Corporate Governance Statement

This Statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

Board of Directors

The Board is responsible for the overall Corporate Governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board has established a framework for the management of the consolidated entity including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

A description of the Company's main corporate governance practices is set out below. All these practices were in place for the entire year.

AUDIT COMMITTEE

The role of the Audit Committee is documented in a Charter which is approved by the Board of Directors. In accordance with this Charter, all members of the Committee must be non-executive directors with a majority being independent. The role of the Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the consolidated entity.

It also gives the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report.

The members of the Audit Committee during the year were:

- Mr T. Cuthbertson (Chairman)
- Mr A.L. Paton (resigned 31 May 2004)
- Mr H. Hines (resigned 31 May 2004)
- Mr R. Harrison (appointed 1 September 2004)

The external auditors, the Managing Director and Company Secretary, are invited to Audit Committee meetings at the discretion of the Committee. The Committee met twice during the year.

The responsibilities of the Audit Committee include:

- reviewing the financial report and other financial information distributed externally.
- monitoring corporate risk assessment processes.
- reviewing any new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles.
- monitoring the activities of the internal control function.
- reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management.
- reviewing the nomination and performance of the auditor. The external auditors were appointed in 1985. The lead external audit engagement partner was last rotated in 1998.
- liaising with the external auditors and ensuring that annual and half-year statutory audits are conducted in an effective manner.
- monitoring the establishment of an appropriate internal control framework and considering enhancements.
- monitoring the establishment of appropriate ethical standards.
- monitoring the procedures in place to ensure compliance with the Corporations Act 2001 and Stock Exchange Listing Rules and all other regulatory requirements.
- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, Australian Stock Exchange and financial institutions.
- reviewing reports on any major defalcations, frauds and thefts from the Company and ensuring that the Company's Fraud Control Plan is adhered to.
- improving the quality of the accounting function.

The Audit Committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year as follows:

Audit Planning

- to discuss the external audit plan.
- to discuss any significant issues that may be foreseen.
- to discuss the impact of any proposed changes in accounting policies on the financial statements.
- to review the nature and impact of any changes in accounting policies adopted by the consolidated entity during the year.
- to review the fees proposed for the audit work to be performed.

Prior to announcement of results

- to review the half-yearly and annual report prior to lodgement of those documents with the ASX, and any significant adjustments required as a result of the audit.
- to make the necessary recommendation to the Board for the approval of these documents.

Half-yearly and annual reporting

- to review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.
- to review the draft financial report and the audit report and to make the necessary recommendation to the Board for the approval of the financial report.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee which meets annually in January and the members of the Remuneration Committee are:

- Mr T. Cuthbertson (Chairman)
- Mr R. Harrison

In addition, the Company endeavours to ensure the following policies:

- A properly constituted Board of Directors with a high independent representation drawn from the professions and industry with an independent Chairman.
- The Board elects Directors on the basis of corporate requirements and project activity. High calibre independents with substantial experience at senior levels are sought when required.
- Any independent professional advice required is approved by the full Board.
- External audit is undertaken by a leading international firm of high repute. A policy of full disclosure is adopted for statutory audit purposes and all corporate matters are available for audit scrutiny.
- Basic risk is reviewed annually or more regularly in changed circumstances or if new areas of business are embraced.
- Company policy allows the directors to buy or sell shares within three weeks after any announcement to the Australian Stock Exchange.
- The Board meets on a strict monthly basis with full financial disclosure.

Statements of Financial Performance

for the year ended 30 June 2004

AUSTPAC RESOURCES N.L. AND ITS CONTROLLED ENTITIES	NOTE	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Revenue	2	**13,521**	1,611,968	**13,521**	1,611,968
Expenses from ordinary activities					
Administration expenses		**(1,070,863)**	(1,415,550)	**(1,070,863)**	(1,415,550)
Exploration expenditure written off		**–**	(898,765)	**–**	(898,765)
Borrowing costs		**(20,802)**	(21,083)	**(20,802)**	(21,083)
Loss from ordinary activities before related income tax benefit	3	**(1,078,144)**	(723,430)	**(1,078,144)**	(723,430)
Income tax benefit relating to ordinary activities	5	**–**	–	**–**	–
Loss from ordinary activities after related income tax benefit		**(1,078,144)**	(723,430)	**(1,078,144)**	(723,430)
Basic and diluted loss per ordinary share	23	**($0.003)**	($0.002)	**($0.003)**	($0.002)

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 21 to 35.

