

MOUNT BURGESS MINING N.L.

ACN 009 067 476

CONSOLIDATED FINANCIAL REPORT

FOR THE

HALF YEAR ENDED

31 DECEMBER 2002

REPORT OF DIRECTORS - 31ST DECEMBER 2002

The Directors of Mount Burgess Mining N.L. herewith submit the financial report for the half year ended 31 December 2002. In order to comply with the provisions of the Corporations Act, the directors report as follows:

The names of the Directors of the Company who have held office during the whole of the half year and up to the date of this report are:

Nigel Raymond Forrester (Chairman and Managing Director)
Jeffrey John Moore
Godfrey Edward Taylor
Ronald William O'Regan

RESULTS AND REVIEW OF OPERATIONS

Exploration

During the six months to 31 December 2002, the Company conducted exploration at Telfer in Australia and at Tsumkwe in Namibia as follows:

At Telfer, the Company conducted a programme of diamond drilling. Significant drilling results from drilling completed prior to the end of the half year have been returned from the Tim's Dome prospect where drillholes were oriented at right angles to previous drilling as follows:

Hole ID	Northing (Local)	Easting (Local)	Orientation (dip/bearing)	Width (m)	From (m)	To (m)	Au g/t
TDDD001	27577	6339	-60°/360°	1.50	53.00	54.50	1.18
				0.70	61.50	62.20	1.23
				1.00	67.00	68.00	1.22
				0.50	68.50	69.00	1.40
				1.85	87.00	88.85	1.12
TDDD002	27652	6345	-60°/360°	0.80	43.50	44.30	1.16
				5.00	56.00	61.00	4.86
				0.50	72.00	72.50	2.43
TDDD003	28285	6400	-60°/360°	1.00	18.00	19.00	1.46
TDDD005	29385	6485	-60°/360°	0.65	23.45	24.10	13.43
				0.70	25.70	26.40	1.47

At Tsumkwe, a diamond project in Namibia in which the Company has a 90% interest in the project, the Company conducted a gravity programme, loam sampling and drilling in the search for kimberlites. To date three kimberlites have been found at this project.

Corporate

The loss for the six months to 31 December 2002 amounted to \$691,584 after including the write-off of the Telfer and Broadhurst tenements of \$296,502.

SUBSEQUENT EVENTS

No matters or circumstances of which the Directors are aware, other than those referred to in the accounts or notes, have arisen since the end of the year which significantly affect, or may significantly affect, the operations, results or state of affairs of the consolidated entity in financial years after the financial year.

CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There have been no changes in contingent assets or contingent liabilities since 30 June 2002 annual report except as shown below.

Contingent Liabilities

During the half year, Exploration Licence E45/1235, which was subject to a contingent liability, has been surrendered.

Contingent Assets

The Company has a royalty deed with Sons of Gwalia Ltd that covers Mining Lease M39/411, M39/412 and M39/413 within which lies the Red October gold deposit. In terms of this deed the Company is entitled to 1.75% of the spot value of all gold sales (less refining costs, gold sales costs and any royalties paid to the government or Native Title parties) after the production of 160,000 ozs from these leases. To date some 107,000 ozs have been produced. The Red October resource base currently stands at 500,000 ozs.

The following was released in Sons of Gwalia Ltd's December 2002 Half Yearly Report:

“Feasibility studies for the development of the Red October Underground resource have now been completed and all required external approvals have been secured. The main ore zones remain open at depth.”

Signed in accordance with a resolution of directors.

N R Forrester
Chairman and Managing
Director

Signed at Perth this thirteenth day of March 2003.

DIRECTORS' DECLARATION - 31ST DECEMBER 2002

The Directors declare that:

- a) The financial statements in the form of the appendix 4B and notes thereto comply with accounting standards;
- b) The financial statements in the form of the appendix 4B and notes thereto give a true and fair view of the financial position and performance of the Consolidated entity;
- c) In the Directors' opinion, the attached financial statements in the form of the appendix 4B and notes thereto are in accordance with the Corporations Act 2001; and
- d) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

N R Forrester
Chairman and Managing
Director

Signed at Perth this thirteenth day of March 2003.

