors, Mr R H J Smith and Mr. A K McKee, in December 2000 which alleged that the defendants engaged in misleading or deceptive conduct with respect to the issue of shares to Westgold Resources NL in April 2000. The claim was for damages in the sum of \$3,090,770 and interest and costs.

This settlement with Westgold Resources NL was for a total amount of \$2,150,000 with the Company accepting liability for \$800,000 of this amount in respect of its share of the total settlement as announced to the Australian Stock Exchange on 18 July 2002.

In addition, the two former directors agreed to make a contribution of \$382,393 to the legal costs of the Company, incurred in the defence of the Westgold Resources NL claims. This contribution was deducted from the loan accounts associated with the two former directors. (Note 22(b)(iv))

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Westgold Settlement

The Company accepted a liability to Westgold of \$800,000. This amount was guaranteed by Mr R H J Smith. The Company failed to pay Westgold. Mr R H J Smith's guarantee was called upon. Mr R H J Smith subsequently issued demands on the Company to repay this amount, together with indemnified interest and other costs, and then in March 2003 he proceeded to make an application to the Supreme Court of Western Australia to wind up the Company and appoint an official liquidator.

Smith Settlement

In May 2003 the Company reached an agreement with the former director Mr R H J Smith whereby he withdrew his application to wind up the company and to appoint an official liquidator and the Company acknowledged:

- i) his entitlement to costs and interest totalling \$117,000.
- ii) that the share placements referred to in the Westgold Resources NL Settlement agreements would proceed at a price of 7 cents per share.
- iii) that the balance of monies owing to him of \$450,000 would be settled by the issue of 4,285,715 fully paid shares of 7 cents each to satisfy \$300,000 and the payment of \$150,000 following the completion of the share placements.
- iv) that these transactions are to be completed prior to 31 July 2003.

(b) Contractors Disputes

The Company has settled all outstanding contractors disputes that related back to the Windimurra Joint Venture and these include:

- i) In March 2003 a claim against the Joint Venture totalling \$6,850,000 was settled for \$1,000,000 with the Company's share of \$400,000 being met by the utilisation of existing dispute credits of \$214,570 and deferred payments of \$185,430 to be paid from future royalty income without interest or costs.
- ii) An obligation to pay the stamp duty on a transfer of a 9% interest in the Windimurra Joint Venture to a subsidiary of Xstrata plc was assessed in December 2002 by the State Revenue Office at \$370,098. This assessment releases \$229,902 plus interest previously held in the proceeds account. (Note 7 (ii)).

(c) Sale of Barrambie

In April 2003 the Company completed negotiations to sell the mining tenement known as Barrambie previously written down to \$NIL for \$200,000 to Reed Resources NL by the payment of \$50,000 and the issue by Reed Resources NL of 750,000 fully paid shares of 20c.

(d) Windimurra Royalty Asset

In February 2003 Xstrata plc, the parent company of Xstrata Windimurra Pty Ltd, announced in its Annual Report for the year ended 31 December 2002 that its subsidiary would cease production and operations would be suspended whilst they assessed options which would include permanent closure.

Since the announcement by Xstrata plc and the effective suspension of production of Vanadium Pentoxide at Windimurra which previously supplied approximately 11% of the known world production of this product it is noted that the spot price has firmed approx \$1.40 per lb to \$2.80 per lb.

(e) Legal Costs

In April 2003 the Company reached agreement with the Company's former solicitors to reduce the accrued legal costs included in payables as at 30 June 2002 relating to the Westgold Litigation by \$108,000.

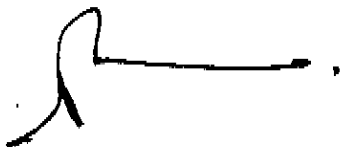
Adjustments have been made for the 30 June 2002 financial statements to reflect the \$800,000 liability to Westgold, and \$382,393 contribution by Directors noted in part (a), and the contractor disputes in part (b)(ii), and the write-down in the Windimurra Royalty, as these events provide additional information for events existing at 30 June 2002. The other events noted above have not been adjusted in the 30 June 2002 year.

PRECIOUS METALS AUSTRALIA LIMITED
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DIRECTORS' DECLARATION

- 1 In the opinion of the directors of Precious Metals Australia Limited ("the Company"):
- (a) the financial statements and notes, set out on pages 9 to 31 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2002 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with the Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. Without qualification to the above, attention is drawn to the matters described in Note 1(b) on page 12.

Signed in accordance with a resolution of directors:



A C PILMER
Director

Dated at Perth this 13th day of June 2003.



