GOLDEN VALLEY MINES LIMITED

ANNUAL REPORT 2003

ABN 98 008 905 388

C O N T E N T S

C O R P O R A T E D I R E C T O R Y

Directors
Richard Linnell – Chairman
Simon Farrell – Executive Director
Morrice Cordiner – Non-Executive Director
Peter Cordin – Non-Executive Director

Company Secretary
Blair E Sergeant

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Level 2, Reserve Bank Building
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Telephone: 61 8 9323 2000
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Auditors
KPMG
Level 31, Central Park
152 St George's Terrace
Perth Western Australia 6000

Bankers
National Australia Bank
Level 1, 1238 Hay Street
West Perth Western Australia 6005

Solicitors
Blakiston & Crabb
1202 Hay Street
West Perth Western Australia 6005

Stock Exchange
Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
Perth Western Australia 6000

Trading Code: GVM

CHAIRMAN'S LETTER

Dear Shareholder

Considerable progress was made during the year in achieving the goals set out in last years Annual Report.

The acquisition of a controlling stake in the JSE listed manganese sulphate producer, SA Minerals & Resources Corporation ("Samroc"), was completed. Negotiations for the acquisition of ferroalloy producer NiMag Limited were finalised and regulatory and financing approvals obtained.

With the focus of the Company on the acquisition of cash generating businesses, the exploration assets held in the wholly owned subsidiary Navigator Resources Limited were spun out into a new listed entity. The floatation has been a great success. The prospectus closed oversubscribed and the shares traded at a premium on listing. The value of the shares distributed to GVM shareholders have a market value of approximately $2.9 million at the date of this report. The shares received by GVM in settlement of loans made to Navigator were sold subsequent to year end, realising approximately $650,000.

During the year, the healthy cash position of the Company was utilised to make modest share investments and I am pleased to say that at the time of writing this report the Company has "paper" profits in excess of A$2.0 million.

I am excited about the coming year. Plans are well developed for a major expansion in capacity for the manganese sulphate business in Samroc, the new metal fibre business in NiMag Limited is growing rapidly and negotiations towards the acquisition of a further mineral processing business are progressing well.

I hope to be able to say in my next report that the goal of achieving an earnings base of A$20 million set out in last year's report has been accomplished.

Yours sincerely

Richard Linnell

7 October 2003

TENEMENT SCHEDULE

TENEMENTS HELD AS AT SEPTEMBER 2003

Project Name	Tenement Number	Interest
EASTERN GOLDFIELDS		
Kanowna West	M27/0041	24.7%
	M27/0047	24.7%
	M27/0059	24.7%
	M27/0072	24.7%
	M27/0073	24.7%
	M27/0114	24.7%
	M27/0181	24.7%
	M27/0196	24.7%
	M27/0414	24.7%
	M27/0415	24.7%
	P27/1113 - (MLA27/206)	24.7%
	P27/1114 - (MLA27/207)	24.7%
	P27/1158 - (part MLA27/224)	24.7%
	P27/1159 - (part MLA27/224)	24.7%
	P27/1160 - (part MLA27/225)	24.7%
	P27/1161 - (part MLA27/225)	24.7%
	P27/1162 - (part MLA27/225)	24.7%
	P27/1164 - (part MLA27/225)	24.7%
	P27/1165 - (MLA27/225)	24.7%
	P27/1169 - (part MLA27/224)	24.7%
	P27/1170 - (part MLA27/224)	24.7%
	P27/1171 - (part MLA27/224)	24.7%
	P27/1172 - (part MLA27/224)	24.7%
	P27/1173 - (part MLA27/224)	24.7%
	P27/1174 - (MLA27/227)	24.7%
	P27/1175 - (part MLA27/225)	24.7%
Morley Find	ELA30/150	100%
Lake Cowan	ELA63/649	100%
Abbotshall Royalty	ML63/409-410	
Kookynie Royalty	ML40/061	
	ML40/135-136	

STATEMENT OF CORPORATE GOVERNANCE

This statement outlines the main Corporate Governance practices that were adopted by the Board during the year ended 30 June 2003.

Composition of the Board

The Board of Directors consists of a Chairman, Executive Director and two Non-Executive Director's. The Directors consider the size of the Board to be consistent with the size of the consolidated entity and is adequate to ensure significant issues are dealt with at Board level. The composition of the Board is monitored to ensure it has the appropriate mix of expertise and experience.

Responsibilities of the Board

The Board of Directors is responsible for the direction and management of the consolidated entity's business on behalf of the shareholders. Responsibility for the day to day operations and administration is delegated by the Board to the senior management of the consolidated entity. The Board's functions include:

- setting goals, strategies and plans for the consolidated entity's business
- adopting and monitoring the progress of these strategic plans
- adopting an annual budget and monitoring the consolidated entity's financial performance
- ensuring adequate internal controls exist
- ensuring significant business risks are identified and appropriately managed
- appointing and reviewing the performance of senior management

Significant business risks

The consolidated entity is committed to the management of risks throughout its operations to protect its employees, the environment, assets and reputation. The Board maintains an ongoing review of areas of significant risk and implements appropriate policies to reduce and minimise risks. Such policies include insurance to reduce the financial impact of adverse events.

Remuneration

The role of the Board includes determining remuneration packages and policies applicable to senior executives and Directors themselves. This role also includes responsibility for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies. The Board obtains independent advice on the appropriateness of remuneration packages in respect of senior executives. Further details of Directors' remuneration, superannuation and retirement payments are set out in the Directors' Report and Note 21 & 22 to the financial statements.

Independent professional advice

Each Director has the right to seek independent professional advice at the consolidated entity's expense. Prior approval of the Chairman is required, which is not to be unreasonably withheld.

Audit committee

The Company does not have a formally constituted Audit Committee. All matters that are capable of delegation to such a committee are dealt with by the full Board. The Board is responsible for reviewing the adequacy of the scope and quality of the annual statutory audit and half year review. The Board is responsible for the nomination of external auditors.

Ethical standards

All Directors and executives are expected to act with the utmost integrity and objectivity in the performance of their duties, striving at all times to enhance the reputation and performance of the Company.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. The system is based on procedures, policies and guidelines, division of responsibility, internal review mechanisms and the careful selection and training of qualified personnel.

Employee Option Scheme

The Company operates an incentive scheme known as the Golden Valley Mines Limited Employee Option Scheme ("Scheme"). No options have been granted under this Scheme during the financial year. There are no voting rights attached to options granted under the Scheme. The exercise price for the options will be the higher of 20 cents or 110% of the market price of the Company's shares on the date the options are granted. Under the Scheme, the total number of options granted is limited to 5% of the total number of shares of the Company at the time of the proposed grant of options. Options granted under the Scheme may be exercised at any time between 2 and 5 years after the date they were granted.

The Directors submit their report together with the financial report of Golden Valley Mines Limited *(the "Company")* and the consolidated accounts of the Company and its controlled entities *(the "Consolidated Entity")* for the year ended 30 June 2003 and the Auditors' Report thereon.

Directors

The names of Directors in office at the date of this report are:

Richard Linnell
Non-Executive Chairman

Mr Linnell was appointed a director on 1 August 2001. Mr Linnell is an experienced geologist, who has worked with various companies which now form part of the BHPBilliton group, culminating in running the Samancor Manganese operations and Billiton's exploration and development activities in Africa. Mr Linnell is currently a non-executive director of BHPBilliton (SA Ltd), where he provides consultancy services in the field of public policy and political issues. Mr Linnell has been instrumental acting on behalf of Billiton in the establishment of the Bakubung Initiative, which is a multi-stakeholder project designed to rejuvenate the South African mining industry.

Simon Farrell
Executive Director

Mr Farrell was appointed as a Director on 21 December 2000. Mr Farrell has a Bachelor of Commerce from the University of Western Australia and an MBA from the Wharton School of the University of Pennsylvania. He has held a number of senior management and Board positions, principally in the resources sector over the last twenty years. He is currently a Director of Kenmare Resources plc.

Peter Cordin
Non-Executive Director

Mr Cordin has been a Director since December 1997. Mr Cordin is a Bachelor of Engineering from the University of Western Australia and is well experienced in the evaluation, development and operation of resource projects within Australia and overseas. He is the Managing Director of Moneo Metals Limited.