**INDEPENDENT REVIEW REPORT TO THE MEMBERS OF
MOUNT BURGESS MINING N.L.**

Scope

We have reviewed the attached financial report of [Mount Burgess Mining NL](#) in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules, including the directors' declaration, for the half-year ended [31 December 2002](#), but excluding the following sections:

- a) material factors affecting the revenues and expenses of the consolidated entity for the current period (page 15); and
- b) compliance statement (page 17).

The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, statutory requirements and ASX Listing Rules as they relate to Appendix 4B, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to meet its obligations to lodge the financial report with the Australian Securities and Investments Commission and the ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of [Mount Burgess Mining NL](#) is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at [31 December 2002](#) and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia and ASX Listing Rules as they relate to Appendix 4B.

DELOITTE TOUCHE TOHMATSU

G McHarrie

Partner

Chartered Accountants

Perth, 13 March 2003

Appendix 4B

Half yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

MOUNT BURGESS MINING N.L.

ABN or equivalent company reference

31 009 067 476

Half yearly
(tick)

✓

Preliminary final (tick)

Half year/financial year ended ('current period')

31 December 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A

Revenues from ordinary activities (<i>item 1.1</i>)	down	61%	to	48,223
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	down	47%	to	(691,584)
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of	N/A		
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	down	47%	to	(691,584)
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend (<i>Preliminary final report only - item 15.4</i>)		N/A		N/A
Interim dividend (<i>Half yearly report only - item 15.6</i>)		¢		¢
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)		N/A		N/A
		¢		¢
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)		N/A		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

	Current period - \$A	Previous corresponding period - \$A
1.1 Revenues from ordinary activities (<i>see items 1.23 –1.25</i>)	48,223	123,066
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	737,602	1,420,048
1.3 Borrowing costs	2,205	223
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5 Profit (loss) from ordinary activities before tax	(691,584)	(1,297,205)
1.6 Income tax on ordinary activities (<i>see note 4</i>)	-	-
1.7 Profit (loss) from ordinary activities after tax	(691,584)	(1,297,205)
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	(691,584)	(1,297,205)
1.10 Net profit (loss) attributable to outside ⁺ equity interests	-	-
1.11 Net profit (loss) for the period attributable to members	(691,584)	(1,297,205)
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17 Total changes in equity not resulting from transactions with owners as owners	(691,584)	(1,297,205)

Earnings per security (EPS)	Current period	Previous corresponding Period
1.18 Basic EPS	(\$0.0068)	(\$0.0128)
1.19 Diluted EPS	(\$0.0068)	(\$0.0128)

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

	Current period - \$A	Previous corresponding period - \$A
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	(691,584)	(1,297,205)
1.21 Less (plus) outside ⁺ equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(691,584)	(1,297,205)

Revenue and expenses from ordinary activities

(*see note 15*)

	Current period - \$A	Previous corresponding period - \$A
1.23 Revenue from sales or services	-	-
1.24 Interest revenue	48,223	123,066
1.25 Other relevant revenue	-	-
1.26 Details of relevant expenses		
1.26.1 Write-offs	296,502	865,841
1.26.2 Personnel costs	287,754	279,194
1.26.3 Operating lease rental expenses & outgoings	45,972	32,575
1.26.4 Share Registry	4,266	14,502
1.26.5 Listing fees	11,261	8,730
1.26.6 Audit/Tax	9,320	8,500
1.26.7 Shareholder reports/Presentations	21,177	53,440
1.26.8 Other	40,026	139,490
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	21,324	17,776
Capitalised outlays		
1.28 Interest costs capitalised in asset values	1,117	1,775
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

+ See chapter 19 for defined terms.