Statements of Financial Position

as at 30 June 2004

AUSTPAC RESOURCES N.L.
AND ITS CONTROLLED ENTITIES

	NOTE	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Current Assets					
Cash assets		**271,692**	193,975	**271,692**	193,975
Receivables	6	**16,012**	18,613	**16,012**	18,613
Total Current Assets		**287,704**	212,588	**287,704**	212,588
Non-Current Assets					
Receivables	6	**–**	–	**7,300**	7,300
Other financial assets	7	**–**	–	**6,616,480**	6,616,480
Plant and equipment	8	**275,764**	267,795	**275,764**	267,795
Exploration, evaluation and development expenditure	9	**12,339,199**	12,280,139	**5,715,419**	5,656,359
Total Non-Current Assets		**12,614,963**	12,547,934	**12,614,963**	12,547,934
Total Assets		**12,902,667**	12,760,522	**12,902,667**	12,760,522
Current Liabilities					
Payables	10	**374,393**	599,872	**374,393**	599,872
Interest bearing liabilities	11	**67,454**	108,218	**67,454**	108,218
Provisions	12	**280,000**	243,999	**280,000**	243,999
Total Current Liabilities		**721,847**	952,089	**721,847**	952,089
Non-Current Liabilities					
Interest bearing liabilities	11	**208,310**	145,704	**208,310**	145,704
Total Non-Current Liabilities		**208,310**	145,704	**208,310**	145,704
Total Liabilities		**930,157**	1,097,793	**930,157**	1,097,793
Net Assets		**11,972,510**	11,662,729	**11,972,510**	11,662,729
Equity					
Contributed equity	13	**42,567,480**	41,179,555	**42,567,480**	41,179,555
Accumulated losses	14	**(30,594,970)**	(29,516,826)	**(30,594,970)**	(29,516,826)
Total Equity		**11,972,510**	11,662,729	**11,972,510**	11,662,729

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 21 to 35.

Statements of Cash Flows

for the year ended 30 June 2004

	NOTE	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Cash Flows from Operating Activities					
Cash receipts in the course of operations		**–**	356,697	**–**	356,697
Interest received		**13,521**	–	**13,521**	–
Cash payments in the course of operations		**(1,183,240)**	(1,473,120)	**(1,183,240)**	(1,473,120)
Borrowing costs paid		**(20,802)**	(21,083)	**(20,802)**	(21,083)
Net cash used in operating activities	22(A)	**(1,190,521)**	(1,137,506)	**(1,190,521)**	(1,137,506)
Cash Flows from Investing Activities					
Payment for property, plant and equipment		**(4,734)**	(3,850)	**(4,734)**	(3,850)
Payments for:					
Mineral Technology Development Expenditure and Exploration Expenditure		**(59,060)**	(104,081)	**(59,060)**	(104,081)
Net cash used in investing activities		**(63,794)**	(107,931)	**(63,794)**	(107,931)
Cash Flows from Financing Activities					
Proceeds from issue of shares		**1,387,925**	1,051,500	**1,387,925**	1,051,500
Lease payments		**(55,893)**	(56,448)	**(55,893)**	(56,448)
Net cash provided by financing activities		**1,332,032**	995,052	**1,332,032**	995,052
Net increase/(decrease) in cash held		**77,717**	(250,385)	**77,717**	(250,385)
Cash at the beginning of the financial year		**193,975**	444,360	**193,975**	444,360
Cash at the end of the financial year	22(B)	**271,692**	193,975	**271,692**	193,975

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 21 to 35.

Note 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 drawn up 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 nor current valuations of non-current assets. The 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. 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 and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

C. PRINCIPLES OF CONSOLIDATION

Controlled Entities:

The financial statements of controlled entities 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.

Joint Ventures:

A joint venture is either an entity or operation that is jointly controlled by the consolidated entity.

Joint Venture Operation:

The consolidated entity's interest in an unincorporated joint venture is brought to account by including its proportionate share of the joint venture's assets, liabilities and expenses and the consolidated entity's revenue from the sale of its share of output on a line-by-line basis, from the date joint control commences to the date joint control ceases.

Transactions Eliminated on Consolidation:

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the consolidated entity's interest.

D. GOING CONCERN

The financial report has been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the normal course of business. The directors believe that the company and the consolidated entity will be able to fund future operations through share issues, the successful commercialisation of mineral technologies and the joint venturing of interests held in mineral projects.

Without the equity raisings and joint venturing or sale of interests held in mineral tenements and projects, there is uncertainty whether the consolidated entity will be able to continue as a going concern.

If the consolidated entity is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities in order to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

E. 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 are translated at the rates of exchange ruling at balance date.

F. RECOVERABLE AMOUNT OF NON-CURRENT ASSETS VALUED ON COST BASIS

The carrying amounts of all non-current assets valued on the cost basis, excluding exploration and evaluation expenditure, are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net loss in the reporting period in which it occurs. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

G. RECEIVABLES

Other debtors to be settled within 60 days are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. The carrying amount of trade debtors approximates net fair value.

H. TAXATION

The income statement liability method of tax effect accounting is applied throughout the consolidated entity. Under this method the income tax expense for the year is related to operating loss before tax after allowing for permanently non-allowable and non-assessable items.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt, or if relating to tax losses when realisation is virtually certain.

Tax Consolidation:

For the purposes of income tax, Austpac Resources N.L. and its wholly owned Australian subsidiaries propose not to form a tax consolidated group. The individual companies will continue to lodge tax returns independently of each other.

I. INVESTMENTS

Controlled Entities:

Investments in controlled entities are valued in the company's financial statements at the lower of cost and recoverable amount. Provision is made for any temporary diminution in the value of the investment in related corporations having regard to the underlying net assets of the controlled entity at balance date.