Morrice Cordiner
Non-Executive Director

Mr Cordiner was appointed a director on 12 October 1999. Mr Cordiner is an experienced corporate executive who has worked in Australia since 1989. He has broad financial, corporate and commercial experience gained undertaking various corporate advisory and project management assignments for a variety of organisations. He was formerly an executive director of Waverley Mining Australia, a funds management group which specialised in investing in the Australian resources sector.

Tom Sanders
Technical Director – appointed 15 February 2002, resigned 22 September 2003

Mr Sanders was appointed to the Board on 15 February 2002 following the Company's acquisition of Navigator Resources Ltd. He graduated from the University of Sydney in 1977 with a Bachelor of Science in Geology, and obtained a Master of Science in Mineral Economics from the Curtin University of Technology/WA School of Mines following part time studies in 1996. He has 23 years experience in exploration and mining geology including exploration and evaluation, feasibility studies, and surface and underground mining. He is a member of the Australian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.

Meetings of Directors

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

	Board Meetings	
Director	**Held**	**Attended**
Mr R Linnell	6	5
Mr S Farrell	6	6
Mr P Cordin	6	6
Mr M Cordiner	6	6
Mr T Sanders	6	6

Principal Activities

The principal activities of the Consolidated Entity are minerals exploration and investment in resource companies.

There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

Results

The consolidated loss of the Consolidated Entity for the year after income tax was $1,736,001 (2002: profit of $330,200).

Dividends Paid Or Recommended

No amounts were paid or declared by way of dividend by the Company. The Directors do not recommend payment of a dividend in respect of the financial year ended 30 June 2003.

Review of Operations

During the year the operations of the Consolidated Entity included exploration in Australia, and investments in a mineral processing company in South Africa and a gold mine operation in Algeria.

Corporate

The Board of Directors outlined a clear strategic path last year whereby the Company was seeking to acquire a suite of South African resource based interests with total earnings in excess R100 million (A$20 million) with an initial target of delivering pre tax earnings of R20 million ($A4 million) for calendar 2003. Delays in obtaining various regulatory approvals to complete certain acquisitions have prevented the Company from achieving this target, although significant progress has been, and continues to be made in meeting this goal.

Investment - NiMag Limited ("Nimag")

Golden Valley received South African Reserve Bank Exchange Control Department approval for the proposed acquisition of the NiMag Limited group of companies ("NiMag") in July 2003. This approval will allow the financing of the transaction to proceed towards completion, which is expected to be finalised in the near term.

Although the regulatory process and financing had taken far longer than had been anticipated the Board remains confident of the NiMag acquisition providing an exciting opportunity for the Company.

NiMag developed from a former subsidiary of Impala Platinum Limited and controls a major portion of the world's supply of nickel magnesium alloys with the bulk of its customers coming from the steel and foundry industry.

NiMag is engaged principally in the manufacture and distribution of nickel and magnesium alloys and of metal fibres. The disclosed accounts detailed revenue of R103 million and net profit before tax of R12.7 million for the year ended 30 April 2002, falling to approximately R10 million for the year ended 30 April 2003. The decrease in reported revenues and net profit are a direct result of the Rand appreciating against the US$, which is the denomination of a majority of NiMag's revenues.

Investment - SA Mineral Resources Corporation Ltd ("Samroc")

The Company acquired a significant interest (34.6%) in Samroc on 22 August 2002. Samroc is a resource company listed on the JSE Securities Exchange South Africa ("JSE") whose particular focus is the manufacture of manganese chemicals. It owns the rights to an extensive manganese deposit near Graskop, Mpumalanga and operates the Greenhills manganese chemical plant, which is located adjacent to the mineral deposit.

Samroc is the only producer of manganese sulphate in South Africa and is producing a high quality product suitable for the export market. Potential for significant growth is considered excellent.

Total consideration payable for the interest is $1,851,300, of which the Company has paid $1,539,000, with settlement of the balance due on 1 October 2003.

The acquisition of the interest in Samroc is seen by the Board as in line with the overall strategy, not only given the potential to vastly improve the performance, but also as a means to facilitate further acquisitions in line with the corporate strategy previously detailed by the Board.

Mr Farrell and Mr Linnell became members of the Samroc Board following GVM acquiring the above mentioned interest.

Investment - GMA Resources plc ("GMA")

During the latter half of the year, GMA acquired 100% of the issued capital of Gold Mines of Algeria Pty Ltd, a company in which GVM had an investment. As a result of the acquisition, GVM was issued with 4,000,500 shares in GMA, resulting in a profit of $898,860. GMA recently completed a £3.95 million raising by way of convertible loan stock and was admitted to the Alternative Investment Market ("AIM") of London Stock Exchange.

The share price of GMA as at 22 September 2003 was 29.75p, valuing GVM's shareholding at approximately £1,190,149 or **A$2.9 million.** The Company's holding is escrowed until 14 May 2004.

Investment – Xcell Diagnostics Limited ("XEL")

During the year the Company acquired a total of 865,000 shares in XEL at an average price of approximately 9.43 cents per share. XEL is a biomedical devices group listed on the Australian Stock Exchange. The Company is focused on the application of **biophotonics** for the diagnosis and management of major diseases. XEL also develops incentive **paediatric respiratory** devices.

As at 22 September 2003, the closing price of XEL on the ASX was 11.5 cents, representing an "paper" profit of approximately 22%.

Investment – Range Resources Limited ("RRS")
During the year the Company acquired a total of 2,650,000 shares and 1,325,000 options in RRS at an average price of approximately $0.0264 and $0.001 respectively. RRS is an exploration Company listed on ASX with gold and nickel assets. As at the date of this Report, the closing price of RRS on the ASX was $0.025 for the shares and $0.002 for the options.

Investment - Thistle Mining, Inc. ("Thistle")
The Company's remaining holding of 32,514 Thistle shares had an approximate market value of $20,758 as at the date of this report.

Navigator Resources Limited ("Navigator")
Navigator recently closed its Prospectus oversubscribed, raising approximately $3 million. Consequently, GVM proceeded with the distribution *in specie*, of 14,313,434 shares to all GVM shareholders registered as at the Record Date of 8 May 2003.

Those shareholders of GVM registered as at the Record Date received approximately 1 Navigator share for every 15 GVM shares held. Further, the Company was issued 3,350,000 shares in Navigator in lieu of debt owing by Navigator to GVM totalling $670,000.

Navigator listed on the ASX on 19 September 2003 and GVM disposed of its 3,350,000 shares at $0.20 per share, raising gross proceeds of $670,000, on the 25 September 2003.

Exploration
As at 30 June 2003, the Company owned 100% of Navigator. As discussed above, the Company no longer has an interest. During the year, the following exploration activity was carried out by Navigator:

East Kimberley (Western Australia)

Overview
Field activity focused primarily on platinum group metals (PGM) at the Eastman project and gold at the Laura River project.

Eastman Project
Exploration results at Eastman Bore highlighted the potential for a significant PGM resource. Soil sampling results outlined anomalous of coincident platinum, palladium, chrome, gold, nickel and copper that extend over a strike length of 6km. Rock chip sampling over this zone has returned multiple grades of 1.0 to 7.5 g/t PGMs hosted by chromitite (up to 7.5g/t) and variably sheared ultramafic rocks (up to 2.1g/t). An additional 14kms of the intrusion is essentially unexplored despite the known presence of chromitite and locally high grade PGM mineralisation.

A detailed assessment of the VMS and gold potential was concluded with the digital capture and analysis of previous exploration data. The Eastman property includes two known VMS occurrences with significant drill intercepts, as well as several other known occurrences. Eastman has not been adequately investigated, with many untested bedrock anomalies located along strike. In addition many widely-spaced broad drill intercepts of strongly anomalous mineralisation at Landrigan Creek West, Bullock Bore and Eastman Yard have not been investigated out of the clay zone, either along strike or into fresher bedrock. Aeromagnetic data indicates that the VMS-bearing stratigraphy continues under transported overburden to the west of Landrigan Creek where it is essentially unexplored. The VMS potential is rated highly given the tendency for VMS deposits to occur in clusters, the unexplored nature of the western half of project, and the availability of more effective modern geophysical techniques. Gold exploration is at an early stage. A large, multi-element stream sediment survey is planned for the coming field season

Laura River Project

A multi-element stream survey (magnetic fraction, active channel) at the large (286km2) Laura River project has outlined five strong, multi-point gold anomalies with peak values ranging from 43ppb to 132ppb gold (background 0.5ppb Au). These anomalies are similar in magnitude and geochemical signature (associated Bi, Cu, Pb) to that associated with the nearby Nicholsons Find gold mine, where a 200,000tpa gold treatment plant was recently established in 2002. Gold production in this area has recommenced following the 2002 commissioning of a 200,000tpa mill, and the mining of oxide ore from several satellite open pits. This milling facility creates the potential for toll milling from any gold discoveries resulting from investigation of the stream anomalies with minimal capital expenditure. A systematic appraisal of the stream anomalies is planned in the next field season using soil sampling, mapping and drilling as required.