Consolidated retained profits

	Current period - \$A	Previous corresponding period - \$A
1.30 Retained profits (accumulated losses) at the beginning of the financial period	(15,330,001)	(12,410,304)
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	(691,584)	(1,297,205)
1.32 Net transfers from (to) reserves (<i>details if material</i>)	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	-	-
1.35 Retained profits (accumulated losses) at end of financial period	(16,021,585)	(13,707,509)

Intangible and extraordinary items

<i>Consolidated - current period</i>				
	Before tax \$A	Related tax \$A	Related outside + equity interests \$A	Amount (after tax) attributable to members \$A
	(a)	(b)	(c)	(d)
2.1 Amortisation of goodwill	-	-	-	-
2.2 Amortisation of other intangibles	-	-	-	-
2.3 Total amortisation of intangibles	-	-	-	-
2.4 Extraordinary items (details)	-	-	-	-
2.5 Total extraordinary items	-	-	-	-

+ See chapter 19 for defined terms.

Comparison of half year profits

(Preliminary final report only)

	Current year - \$A	Previous year - \$A
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	N/A	N/A
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	N/A	N/A

Condensed consolidated statement of financial position

	At end of current period \$A	As shown in last annual report \$A	As in last half yearly report \$A
Current assets			
4.1 Cash	1,175,946	2,803,527	4,326,760
4.2 Receivables	40,817	102,086	23,808
4.3 Investments	-	-	-
4.4 Inventories	-	-	-
4.5 Tax assets	-	-	-
4.6 Other (provide details if material)	-	-	-
4.7 Total current assets	1,216,763	2,905,613	4,350,568
Non-current assets			
4.8 Receivables	-	-	-
4.9 Investments (equity accounted)	-	-	-
4.10 Other investments	40,000	40,000	40,000
4.11 Inventories	-	-	-
4.12 Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	7,507,527	6,556,060	6,770,773
4.13 Development properties (+mining entities)	-	-	-
4.14 Other property, plant and equipment (net)	214,224	290,011	250,973
4.15 Intangibles (net)	-	-	-
4.16 Tax assets	-	-	-
4.17 Other (provide details if material)	-	-	-
4.18 Total non-current assets	7,761,751	6,886,071	7,061,746
4.19 Total assets	8,978,514	9,791,684	11,412,314

+ See chapter 19 for defined terms.

	Current liabilities			
4.20	Payables	150,434	237,128	266,132
4.21	Interest bearing liabilities	16,699	16,038	11,060
4.22	Tax liabilities	-	-	-
4.23	Provisions exc. Tax liabilities	39,621	66,656	71,869
4.24	Other (provide details if material)	-	-	-
4.25	Total current liabilities	206,754	319,822	349,061
	Non-current liabilities			
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	61,428	69,946	38,845
4.28	Tax liabilities	-	-	-
4.29	Provisions exc. Tax liabilities	-	-	-
4.30	Other (provide details if material)	-	-	-
4.31	Total non-current liabilities	61,428	69,946	38,845

Condensed consolidated statement of financial position continued

4.32	Total liabilities	268,182	389,768	387,906
4.33	Net assets	8,710,332	9,401,916	11,024,408
	Equity			
4.34	Capital/contributed equity	24,621,945	24,621,945	24,621,945
4.35	Reserves	109,972	109,972	109,972
4.36	Retained profits (accumulated losses)	(16,021,585)	(15,330,001)	(13,707,509)
4.37	Equity attributable to members of the parent entity	8,710,332	9,401,916	11,024,408
4.38	Outside ⁺ equity interests in controlled entities	-	-	-
4.39	Total equity	8,710,332	9,401,916	11,024,408
		-	-	-
4.40	Preference capital included as part of 4.37	-	-	-

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A	Previous corresponding period - \$A	
5.1	Opening balance	6,556,060	6,191,679
5.2	Expenditure incurred during current period	1,247,969	1,444,935
5.3	Expenditure written off during current period	(296,502)	(865,841)
5.4	Acquisitions, disposals, revaluation increments, etc.	-	-
5.5	Expenditure transferred to Development Properties	-	-
5.6	Closing balance as shown in the consolidated balance sheet (item 4.12)	7,507,527	6,770,773

+ See chapter 19 for defined terms.