Independent audit report to the members of Precious Metals Australia Limited

Scope

We have audited the financial report of Precious Metals Australia Limited for the financial year ended 30 June 2002, consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes 1 to 30, and the directors' declaration. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the year or from time to time during the financial year. The Company's directors are responsible for the financial report. We have conducted an independent audit of this 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. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements 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.

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

Audit opinion

In our opinion, the financial report of Precious Metals Australia Limited is in accordance with:

- a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2002 and of their performance for the financial year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia

Inherent uncertainty regarding continuation as a going concern

Without qualification to the statement expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(b), to the financial statements, there is significant uncertainty whether the Company and consolidated entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Inherent uncertainty regarding Windimurra Royalty

Without qualification to the opinion expressed above, attention is drawn to the following matter. As described in Note 11, the company has recorded the Windimurra royalty at its recoverable amount of \$2,000,000. As a result of the matters described at Note 11 to the financial statements there is significant uncertainty whether the Company will realise the amount recognised as the Windimurra Royalty recoverable amount


 KPMG
 KPMG
 T R HART
 Partner

Perth

13 June 2003



KPMG, an Australian partnership, is a member of KPMG International, a Swiss non-operating association.

PRECIOUS METALS AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITY

ADDITIONAL INFORMATION AS AT 12 JUNE 2003

1. SHAREHOLDING

(a) Substantial Shareholder

Name	Held directly	Held indirectly	Total	%
Earl of Warwick	nil	1,980,633	1,198,633	12.6
Roderick Smith	512,001	1,453,412	1,965,413	12.4

(b) Voting Rights

Each member is entitled to one vote on a show of hands and one vote for each share held on a poll.

(c) Distribution of Shareholders

Size of Holding	Number of Holders	
	Shares	%
1 - 1,000	568	1.95
1,001 - 5,000	639	10.52
5,001 - 10,000	139	6.17
10,001 - 100,000	159	26.45
100,001 -	326	54.40

(e) Marketable Parcel

There are 1,296 shareholders who hold less than a marketable parcel given a share value of 6 cents a share.

(f) Top 20 Shareholders

	Number of Shares	% of Issued Capital
Tagora Pty Ltd	1,980,633	12.492
Mr Roderick James Hollas Smith	1,965,413	12.394
Mr Andrew Kregor McKee	995,892	4.828
Retford Resources NL	914,638	5.768
Vagg Investment Management Services Pty Ltd	443,924	2.799
HSBC Custody Nominees (Australia) Limited	400,500	2.526
ANZ Nominees Limited	309,934	1.954
National Nominees Limited	293,020	1.848
Bow Lane Nominees Pty Ltd	277,000	1.747
Westgold Resources NL	200,000	1.261
Mr Christopher John Wilson	168,980	1.065
R & B Investments Pty Limited	161,210	1.016
Miss Yu Chuan Chen	155,000	0.977
Mrs Liliana Teofilova	147,536	0.930
Mr Arthur Carbo	125,128	0.789
Mr R E & Mrs R D MacMillan	104,650	0.660
Mr Alexander Reid	101,780	0.641
Mr H J & Mrs L M Wheatley	100,000	0.630
Morgeo Nominees Pty Limited	100,000	0.630
Yuwin Pty Ltd	100,000	0.630
	<u>9,045,233</u>	<u>57.050</u>

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(g) Top 20 Option Holders

	Number of Options	% of Issued Capital
Dr Glen Whisson	1,250,007	9.7
Mr Bin Mohammad Abas	1,040,000	8.1
Reef Securities Limited	770,000	6.0
Mr Andrew McKee	585,960	4.5
Rerford Resources NL	501,667	3.9
Mr David Buchold	489,798	3.8
Mr Helmut Rocker	481,250	3.7
Mrs Bin Mohammad Abas	391,750	3.0
Mr Edward Protasewicz	330,336	2.6
Mr Robert Edwards	330,000	2.6
HSBC Custody Nominees	262,188	2.0
Tradco Pty Ltd	251,250	1.9
Mr Ianaki Semerdziew	250,001	1.9
Mr James Wall	250,000	1.9
Mr Donald Crombie	230,000	1.8
Mr Francis Higgins	190,344	1.5
Mrs Paola Bardwell	185,000	1.4
Mr Hugh Brady	170,000	1.3
Vagg Investments	150,487	1.2
Mrs Glenn Whisson	135,649	1.0
Yuwin Pty Ltd	100,000	0.6
	<u>8,245,687</u>	<u>63.9</u>

(h) On Market Buy-Back

There is no current On Market Buy-Back