Nickel-Copper and VMS

Multi-element stream geochemistry at Laura River has outlined several nickel-copper-PGM anomalies and also several coincident copper, zinc, gold and lead responses possibly indicative of underlying VMS mineralisation. Further field investigation is required to ascertain the significance of these anomalies, however the anomalies are regarded as very encouraging given the presence of known significant VMS resources in the area (Koongie Park, Emull) and outcropping nickel-copper mineralisation.

Falconbridge and Anglo American elected to withdraw from the Laura River nickel-copper joint venture following field investigation of airborne electromagnetic (EM) targets in the northwestern third of the project. Interestingly the largest magnitude nickel-copper stream anomalies from subsequent stream sampling by GVM are located east of the former joint venture area.

Wills Creek

Nickel-Copper

Navigator has identified a 20km strike length of mafic-ultramafic rocks with known nickel-copper occurrences located east and parallel to the Halls Creek Fault. This mafic-ultramafic belt is associated with anomalous nickel-copper-chrome stream geochemistry and represents the strike extensions of rocks that host recent drill intersections by Thundelarra at Copernicus (15m at 1.95%Ni, 1.28%Cu), and Eileen Bore (116m at 0.9g/t Pt+Pd+Au, 0.78% Cu and 0.30% Ni).

Falconbridge and Anglo American withdrew from the Wills Creek nickel-copper joint venture in January 2003 following field investigation of airborne electromagnetic (EM) targets on a separate mafic-ultramafic located east of the Halls Creek Fault.

Other Projects

Field work at the Carson, Dockrell and Taylor Lookout projects included stream and rock chip sampling. No significant results were obtained.

Eastern Goldfields (WA)
Kanowna West (24.7% GVM)
Joint venture partner Perilya Ltd completed a review of all previous drill data. Interpretation of results from the Beatty and Debernales prospects in the September quarter defined an alteration zone of approximately 800 metres x 400 metres, located west of the Six-Mile Open Cut. This zone includes drill results of 18 metres at 2.2g/t gold, 17 metres at 1.4g/t gold and 5 metres at 8.5g/t gold, and shows strong alteration with sericite, carbonate and silica bleaching of pyritic basalts and porphyries. Preliminary RAB and air-core drilling of this zone (48 holes for 2695m) was conducted late in the year in the Beatty prospect area, south west of the Six Mile open pit and indicated that the interpreted proximal alteration zone is more irregular and discontinuous than originally thought.

Likely Developments

The Consolidated Entity will continue to pursue investment opportunities both within and outside the mining and exploration industry in the forthcoming year.

In the opinion of the Directors, disclosure of further information on likely developments in operations and expected results would be prejudicial to the interests of the Consolidated Entity.

Changes in State Of Affairs

Significant changes in the state of affairs of the Consolidated Entity during the financial year were as follows:

- On the 25 February 2003, the Company issued of 11,550,000 ordinary shares at an issue price of 4 cents per share to raise $462,000, in order to satisfy the second tranche of the Samroc acquisition;

- On the 16 April 2003, the Company issued 3,615,000 ordinary shares at an issue price of 4 cent per share, to raise a total of $144,600 as working capital;

- The Company acquired a significant interest (34.6%) in Samroc on 22 August 2002. Total consideration payable for the interest is $1,851,300, of which the Company has paid $1,539,000, with settlement of the balance due on 1 October 2003. Samroc is a resource entity listed on the JSE Securities Exchange South Africa ("JSE") whose particular focus is the manufacture of manganese chemicals. It owns the rights to an extensive manganese deposit near Graskop, Mpumalanga and operates the Greenhills manganese chemical plant, which is located adjacent to the mineral deposit.

- GMA Resources plc **("GMA")** acquired 100% of the issued capital of Gold Mines of Algeria Pty Ltd, a company in which GVM had an investment. As a result of the acquisition by GMA, GVM was issued with 4,000,500 shares in GMA, resulting in a profit of $898,860. The share price of GMA as at 22 September 2003 was 29.75p, valuing GVM's shareholding at approximately £1,190,149 or **A$2.9 million.**

In the opinion of the Directors, other than that stated above, there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review.

Events Subsequent to Balance Date

On the 11 September 2003, the Company completed a capital reduction by way of an *in specie* distribution of its holding in Navigator, resulting in a reduction of contributed equity of approximately $1.3 million in the parent, a reduction in exploration expenditure of approximately $1.9 million and an increase in investments of $0.6 million in the consolidated entity.

Navigator listed on the Australian Stock Exchange on 19 September 2003, having closed its Prospectus oversubscribed raising approximately $3 million. GVM maintained an interest in Navigator of 3,350,000 shares, which, had a market value of approximately $670,000, based on the closing share price as at 22 September 2003, of 20 cents. The 3,350,000 shares were issued at 20 cents per share ($670,000) by Navigator to GVM in lieu of the outstanding debt owing to GVM by Navigator, amounting to $801,169 as at balance date. A provision was raised against the debt as at 30 June 2003 in the amount of $131,169, representing the difference in carrying value and recoverable amount. GVM disposed of the 3,350,000 shares on 25 September 2003 for total gross consideration of $670,000.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Environmental regulation

The Consolidated Entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Consolidated Entity has adequate systems in place for the management of its environmental regulations and is not aware of any breach of those environmental requirements as they apply to the Consolidated Entity.

Directors' And Senior Executives' Emoluments

The Board is responsible for establishing remuneration packages applicable to the Board members of the Company. The policy adopted by the board is to ensure that remuneration properly reflects an individual's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest calibre.

Directors' remuneration packages are also assessed in the light of the condition of markets within which the Company operates, the Company's financial condition and the individual's contribution to the achievement of corporate objectives.

	Base Emolument $	Consulting Fees $	Super Contributions $	Options Issued $	Insurance Premium $	Total $
The Company and Consolidated Entity						
Directors						
Mr S Farrell	107,000	-	9,630	-	-	116,630
Mr R Linnell	-	-	-	-	-	-
Mr P Cordin	18,000	6,000	1,620	-	-	25,620
Mr M Cordiner	18,000	-	1,620	-	-	19,620
Mr T Sanders	18,000	90,000	1,620	-	-	109,620

No options were issued to directors or executives of the Company and Consolidated Entity during the year.

Share Options

No options were issued pursuant to the Golden Valley Mines Employee Option Plan during the year.

The names of all persons who currently hold options granted under the Employee Option Plan are entered into a register kept by the Company pursuant to Section 216C of the Corporations Act 2001 and the register may be inspected free of charge.

The following options remain outstanding at the date of this report:

	Number	Exercise Price	Expiry Date
Listed Options	41,460,000	$0.10	30 September 2005
Unlisted Options	615,000	$0.20	24 December 2003
Unlisted Options	750,000	$0.20	30 September 2006

These options do not entitle the holder to participate in any share issue of any other body corporate. No shares have been issued by virtue of the exercise of an option during the year or to the date of this report.

During the financial year, a total of 100,000 Employee options exercisable on or before 18 November 2002 and 500,000 options exercisable on or before 1 July 2002, automatically lapsed.

Directors' Interests

The relevant interest of each Director of the Company in shares and options of the Company at the date of this report is:–

Director	Shares	Options
R Linnell	-	7,000,000
S Farrell	8,131,500	3,000,000
P Cordin	3,544,593	1,000,000
M Cordiner	-	1,000,000
T Sanders	15,837,500	1,587,500

Directors' insurances

During the financial year the Company did not pay any insurance premiums in respect of directors' and officers' liability and legal expense insurance contracts, for current directors and secretaries of the Company and its controlled entities.

Signed on this 30th day of September 2003 in accordance with a resolution of the Directors.