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A	Previous corresponding period - \$A
6.1 Opening balance	-	-
6.2 Expenditure incurred during current period	-	-
6.3 Expenditure transferred from exploration and evaluation	-	-
6.4 Expenditure written off during current period	-	-
6.5 Acquisitions, disposals, revaluation increments, etc.	-	-
6.6 Expenditure transferred to mine properties	-	-
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	-	-

Condensed consolidated statement of cash flows

	Current period \$A	Previous corresponding period - \$A
Cash flows related to operating activities		
7.1 Receipts from customers	-	-
7.2 Payments to suppliers and employees	(444,351)	(514,267)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest and other items of similar nature received	53,004	136,856
7.6 Interest and other costs of finance paid	(2,210)	(305)
7.7 Income taxes paid	-	-
7.8 Other (provide details if material)	-	-
7.9 Net operating cash flows	(393,557)	(377,716)
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	(4,326)	(58,047)
7.11 Proceeds from sale of property, plant and equipment	-	952
7.12 Payment for purchases of equity investments	-	-
7.13 Proceeds from sale of equity investments	-	-
7.14 Loans to other entities	-	-
7.15 Loans repaid by other entities	-	-
7.16 Other – Exploration and Evaluation Expenditure	(1,221,824)	(1,328,905)
7.17 Net investing cash flows	(1,226,150)	(1,386,000)

+ See chapter 19 for defined terms.

Cash flows related to financing activities			
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividends paid	-	-
7.22	Other – Lease Liability	(7,857)	(7,375)
7.23	Net financing cash flows	(7,857)	(7,375)
7.24 Net increase (decrease) in cash held		(1,627,564)	(1,771,091)
7.25	Cash at beginning of period <i>(see Reconciliation of cash)</i>	2,803,527	6,099,453
7.26	Exchange rate adjustments to item 7.25.	(17)	(1,602)
7.27	Cash at end of period <i>(see Reconciliation of cash)</i>	1,175,946	4,326,760

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

N/A

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A	Previous corresponding period - \$A
8.1 Cash on hand and at bank	5,148	26,910
8.2 Deposits at call	1,170,798	4,299,850
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	1,175,946	4,326,760

+ See chapter 19 for defined terms.

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding Period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(1,434%)	(1054%)
9.2 Profit after tax / +equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>)	(8%)	(12%)

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

	Current Period
	Cents per share
Basic earnings per share	(0.68)

There are no dilutive potential ordinary shares.

The potential ordinary shares from 5,000,000 employees share options are not considered dilutive and therefore have not been used in the calculation of dilutive earnings per share.

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

	Current Period
	\$
Earnings Per Share	
Net Loss	(691,584)
Earnings used in calculation of basic EPS	(691,584)
	No.
Weighted average number of ordinary shares	101,500,000

NTA backing (see note 7)	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	N/A	N/A

+ See chapter 19 for defined terms.

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

N/A

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	\$
13.3 Date from which such profit has been calculated	
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	N/A
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
14.3 Date to which the profit (loss) in item 14.2 has been calculated	
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

+ See chapter 19 for defined terms.

Dividends (in the case of a trust, distributions)

- 15.1 Date the dividend (distribution) is payable N/A
- 15.2 ⁺Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺securities are not ⁺CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺securities are ⁺CHESS approved)
- 15.3 If it is a final dividend, has it been declared?
(Preliminary final report only)

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i>	N/A	N/A	N/A
	Final dividend: Current year	¢	¢	¢
15.5	Previous year	N/A ¢	N/A ¢	N/A ¢
15.6	<i>(Half yearly and preliminary final reports)</i>	N/A	N/A	N/A
	Interim dividend: Current year	¢	¢	¢
15.7	Previous year	N/A ¢	N/A ¢	N/A ¢

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

		Current year	Previous year
15.8	⁺ Ordinary securities	N/A ¢	N/A ¢
15.9	Preference ⁺ securities	N/A ¢	N/A ¢

⁺ See chapter 19 for defined terms.

**Half yearly report - interim dividend (distribution) on all securities *or*
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A	Previous corresponding period - \$A
15.10 +Ordinary securities (<i>each class separately</i>)	N/A	N/A
15.11 Preference +securities (<i>each class separately</i>)	N/A	N/A
15.12 Other equity instruments (<i>each class separately</i>)	N/A	N/A
15.13 Total		

The +dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans

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Any other disclosures in relation to dividends (distributions). (*For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting*)

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Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A	Previous corresponding period - \$A
16.1 Profit (loss) from ordinary activities before tax	N/A	N/A
16.2 Income tax on ordinary activities		
16.3 Profit (loss) from ordinary activities after tax		
16.4 Extraordinary items net of tax		
16.5 Net profit (loss)		
16.6 Adjustments		
16.7 Share of net profit (loss) of associates and joint venture entities		

+ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current Period	Previous corresponding period	Current period \$A	Previous corresponding period - \$A
17.1 Equity accounted associates and joint venture entities	N/A	N/A		
17.2 Total				
17.3 Other material interests	N/A	N/A		
17.4 Total				

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities (description)	N/A			
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3 +Ordinary securities	101,500,000	101,500,000		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	- -	- -		
18.5 +Convertible debt securities (description and conversion factor)	N/A			

+ See chapter 19 for defined terms.

18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.7	Options Employee Share Plans			Exercise Price	Expiry Date (if any)
	Plan B	2,250,000	Nil	25 cents	31/12/05
	Plan B	1,350,000	Nil	25 cent	31/12/06
	Plan B	300,000	Nil	25 cents	31/12/07
18.8	Issued during current period	Nil			
18.9	Exercised during current period	Nil			
18.10	Expired during current period				
	Plan A	900,000	Nil	25 cents	31/12/02
	Plan B	200,000	Nil	25 cents	31/12/02
18.11	Debentures (<i>description</i>)	N/A			
18.12	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13	Unsecured notes (<i>description</i>)	N/A			
18.14	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's ⁺accounts should be reported separately and attached to this report.)

SEE ATTACHMENT A

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last ⁺annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*

⁺ See chapter 19 for defined terms.

- 19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Nil

- 19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Nil

- 19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Nil

- 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

Nil

- 19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

Nil

- 19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

Contingent Liabilities

During the half year, Exploration Licence E45/1235, which was subject to a contingent liability, has been surrendered. No other changes to contingent liabilities have occurred since the last annual report.

Contingent Assets

The Company has a royalty deed with Sons of Gwalia Ltd that covers Mining Lease M39/411, M39/412 and M39/413 within which lies the Red October gold deposit. In terms of this deed the Company is entitled to 1.75% of the spot value of all gold sales (less refining costs, gold sales costs and any royalties paid to the government or Native Title parties) after the production of 160,000 ozs from these leases. To date some 107,000 ozs have been produced. The Red October resource base currently stands at 500,000 ozs.

The following was released in Sons of Gwalia Ltd's December 2002 Half Yearly Report:

“Feasibility studies for the development of the Red October Underground resource have now been completed and all required external approvals have been secured. The main ore zones remain open at depth.”

No other changes to contingent assets have occurred since the last annual report.

+ See chapter 19 for defined terms.

19.8 Going Concern Basis

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business.

If the Company chooses to maintain its current high level of exploration expenditure, it will have to raise additional capital. The Company has utilised this option in the past. If the Company does not raise additional capital in the short term it can continue as a going concern by substantially reducing exploration expenditure until funding is available and/or entering joint venture arrangements.

Further, the Company has the potential to earn future royalty revenue. As referred to at Note 19.7, the Company has a royalty deed with Sons of Gwalia Ltd that covers mining leases within which lies the Red October gold deposit. In terms of this deed the Company is entitled to 1.75% of the spot value of all gold sales (less refining costs, gold sales costs and any royalties paid to the government or Native Title parties) after the production of 160,000 ozs from these leases. To date some 107,000 ozs have been produced. The Red October resource base currently stands at 500,000 ozs. In its December 2002 Half Yearly Report, Sons of Gwalia announced feasibility studies for the development of the Red October Underground resource have now been completed and all required external approvals have been secured. The main ore zones remain open at depth.