Simon Farrell
Director

STATEMENTS OF FINANCIAL PERFORMANCE

as at 30 June 2003

GOLDEN VALLEY MINES LIMITED

	Note	Consolidated Entity 2003 $	Consolidated Entity 2002 $	Company 2003 $	Company 2002 $
Revenue	3	1,356,781	2,397,306	1,086,935	1,905,439
Consulting expenses		(262,487)	(155,039)	(256,124)	(130,098)
Employee expenses		(254,645)	(168,590)	(223,694)	(162,737)
Borrowing costs		(21,376)	(4,712)	(21,369)	(4,712)
Depreciation expenses		(29,163)	(46,546)	(19,512)	(39,695)
Exploration expenses		(346,643)	(215,034)	-	(33,248)
Office rental , outgoings and parking		(177,981)	(41,738)	(1,791)	(10,418)
Decrease/(increase) diminution in value of investments		5,230	(260,750)	(1,168,893)	(89,782)
Carrying value of investments disposed of		(186,685)	(959,214)	(92,850)	(730,394)
Carrying value of property, plant and equipment disposed of		-	(516)	-	(516)
Provision for non-recoverability of loans to controlled entities		-	-	(131,169)	-
Provision for non-recoverability of loans		(368,860)	-	(368,860)	-
Diminution in value of controlled entities		-	-	(291,785)	-
Other expenses from ordinary activities		(281,279)	(214,967)	(246,889)	(373,639)
Share of net losses of associate accounted for using the equity method		(1,168,893)	-	-	-
Profit/(Loss) from ordinary activities before income tax (expense)/benefit	4	(1,736,001)	330,200	(1,736,001)	330,200
Income tax relating to ordinary activities	5	-	-	-	-
Profit/(Loss) from ordinary activities after related income tax (expense)/benefit	17	(1,736,001)	330,200	(1,736,001)	330,200
Basic earnings/(loss) per share (in cents)	6	(.84)	0.24		

The accompanying notes form part of these financial statements

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2003

		Consolidated Entity		Company	
		2003	2002	2003	2002
	Note	$	$	$	$
CURRENT ASSETS					
Cash assets	24(a)	478,590	3,248,267	476,630	3,086,225
Receivables	8	609,807	49,914	1,207,633	7,371
Other financial assets	10	-	135,729	-	17,191
TOTAL CURRENT ASSETS		1,088,397	3,433,910	1,648,263	3,110,787
NON CURRENT ASSETS					
Receivables	8	-	7,603	4,588,174	5,063,059
Investments accounted for using the equity method	9	682,407	-	-	-
Other financial assets	10	1,163,595	142,032	3,376,192	1,983,481
Property, plant and equipment	11	126,087	145,971	92,046	111,239
Exploration expenditure	12	1,969,134	1,905,590	-	-
TOTAL NON CURRENT ASSETS		3,941,223	2,201,196	8,056,412	7,157,779
TOTAL ASSETS		5,029,620	5,635,106	9,740,675	10,268,566
CURRENT LIABILITIES					
Payables	13	629,680	106,727	535,100	41,032
Provisions	14	1,592	630	-	130
TOTAL CURRENT LIABILITIES		631,272	107,357	535,100	41,162
NON CURRENT LIABILITIES					
Payables	13	-	-	4,807,227	4,699,655
TOTAL NON CURRENT LIABILITIES		-	-	4,807,227	4,699,655
TOTAL LIABILITIES		631,272	107,357	5,342,327	4,740,817
NET ASSETS		4,398,348	5,527,749	4,398,348	5,527,749
EQUITY					
Contributed equity	15	34,557,748	33,951,148	34,557,748	33,951,148
Reserves	16	136,445	136,445	136,445	136,445
Accumulated losses	17	(30,295,845)	(28,559,844)	(30,295,845)	(28,559,844)
TOTAL EQUITY		4,398,348	5,527,749	4,398,348	5,527,749

The accompanying notes form part of these financial statements

STATEMENTS OF CASH FLOWS

as at 30 June 2003

GOLDEN VALLEY MINES LIMITED

	Note	Consolidated Entity 2003 $	Consolidated Entity 2002 $	Company 2003 $	Company 2002 $
Cash flows from operating activities					
Interest received		71,673	37,438	70,916	28,385
Cash receipts in the course of operations		111,945	47,738	-	18,302
Interest paid		(6)	(4,712)	-	(4,712)
Payments to suppliers and employees		(942,694)	(701,320)	(716,138)	(537,342)
Payments for exploration and development		(363,005)	(215,034)	-	(33,248)
Net cash used in operating activities	24(b)	(1,122,087)	(835,890)	(645,222)	(528,615)
Cash flows from investing activities					
Payments for property, plant and equipment		(9,279)	(138,614)	(320)	(107,796)
Proceeds from the sale of property, plant and equipment		2,000	1,244	-	1,244
Proceeds from sale of equity investments		105,169	2,283,826	-	1,306,962
Payments for equity investments		(1,031,035)	(142,032)	(1,031,035)	(142,032)
Loans made to other entities		(859,045)	-	(858,906)	-
Net cash provided by investing Activities		(1,792,190)	2,004,424	(1,890,261)	1,058,378
Cash flows from financing activities					
Loans from controlled entities		-	-	105,169	1,023,657
Loans to controlled entities		-	-	(438,230)	(529,565)
Loans repaid by controlled entities		-	-	114,349	29,435
Proceeds from issue of shares and options		144,600	2,118,750	144,600	2,118,750
Transaction costs from issue of shares		-	(125,165)	-	(125,165)
Net cash provided by financing Activities		144,600	1,993,585	(74,112)	2,517,112
Net increase/(decrease) in cash held		(2,769,677)	3,162,119	(2,609,595)	3,046,875
Cash at beginning of financial year		3,248,267	86,148	3,086,225	39,350
Cash at end of financial year	24(a)	478,590	3,248,267	476,630	3,086,225

The accompanying notes form part of these financial statements

1. STATEMENT 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, does not take into account changing money values or fair values 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.

(b) Principles of consolidation

Controlled entities
The financial statements of controlled entities results are included from the date control commences until the date control ceases.

Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the consolidated financial statements.

Associates
Associates are those entities, other than partnerships, over which the consolidated entity exercises significant influence and which are not intended for sale in the near future.

In the consolidated financial statements, investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date the significant influence commences until the date the significant influence ceases. Other movements in reserves are recognised directly in the consolidated reserves.

Transactions eliminated on consolidation
The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

(c) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax ("GST"). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Interest revenue
Interest revenue is recognise as it accrues, taking into account the effective yield of the financial asset.

Sale of non-current assets
The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.
The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(d) 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 the 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.

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

(e) Cash assets

For the purposes of the Statement of Cashflows, cash includes deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(f) Property, plant & equipment

Property, plant and equipment are brought to account at cost less, where applicable, accumulated depreciation. The cost of all property, plant and equipment s depreciated over their estimated useful lives commencing from the time the assets are held ready for use.

(g) Acquisition of Assets

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of the acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of the acquisition is used as fair value except where the notional price at which they could be placed in the market is a better indication of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expended.

(h) Depreciation and amortisation

Items of plant and equipment, are depreciated/amortised using the reducing balance method over their estimated useful lives as follows:
The depreciation and amortisation rates used for each class of assets are as follows:

	Range - 2003	Range - 2002
• Furniture, fittings and office equipment	13% - 27%	13% - 27%
• Motor vehicle	20% - 33%	20% - 33%
• Exploration equipment	13% - 27%	13% - 27%

(i) Recoverable amount of non-current assets valued on cost basis

The carrying amounts of non-current assets valued on the cost basis, are reviewed to determine whether they are in excess of recoverable amount at balance date, except capitalised exploration expenditure. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

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

(j) Income tax

The Consolidated Entity adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. 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 statement of financial positions 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 entities with tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses is not recorded unless realisation is virtually certain.

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

(k) Leases

Operating leases

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

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditure represents acquisition costs and direct net exploration costs incurred together with an appropriate portion of related overhead expenditure. This expenditure is carried forward in respect of each separate area of interest for which rights of tenure are current only where such costs are expected to be recouped through successful development and economic exploitation of the area of interest.

All expenditure relating to activities in areas which have not yet reached a level which permits an assessment of the existence or otherwise of economically recoverable reserves is expensed as incurred except that in the case of the acquisition of exploration tenements, these assets are brought to account in the statement of financial position in accordance with Urgent Issues Group Abstract 10.

(m) Investments

Investments are brought to account at the lower of cost and recoverable amount. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount at balance date. The recoverable amount is assessed on the basis of current market value, underlying net assets in the particular entities or the expected net cashflows from the investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts, except where stated. Dividends are brought to account in the statement of financial performance when received except for dividends from controlled entities which are brought to account when they are proposed by the controlled entity.

(n) Employee entitlements

Wages, salaries, annual leave and sick leave

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year are measured at the present value of the estimated future cash outflows to be made for those entitlements.

Superannuation commitments

The Company makes contributions to employee superannuation plans based on various percentages of employees' gross income. The Company contributions are legally enforceable to the extent of the superannuation guarantee legislation and the specific terms of individual employee contracts.

(o) Receivables

Amounts receivable from third parties are carried at amounts due. The recoverability of the debts are assessed at balance date and specific provision is made for any doubtful accounts.

(p) Foreign Currency

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange rate gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

(q) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or consolidated equity. Trade accounts payable are normally settled within 45 days.

(r) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
3. REVENUE				
Revenue from operating activities				
Interest income	71,673	37,438	70,916	28,385
Other revenue	186,734	47,738	24,814	18,302
Capital gains tax refund	-	-	-	-
Revenue from outside operating activities				
Gross proceeds from sale of tenements	-	27,060	-	27,060
Gross proceeds from sale of equity investments	1,096,374	2,283,826	991,205	1,306,962
Reversal of provision for diminution in controlled entities	-	-	-	523,486
Gross proceeds from sale of property, plant and equipment	2,000	1,244	-	1,244
Total revenue from ordinary activities	1,356,781	2,397,306	1,086,935	1,905,439

4. PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX BENEFIT

(a) Profit/(Loss) from ordinary activities before income tax benefit has been arrived at after charging/(crediting) the following items:

	Consolidated Entity 2003 $	Consolidated Entity 2002 $	Company 2003 $	Company 2002 $
Depreciation of:				
- exploration equipment	2,844	637	-	-
- furniture, fitting and office equipment	5,638	40,693	-	34,479
- mining plant	105	59	105	59
Amortisation of:				
- leasehold improvement	20,576	5,157	19,407	5,157
	29,163	46,546	19,512	39,695
Profit/(loss) on sale of property plant and equipment	2,000	728	-	728
Net foreign exchange gain/(loss)	(243)	77	(243)	108
Amount set aside to/(reversed from) provisions for:				
- employee entitlements	962	1,347	(130)	1,848
Exploration expenditure expensed	346,643	215,034	-	33,248
Operating lease expenses	156,734	26,425	-	4,435

	Consolidated Entity 2003 $	Consolidated Entity 2002 $	Company 2003 $	Company 2002 $
(b) Individually significant items included in profit/(loss) from ordinary activities before income tax				
Profit/(loss) on disposal of equity investments	909,689	1,324,612	898,355	576,568
Profit/(loss) on disposal of tenements	-	27,060	-	27,060
Provision for diminution in value of Investments	5,230	(260,750)	(1,168,893)	(89,782)
Reversal of prior year diminution	-	-	-	208,800
Provision for diminution in value of Investments – controlled entities	-	-	(291,785)	-
Provision for non-recoverability of loans to controlled entities	-	-	(131,169)	-
Reversal of provision for doubtful receivable – controlled entities	-	-	-	523,546
Share of net losses of associate	(1,168,893)	-	-	-

5. TAXATION

(a) The prima facie tax on profit/(loss) from ordinary activities is reconciled to the income tax provided for in the accounts as follows:

	Consolidated Entity 2003 $	Consolidated Entity 2002 $	Company 2003 $	Company 2002 $
Prima facie tax expense/(benefit) on profit/loss from ordinary activities before income tax at 30% (2002: 30%)	(520,800)	112,268	(520,800)	112,268
Add/(less) tax effect of:				
Non deductible items	30,000	3,028	30,000	3,028
Profit/(loss) on sale of tenement	-	8,118	-	8,118
Capital (gain) on sale of shares	-	(397,383)	-	(172,970)
Provision for diminution in value	-	78,225	350,668	89,575
Recovery of provision for diminution in value	-	-	-	(157,046)
Provision for non-recovery of loans to controlled entities	-	-	39,351	-
Provision for diminution in value of investments - controlled entities	-	-	87,536	-
	(490,800)	(195,744)	(13,245)	(117,027)
Future income tax benefit not brought to account	490,800	195,744	13,245	117,027
Income tax benefit attributable to loss from ordinary activities	-	-	-	-

(b) Future income tax benefits at 30% not brought to account, the benefit of which will be realised only if the conditions for deductibility set out in Note 1(j) occur.

	Consolidated Entity 2003 $	Consolidated Entity 2002 $	Company 2003 $	Company 2002 $
Revenue and Capital losses	3,009,564	3,891,278	1,858,979	3,244,777

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

(i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997;

(ii) the relevant company and/or the consolidated entity continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the relevant company and/or the consolidated entity in realising the benefits.

During the financial year, legislation was enacted to allow groups, comprising of 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. The legislation, which includes both elective and mandatory elements, is applicable to the Company. As at 30 June 2003, the directors of the Company (and the subsidiaries) have not made a decision to elect to be taxed as a single entity. In accordance with UIG 39 "Effect of Proposed Tax Consolidation Legislation on Deferred Tax Balances", the financial effect of the legislation has not been brought to account in the financial statements for the financial year ended 30 June 2003.

	Consolidated Entity	
	2003	**2002**
	$	**$**
6. EARNINGS /(LOSS) PER SHARE		
Basic profit/(loss) per share		
(cents per share)	(0.84)	0.24
Weighted average number of ordinary		
shares used as the denominator	207,849,707	141,626,304

As at 30 June 2003, there were 42,825,000 (2002: 43,425,000) options outstanding over unissued capital exercisable at amounts ranging between $0.10 and $0.20 each substantially below market price.

There are no dilutive potential ordinary shares therefore diluted EPS has not been calculated or disclosed.

	Consolidated Entity		Company	
	2003	**2002**	**2003**	**2002**
	$	**$**	**$**	**$**
7. AUDITORS' REMUNERATION				
Amounts received or due and receivable				
by the auditors of the Company for				
- auditing the accounts	21,305	16,093	21,305	16,093
- other services	31,735	10,290	25,080	10,290
	53,040	26,383	46,385	26,383
8. RECEIVABLES				
CURRENT				
Receivable – controlled entities	-	-	801,169	-
Provision for doubtful receivables	-	-	(131,169)	-
Receivable – associates	51,926	-	51,926	-
Other debtors	926,741	49,914	854,567	7,371
Provision for doubtful receivables	(368,860)	-	(368,860)	-
	609,807	49,914	1,207,633	7,371

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
NON CURRENT				
Other debtors	-	7,603	-	-
Amounts receivable from controlled entities	-	-	5,186,722	5,661,609
Provision for doubtful receivables	-	-	(598,548)	(598,550)
	-	7,603	4,588,174	5,063,059

Amounts receivable from controlled entities are interest free, unsecured and with no fixed term for repayment.

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
9. INVESTMENTS – EQUITY METHOD				
Carrying value of investments in associates at beginning of year	-	-	-	-
Investments in associate acquired during year	1,851,300	-	-	-
Share of associates net loss (Tax :$Nil)	(210,752)	-	-	-
Goodwill written off	(958,141)	-	-	-
Carrying value at end of year	682,407	-	-	-

Investments in associate

The Company has a 34.6% (2202: Nil) interest in SA Mineral Resources Corporation Ltd ("Samroc"), which is a resource company listed on the JSE Securities Exchange South Africa ("JSE") whose particular focus is the manufacture of manganese chemicals. It owns the rights to a manganese deposit near Graskop, Mpumalanga and operates the Greenhills manganese chemical plant, which is located adjacent to the mineral deposit.