The Directors are of the opinion that the basis upon which the financial statements are prepared is appropriate in the circumstances. However, if the event were to arise where the Company could not rely upon its potential future royalty income or could not raise additional equity capital in order to remain as a going concern, there is no certainty as to whether the Company could realise assets at the amounts as shown in the financial statements and extinguish liabilities in the normal course of business.

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

N/A

Identify:

- initial service charges
- management fees
- other fees

+ See chapter 19 for defined terms.

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

N/A

Date

Time

Approximate date the ⁺annual report will be available

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

- 2 This report, and the ⁺accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed (see note 2).

- 4 This report is based on ⁺accounts to which one of the following applies.

(Tick one)

The ⁺accounts have been audited. ✓

The ⁺accounts have been subject to review.

The ⁺accounts are in the process of being audited or subject to review.

The ⁺accounts have *not* yet been audited or reviewed.

- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)

- 6 The entity does not have a formally constituted audit committee.

Sign here: Date: 13 March 2003
(Company Secretary)

Print name: DEAN A SCARPAROLO

+ See chapter 19 for defined terms.

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Condensed consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
 - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

+ See chapter 19 for defined terms.

6. **Condensed consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A’000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A’000 headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Act must also be given to ASX. For example, a director’s report and declaration, if lodged with the ⁺ASIC, must be given to ASX.
12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.

⁺ See chapter 19 for defined terms.

13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their ⁺accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term “relevance” is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.
17. **Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. **Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

⁺ See chapter 19 for defined terms.

ATTACHMENT A

MOUNT BURGESS MINING NL

SEGMENT INFORMATION FOR THE HALF YEAR ENDING 31 DECEMBER 2002

The Company operates in Australia and Namibia in the area of mineral exploration

In Australia the exploration focus is on gold and base metals

In Namibia the exploration focus is on diamonds and base metals

Geographical Segments

	Australia 2002 \$A'000	Australia 2001 \$A'000	Namibia 2002 \$A'000	Namibia 2001 \$A'000	Consol'd 2002 \$A'000	Consol'd 2001 \$A'000
Revenue						
External sales	-	-	-	-	-	-
Inter-segment sales	-	-	-	-	-	-
Total segment revenue	-	-	-	-	-	-
Unallocated corporate revenue					48,223	123,066
Consolidated total revenue					<u>48,223</u>	<u>123,066</u>
Result						
Segment result	(296,402)	(865,841)	(7,812)	(31,088)	(304,214)	(896,929)
Unallocated corporate revenue					48,223	123,066
Unallocated corporate expenses					(435,593)	(523,342)
Loss/result from ordinary activities before income tax expense					(691,584)	(1,297,205)
Income tax expense					-	-
Loss/result from ordinary activities after income tax expense					(691,584)	(1,297,205)
Extraordinary items					-	-
Net loss					<u>(691,584)</u>	<u>(1,297,205)</u>
Segment Assets	7,443,827	4,297,920	4,903,521	3,033,937	12,347,348	7,331,857
Unallocated corporate assets					1,505,970	4,663,230
Eliminations					(4,874,804)	(582,773)
Consolidated total assets					<u>8,978,514</u>	<u>11,412,314</u>
Segment Liabilities	111,615	183,322	4,942,034	649,534	5,053,649	832,856
Unallocated corporate liabilities					89,312	137,798
Eliminations					(4,874,779)	(582,748)
Consolidated total liabilities					<u>268,182</u>	<u>387,906</u>
Acquisition of plant + equipment + exploration expenditure	178,879	613,623	1,065,723	868,209	1,244,602	1,481,832
Unallocated corporate					7,694	14,967
Consolidated total					<u>1,252,296</u>	<u>1,496,799</u>
Depreciation / amortisation included in segment result	-	-	-	-	-	-
Unallocated corporate					21,324	17,776
Consolidated total					<u>21,324</u>	<u>17,776</u>
Non cash expenses other than depreciation/amortisation	-	-	-	-	-	-
Unallocated corporate					3,571	3,217
Consolidated total					<u>3,571</u>	<u>3,217</u>