Samroc is listed on JSE Securities Exchange South Africa ("JSE"). The closing price of Samroc on JSE as at balance date was Rand0.03, or $0.006. The carrying amount of investment in associates at year-end represents the estimated recoverable amount, which is equivalent to the market value of the Company's interest based on Samroc's closing share price. Refer to Note 13 for details of security and pledge over the Samroc shares.

for the year ended 30 June 3003

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
10. OTHER FINANCIAL ASSETS				
CURRENT				
Prepayments	-	17,191	-	17,191
Investments:				
Shares in other corporations listed on a stock exchange at cost	-	289,532	-	-
Provision for diminution in value	-	(170,994)	-	-
	-	135,729	-	17,191
NON CURRENT				
Investments:				
Shares in other corporations listed on a stock exchange at cost	1,204,462	142,032	2,995,422	142,032
Provision for diminution in value	(40,867)	-	(1,168,893)	-
	1,163,595	142,032	1,826,529	142,032
Shares in controlled entities at cost	-	-	9,842,204	9,842,204
Provision for diminution in value	-	-	(8,292,541)	(8,000,755)
	-	-	1,549,663	1,841,449
	1,163,595	142,032	3,376,192	1,983,481
Market value of investments listed on a stock exchange as at 30 June 2003 - shares in other corporations	1,485,240	260,570	2,148,175	149,140
11. PROPERTY, PLANT & EQUIPMENT				
Furniture, fittings and office equipment at cost	169,910	294,246	112,024	111,705
Less: Accumulated depreciation	(114,977)	(236,722)	(78,199)	(78,198)
	54,933	57,524	33,825	33,507
Mining plant at cost	361,330	361,330	361,330	361,330
Less: Accumulated depreciation	361,330	(361,225)	361,330	(361,225)
	-	105	-	105
Leasehold Improvements at cost	88,492	82,784	82,784	82,784
Less: Accumulated amortisation	(25,732)	(5,157)	(24,563)	(5,157)
	62,760	77,627	58,221	77,627
Exploration equipment at cost	12,325	11,352	-	-
Less: Accumulated depreciation	(3,931)	(637)	-	-
	8,394	10,715	-	-
Total property, plant & equipment	126,087	145,971	92,046	111,239

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
11. PROPERTY, PLANT & EQUIPMENT (cont'd)				
Reconciliation's of the carrying amount of each class of property, plant and equipment are set out below:				
Leasehold improvements				
Carrying amount at the beginning of the year	77,627	-	77,627	-
Amortisation	(20,576)	(5,157)	(19,406)	(5,157)
Additions	5,709	82,784	-	82,784
Disposals	-	-	-	-
Carrying amount at end of year	62,760	77,627	58,221	77,627
Furniture, fitting and office equipment				
Carrying amount at the beginning of the year	57,524	54,255	33,507	43,490
Depreciation	(5,638)	(40,693)	(1)	(34,479)
Additions	3,047	44,478	319	25,012
Disposals	-	(516)	-	(516)
Carrying amount at end of year	54,933	57,524	33,825	33,507
Mining plant				
Carrying amount at the beginning of the year	105	164	105	164
Depreciation	(105)	(59)	(105)	(59)
Disposals	-	-	-	-
Carrying amount at end of year	-	105	-	105
Exploration equipment at cost				
Carrying amount at the beginning of the year	10,715	-	-	-
Depreciation	(2,844)	(637)	-	-
Additions	523	11,352	-	-
Disposals	-	-	-	-
Carrying amount at end of year	8,394	10,715	-	-
12. EXPLORATION EXPENDITURE EXPENDITUREPAYABLES				
Capitalised exploration expenditure	1,969,134	1,905,590	-	-

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

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
13. PAYABLES				
CURRENT				
Sundry creditors and accruals	146,311	97,556	51,731	31,861
Other	483,369	9,171	483,369	9,171
	629,680	106,727	535,100	41,032
NON CURRENT				
Payables – controlled entities	-	-	4,807,227	4,699,655

Amounts owing to controlled entities are interest free, unsecured and with no fixed term for repayment.

A total of $483,369 owing as at 30 June 2003 relates to the final tranche of the Samroc acquisition, of which $150,000 was paid in July 2003, and the balance due and payable by 1 October 2003. The final amount payable is secured against the Company's Samroc shares until such time as the remaining debt is paid in full.

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
14. PROVISIONS				
CURRENT				
Employee entitlements	1,592	630	-	130
Number of employees				
Number of employees at year end	2	1	-	1
15. CONTRIBUTED EQUITY				
(a) Issued and paid up capital				
218,316,509 ordinary fully paid shares (2002: 203,151,509 ordinary fully paid shares)	34,557,748	33,951,148	34,557,748	33,951,148
	34,557,748	33,951,148	34,557,748	33,951,148

	2003	2002	2003	2002
	Number	$	Number	$
(b) Movements in contributed equity				
Opening Balance	203,151,509	33,951,148	102,451,509	30,095,563
Issue of shares at 4.0 cents each in consideration for professional services rendered	-	-	625,000	25,000
Capital raising for working capital at 3.5 cents per share	-	-	9,450,000	330,750
Capital raising for working capital at 4.0 cents per share	3,615,000	144,600	2,500,000	100,000

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
(b) Movements in contributed equity (cont'd)				
Acquisition of Navigator Resources Limited by the issue of shares at 3.5 cents each (recorded at fair value of 4 cents)	-	-	42,000,000	1,680,000
Capital raising of $1,688,000 for working capital at 4 cents per share	-	-	42,200,000	1,688,000
Issue of shares at 4.0 cents each in consideration for services rendered	-	-	1,875,000	75,000
Conversion of debt to equity at 4 cents per share	11,550,000	462,000	2,050,000	82,000
Capital raising costs incurred	-	-	-	(125,165)
	218,316,509	34,557,748	203,151,509	33,951,148

(c) Terms and conditions

Holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings.

In the event of winding up of the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

(d) Options

Unissued ordinary shares of the Company under option at balance date are:–

Expiry Date	Exercise Price	2003 Number	2002 Number
24 December 2003	0.20	615,000	615,000
30 September 2005	0.10	41,460,000	41,460,000
30 September 2006	0.20	750,000	750,000
18 November 2002	0.37	-	100,000
1 July 2002	0.37	-	500,000
		42,825,000	43,425,000

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
16. RESERVES				
Capital profits reserve	136,445	136,445	136,445	136,445

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
17. ACCUMULATED LOSSES				
Accumulated losses at the beginning of the financial year	(28,559,844)	(28,890,044)	(28,559,844)	(28,890,044)
Net profit/(loss)	(1,736,001)	330,200	(1,736,001)	330,200
Accumulated losses at the end of the financial year	(30,295,845)	(28,559,844)	(30,295,845)	(28,559,844)

18. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest rate risk exposures

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

2003	Note	Floating interest rate	Fixed interest maturing in: 1 year or less	Over 1-5 years	Non-interest bearing	Total	Weighted average interest rate
		$	$	$	$	$	%
Financial assets							
Cash assets	24(a)	-	500,000	-	(21,410)	478,590	4.00
Receivables	8	532,052	-	-	77,755	609,807	4.60
Investments – equity method	9	-	-	-	682,407	682,407	
Other financial assets	10	-	-	-	1,163,595	1,163,595	
		532,052	500,000	-	1,902,347	2,934,399	
Financial liabilities							
Payables	13	483,368	-	-	146,312	629,680	3.80
Employee Entitlements	14	-	-	-	1,592	1,592	
		483,368	-	-	147,904	631,272	

2002	Note	Floating interest rate	Fixed interest maturing in: 1 year or less	Over 1-5 years	Non-interest bearing	Total	Weighted average interest rate
		$	$	$	$	$	%
Financial assets							
Cash	24(a)	1,248,062	2,000,000	-	205	3,248,267	3.75
Receivables	8	-	-	-	57,517	57,517	
Other financial assets	10	-	-	-	260,570	260,570	
		1,248,062	2,000,000	-	318,292	3,566,354	
Financial liabilities							
Payables	13	-	-	-	106,727	106,727	
Employee Entitlements	14	-	-	-	630	630	
		-	-	-	107,357	107,357	

(b) Credit risk exposures

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

The credit risk on financial assets, excluding investments, of the Consolidated Entity which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

(c) Net fair values of financial assets and liabilities

Valuation approach

Net fair values of financial assets and liabilities are determined by the Consolidated Entity on the following bases:

Listed shares included in "Other financial assets" are traded in an organised financial market. The net fair values of listed shares are determined by as the last quoted sale price of the security as at balance date and are disclosed in Note 10(a).

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from counterparties (reduced for expected credit losses) or due to suppliers where appropriate. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, accounts receivable and accounts payable approximate net fair value.

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
19. COMMITMENTS				
Non-cancellable operating lease expense commitments				
Future operating lease rentals not provided for in the financial statements and payable:				
Within one year	145,138	134,550	-	-
After one year but no later than five years	344,000	489,138	-	-
	489,138	623,688	-	-

The Consolidated Entity leases property under non-cancellable operating leases expiring in 4 years time. Leases generally provide the Consolidated Entity with a right of renewal at which time all terms are renegotiated.

The Consolidated Entity has sub-leases in place with unrelated parties reducing its exposure by approximately $100,000 per annum.

Contractual commitments

Navigator, a controlled entity, has certain obligations imposed by the Government and other contractual commitments to perform minimum exploration work and expend minimum amounts of money on such works on exploration tenements. These obligations may be varied from time to time subject to approval by the appropriate Mines Department. Minimum requirements are expected to be fulfilled in the normal course of operations of the Consolidated Entity.

20. CONTINGENT LIABILITIES

In accordance with normal industry practice the Company has agreed to provide financial support to its 100% controlled entities.

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
21. DIRECTORS' AND EXECUTIVES' REMUNERATION				
(a) Directors' Remuneration				
Total income paid or payable, or otherwise made available, to all directors of each entity in the Consolidated Entity from the Company or any related party.	271,490	180,115	181,490	180,115

The number of Directors of the Company whose income from the Company or any related party falls within the following bands:

	Number 2003	Number 2002
0 - $9,999	1	1
$10,000 - $19,999	1	-
$20,000 - $29,999	1	-
$30,000 - $39,999	-	2
$50,000 - $60,999	-	2
$100,000 - $109,999	1	-
$110,000 - $119,999	1	-

(b) Executive Officers' Remuneration

No executive officers of the Consolidated Entity or the controlled entities, other than disclosed above, received or are due to receive income exceeding $100,000 during the year.

22. RELATED PARTIES

Directors

The names of Directors of the Company who have held office during the financial year are:-

M Cordiner	(Continuing)
P Cordin	(Continuing)
S Farrell	(Continuing)
R Linnell	(Continuing)
T Sanders	Appointed 15 February 2002, resigned 22 September 2003

22. RELATED PARTIES (continued)

Directors' share transactions and holdings

The following share transactions in the Company were carried out by Directors and Director-related entities during the year.

	Balance 1/7/02	Issues or Purchases	Balance 30/6/03
Shares			
M Cordiner	-	-	-
P Cordin	544,593	-	544,593
S Farrell	2,025,000	-	2,025,000
R Linnell	-	-	-
T Sanders	14,137,500	1,700,000	15,837,500
Options			
M Cordiner	1,000,000	-	1,000,000
P Cordin	1,000,000	-	1,000,000
S Farrell	3,000,000	-	3,000,000
R Linnell	7,000,000	-	7,000,000
T Sanders	1,587,500	-	1,587,500

As a consequence of the Company's acquisition of Navigator Resources Ltd and the satisfaction of outstanding Navigator Creditors as a condition of the acquisition, Mr Tom Sanders was issued with a total of 14,137,500 shares and 1,587,500 options (of varying terms).

Transactions with related parties

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

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
(a) Consulting fees were paid to entities related to the following Directors for services during the year:				
P Cordin	6,000	12,000	6,000	12,000
M Cordiner	-	5,750	-	5,750
T Sanders	90,000	59,851	-	59,851

These amounts have been included in Directors remuneration at Note 20.

(b) Current amounts receivable from controlled entities:				
Navigator Resources Limited	-	-	801,169	-
Provision for non-recoverability	-	-	(131,169)	-
	-	-	670,000	-

The loan to Navigator is free of interest, for no fixed term and unsecured. A provision for non-recoverability of the loan has been raised in the amount of $131,169, to reflect the agreement between the Company and Navigator as discussed in Note 26.

22. RELATED PARTIES (continued)

		Consolidated Entity		Company	
		2003	2002	2003	2002
		$	$	$	$
(c)	Non current amounts receivable from controlled entities:				
	- Golden Valley Services Pty Ltd	-	-	179,172	52,158
	- Navigator Resources Ltd	-	-	-	604,974
	- Cove Mining Pty Ltd	-	-	(849,861)	(852,534)
	- Evoc Mining Pty Ltd	-	-	4,734,776	4,734,576
	- Greenstone Goldmines Pty Ltd	-	-	1,122,635	1,122,435
		-	-	5,186,722	5,661,609
	Provision for doubtful receivables	-	-	(598,548)	(598,550)
		-	-	4,588,174	5,063,059
(d)	Non current amounts payable to controlled entities:				
	- Cove Mining Pty Ltd	-	-	3,514,911	3,512,508
	- Evoc Mining Pty Ltd	-	-	1,292,316	1,187,147
		-	-	4,807,227	4,699,655

During the year, the Company lent Samroc, an associate, a total of $50,000, payable on demand. Outstanding amounts payable under the terms of the loan attract interest at 12% p.a.

23. CONTROLLED ENTITIES

(a) Particulars in relation to controlled entities

	Country of Incorporation	Owned %	
		2003	2002
Golden Valley Mines Limited	Australia		
Controlled Entities:			
Cove Mining NL	Australia	100	100
Evoc Mining NL	Australia	100	100
Greenstone Gold Mines NL	Australia	100	100
Golden Valley Services Pty Ltd	Australia	100	100
Golden Valley Investments Pty Ltd	Australia	100	100
PetroAsia NL	Australia	100	100
Navigator Resources Limited	Australia	100	100

(b) Acquisition of controlled entities

No controlled entity was acquired during the financial year. Details of controlled entity acquired during the previous financial year is as follows:

	Consolidated Entity 2002 $
Cash acquired	1,183
Inflow of cash	1,183
Fair value of assets acquired	
Cash assets	1,183
Receivables	19,111
Payables	(245,884)
	(225,590)
Capitalised exploration on acquisition	1,905,590
Consideration (non-cash)	1,680,000

Navigator Resources Ltd was acquired on 15 February 2002. Non-cash consideration paid was the issue of 42,000,000 fully paid ordinary shares in the capital of the Company at a fair value of 4 cents per share. Net liabilities acquired together with the acquisition price have been capitalised in full.

24. NOTES TO THE STATEMENT OF CASHFLOWS

(a) Reconciliation of cash

For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position.

	Consolidated Entity 2003 $	Consolidated Entity 2002 $	Company 2003 $	Company 2002 $
Cash assets	478,590	3,248,267	476,630	3,086,225

	Consolidated Entity		Company	
	2003	2002	2003	2002
	$	$	$	$
(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities				
Profit/(Loss) from ordinary activities after income tax	(1,736,001)	330,200	(1,736,001)	330,200
Add/(less) non- cash items:				
Amounts set aside (reversed from) provisions	962	(1,347)	(130)	(1,848)
Depreciation/amortisation of property, plant and equipment	29,163	46,546	19,512	39,695
(Profit)/loss on disposal of property, plant and equipment	(2,000)	728	-	728
(Profit)/loss on disposal of equity investments	(909,689)	(1,324,612)	(898,355)	(576,568)
(Profit) on disposal of tenements	-	(27,060)	-	(27,060)
Diminution in value of investments	5,230	260,750	1,168,893	89,782
Reversal of prior year diminution	-	-	-	208,800
Diminution in value of investments – controlled entities	-	-	291,785	-
Provision for non-recoverability of loans - other	368,860	-	368,860	-
Provision for non-recoverability of loans to controlled entities	-	-	131,169	-
Share issues in lieu of services rendered	-	25,000	-	25,000
Writeback to provision for doubtful receivables	-	-	-	(523,486)
Share of associates loss	210,752	-	-	-
Goodwill written off	958,141		-	
Change in assets and liabilities:				
(Increase) in trade debtors and other receivables	(62,332)	(53,908)	(40,218)	(2,562)
(Increase)/Decrease in prepayments	17,191	(17,191)	17,191	(17,191)
Increase/(decrease) in creditors	438	(74,996)	32,072	(74,105)
Reversal of prior year issue costs	(2,802)		-	
Net cash used in operating activities	(1,122,087)	(835,890)	(645,222)	(528,615)

(c) Non-cash investing and financing activities

During the 2003 year, creditors totalling $462,000 were satisfied by the issue of 11,550,000 shares at a deemed issue price of 4 cents per share, in order to satisfy the second tranche of the Samroc acquisition.

During the latter half of the 2003 year, GMA Resources plc acquired 100% of the issued capital of Gold Mines of Algeria Pty Ltd, a company in which GVM had an investment. As a result of the acquisition, GVM was issued with 4,000,500 shares in GMA, resulting in a profit of $898,860.

During the 2002 year, creditors totalling $107,000 were satisfied by the issue of 2,675,000 shares at a deemed issue price of 4 cents per share. Further, the Company issued to Mr Tom Sanders a total of 1,875,000 shares at a deemed issue price of 4 cents per share to reimburse Mr Sanders for expenditure previously incurred on various Navigator properties totalling $75,000.

25. SEGMENT INFORMATION

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment results, asset and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprises interest or dividend-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Business segments
The consolidated entity comprises the following main business segments:

Manufacturing	Mineral processing by Samroc in South Africa
Exploration	Mineral exploration activities conducted by Navigator
Investing	Equity investments in Australia, Canada & United Kingdom

Primary reporting

	Exploration		**Manufacturing**		**Investing**		**Consolidated**	
Industry	**$**		**$**		**$**		**$**	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
Revenue								
Total segment revenue	-	-	-	-	1,096,374	2,283,826	1,096,374	2,283,826
Unallocated revenue							260,407	113,480
Total Revenue							1,356,781	2,397,306
Result							199,320	1,761,153
Segment result	(346,643)	(215,034)	-	-	(1,144,826)	(959,214)	(1,491,469)	(1,174,248)
Share of net loss of equity								
accounted investments	-	-	(210,752)	-	-	-	(210,752)	-
Unallocated items							(233,100)	(256,705)
Net Profit/(Loss)							(1,736,001)	330,200
Depreciation and amortisation	(4,039)	(909)	-	-	-	-	(4,039)	(909)
Provision for diminution								
in investment							5,230	(260,750)
Goodwill written off	-	-	-	-	(958,141)	-	(958,141)	
Assets								
Segment assets	1,969,134	1,905,590	-	-	1,163,595	142,032	3,312,729	2,047,622
Unallocated corporate assets							1,034,484	3,587,484
Equity accounted investments	-	-	682,407	-	-	-	682,407	-
Consolidated total assets							5,029,620	5,635,106
Liabilities								
Segment liabilities	81,047	49,389	-	-	-	-	81,047	49,389
Unallocated liabilities							550,225	57,968
Consolidated total liabilities							631,272	107,357

Secondary reporting
Geographical segments
In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of income generated from equity investments. Segment assets are based on the geographical location of the assets.

The consolidated entity has equity interests in an exploration and mining company listed in Canada, a mining company listed in the United Kingdom, a manufacturing company listed in South Africa, a biotechnology company listed in Australia, and two exploration companies listed in Australia.

26. SUBSEQUENT EVENTS

On the 11 September 2003, the Company completed a capital reduction by way of an in specie distribution of its holding in Navigator Resources Limited, resulting in a reduction of contributed equity of approximately $1.3 million in the parent, a reduction in exploration expenditure of approximately $1,900,000 and an increase in investments of $670,000 in the consolidated entity.

Navigator listed on the Australian Stock Exchange on 19 September 2003, having closed its Prospectus oversubscribed raising approximately $3 million. GVM maintained an interest in Navigator of 3,350,000 shares, which had a market value of approximately $670,000, based on the closing share price as at 22 September 2003, of 20 cents. The 3,350,000 shares were issued at 20 cents per share ($670,000) by Navigator to GVM in lieu of the outstanding debt owing to GVM by Navigator, amounting to $801,169 as at balance date. A provision was raised against the debt as at 30 June 2003 in the amount of $131,169, representing the difference in carrying value and recoverable amount. GVM disposed of the 3,350,000 shares on 25 September 2003 for total gross consideration of $670,000.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of Golden Valley Mines Limited ("the Company")

(a) the financial statements and notes set out on pages 13 to 36 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 2003 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 Accounting Standards in Australia and the Corporations Regulations; 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.

Signed in accordance with a resolution of the Directors:

Simon Farrell
Director

Date: 30 September 2003

INDEPENDENT AUDIT REPORT TO MEMBERS OF GOLDEN VALLEY MINES LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Golden Valley Mines Limited (the "Company") and the Consolidated Entity, for the year ended 30 June 2003. The Consolidated Entity comprises both the Company and the entities it controlled during that 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 conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001,* Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

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

Independence

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

Audit opinion

In our opinion, the financial report of Golden Valley Mines 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 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.

KPMG

KPMG

D P McCOMISH
Partner

Perth
30 September 2003

Details of shares and options outstanding over unissued shares as at 30 September 2003.Substantial shareholders

The details recorded in the Company's register of substantial shareholders are set out below.

Mr Thomas Stephen Sanders & Ms Helen Sanders 14,050,000 ordinary shares

The 20 largest registered holders of each class of security as at 30 September 2003 were:

Fully paid ordinary shares

Name	**No. of Shares**	**%**
Mr T S Sanders & Ms H Sanders	14,050,000	6.92
National Nominees Limited	8,747,127	4.01
Cherek Pty Ltd	8,118,778	3.72
Commonwealth Custodial Services Ltd	6,250,000	2.86
D&D Nominees	5,300,000	2.43
Blackmort Nominees Pty Ltd	4,000,000	1.83
F A T S Pty Ltd	3,914,000	1.79
Cordin Pty Ltd	3,250,000	1.49
Hightime Investments Pty Ltd	2,500,000	1.15
ANZ Nominees Limited	2,406,449	1.10
Lionheart Insurance Pty Ltd	2,318,254	1.06
Lionheart Insurance Pty Ltd <No 2 Acc>	2,200,998	1.01
Craigton Pty Ltd	2,085,000	0.96
Lionheart Insurance Pty Ltd <No 2 A/C>	2,000,000	0.92
Nefco Nominees Pty Ltd	1,859,251	0.85
Mr T S Sanders & Mrs H Sanders	1,700,000	0.78
Mr Ian Keith Macpherson	1,600,000	0.73
Mr Simon Coxhell	1,575,000	0.72
Mr Anthony William Farrell	1,500,000	0.69
Grand Lakes Stud Pty Ltd	1,500,000	0.69
	76,874,597	35.71

30 September 2005 options

Name	**No. of Options**	**%**
Mr Richard Linnell	7,000,000	16.88
Commonwealth Custodial Services Ltd	3,125,000	7.54
Mr Simon James Farrell	3,000,000	7.24
M & K Korkidas Pty Ltd	1,488,750	3.59
Spinel Pty Ltd	1,275,000	3.08
Clodene Pty Ltd	1,250,000	3.01
Hightime Investments Pty Ltd	1,250,000	3.01
Mr Peter George Cordin	1,000,000	2.41
Mr Morrice Cordiner	1,000,000	2.41
Mr T S Sanders & Ms H Sanders	837,500	2.02
Mr J C H Clark & Mrs R K Clark	802,500	1.94
Fats Pty Ltd	700,000	1.69
Ord Corporate Pty Ltd	625,000	1.51
Balthazar Pty Ltd	575,000	1.39
Lawrence Crowe Consulting Pty Ltd	560,000	1.35
Asea Consulting & Capital Pty Ltd	500,000	1.21
Clodene Pty Ltd	500,000	1.21
Mr David John Eggers	500,000	1.21
Rosewarne Superannuation Pty Ltd	451,425	1.09
Kesteletch Pty Ltd	410,199	0.99
	26,850,374	64.78

Shares Range	**Holders**	**Units**	**%**
1 -- 1,000	169	69,637	0.03
1,001 - 5,000	295	951,771	0.44
5,001 - 10,000	442	3,346,688	1.58
10,001 - 100,000	985	41,363,623	18.94
100,001 - Over	321	172,584,790	79.02
Total	2,212	218,316,509	100.00

Options Range	**Holders**	**Units**	**%**
1 - 1,000	0	0	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	4	33,929	0.08
10,001 - 100,000	116	5,465,767	13.18
100,001 - over	68	35,960,304	86.73
Total	188	41,460,000	100.00

Holders of unmarketable parcel of shares

Holding less than a marketable parcel of ordinary shares (being 14,706 shares as at 30 September 2003)

Holders	Units
1,039	6,034,815

Restricted Securities

The Company currently has no restricted securities.

Other Securities – Employee Option Scheme

The Company has not issued any options under the Employee Option Scheme during the year.

Voting Rights

The voting rights attaching to ordinary shares are:

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On-Market Buy Back

There is no current on-market buy-back.