J. BORROWING COSTS

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of anciallary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of hedged amounts on borrowings, including trade creditors and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

Exploration and evaluation expenditure carried forward relating to areas of interest which have not reached a stage permitting reliable assessment of economic benefits are not qualifying assets.

K. ACQUISITION OF ASSETS

All assets acquired including property, plant and equipment are initially recorded at their cost of 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 acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

The costs of assets constructed or internally generated by the consolidated entity, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Leased Assets:

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

Finance Leases:

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

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating Leases:

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alterntive basis is more representative of the pattern of benefits to be derived from the leased property.

L. DEPRECIATION AND AMORTISATION

Complex Assets:

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

Useful Lives:

All assets have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives, with the exception of carried forward exploration, evaluation and development costs which is amortised on a units of production basis over the life of the economically recoverable reserves and finance lease assets which are amortised over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

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

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation/amortisation rates used for each class of asset are as follows:

	2004	2003
Property, plant and equipment	15%	15%
Leased plant, equipment and motor vehicles	10%	10%

M. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs are accumulated in respect of each separate area of interest. Such costs are carried forward where they are expected to be recouped through successful development and exploitation of the area of interest; or where activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The ultimate recoupment of costs related to areas of interest in the exploration and/or evaluation phase is dependent on the successful development and commercial exploitation or sale of the relevant areas. Each area of interest is reviewed annually to determine whether costs should continue to be carried forward in respect of that area of interest. Where it is decided to abandon an area of interest, costs carried forward in respect of that area are written off in full in the year in which the decision is taken.

The anticipated cost of restoration is provided for as part of exploration and evaluation programmes undertaken by the company.

N. TECHNOLOGY EXPENDITURE

Mineral technology development expenditures are capitalised. On the basis that these technologies are in the commercialisation phase and are intended to be applied to mineral sands projects in the future, such costs are expected to be recoverable beyond reasonable doubt. Licences for the use of ERMS and EARS technologies by other companies have been negotiated by Austpac.

O. PROVISIONS

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

Wages, Salaries, Annual Leave and Sick Leave:

The provisions for employee entitlements to wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided up to the balance date, calculated at undiscounted amounts based on expected wage and salary rates including related on-costs.

Long Service Leave:

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

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities.

P. SUPERANNUATION FUND

The company and its controlled entities contribute to an employee superannuation fund to match contributions to the fund made by employees. Such group contributions are charged against income as they are made. Further information is set out in Note 15.

Q. DERIVATIVES

The consolidated entity is exposed to changes in interest rates and commodity prices from its activities. The consolidated entity does not hedge these risks.

R. FINANCING ARRANGEMENTS

At the time of the financial report there existed no overdraft or other financing facilities in the Austpac Resources group.

S. REVENUE RECOGNITION

Licence Fees – Technology:

Licence fees are recognised at the time of receipt. The licences signed with Iscor are payable upon the commencement and commissioning of a new project development in South Africa using the Austpac technologies. The licence signed with BeMaX is payable upon practical completion of the Ginkgo project in the Murray Basin, Australia.

Other:

Interest income is recognised as it accrues.

T. CASH, SHORT TERM DEPOSITS AND BANK OVERDRAFTS

Cash, short term deposits and bank overdrafts are carried at face value of the amounts deposited or drawn. The carrying amounts of cash, short-term deposits and bank overdrafts approximate net fair value. Interest revenue is accrued at the market or contracted rates and is receivable quarterly.

U. PAYABLES

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 entity. Trade accounts payable are normally settled within 60 days.

V. GOODS AND SERVICES TAX

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

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

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

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

W. USE AND REVISION OF ACCOUNTING ESTIMATES

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 2: Revenue from Ordinary Activities

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Other revenue from activities:				
– Interest received	**13,521**	–	**13,521**	–
– Licence fee income	**–**	356,697	**–**	356,697
– Extinguishment of other loans	**–**	1,255,271	**–**	1,255,271
Total revenue from ordinary activities	**13,521**	1,611,968	**13,521**	1,611,968

Note 3: Loss from Ordinary Activities before Income Tax Benefit

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Loss from ordinary activities before income tax benefit has been arrived at after charging/(crediting) the following items:				
Borrowing Costs				
Finance charges on capitalised leases	**20,802**	21,083	**20,802**	21,083
Administration Expenses				
Amortisation of leased assets	**55,189**	57,152	**55,189**	57,152
Depreciation of plant and equipment	**19,311**	28,375	**19,311**	28,375
Lease rental expense:				
Operating leases	**70,074**	68,932	**70,074**	68,932
Employee benefits	**36,001**	–	**36,001**	–

Note 4: Auditors' Remuneration

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Audit Services – KPMG Australia				
– Audit and review of financial reports	**36,500**	30,500	**36,500**	30,500
Other Services				
Auditors of the Company – KPMG Australia				
– Taxation services	**28,087**	30,000	**28,087**	30,000

Note 5: Taxation

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Income Tax Benefit				
Prima facie income tax benefit calculated at 30% (2003: 30%) on the loss from ordinary activities	**(323,443)**	(217,029)	**(323,443)**	(217,029)
Decrease in income tax benefit due to:				
Timing differences not brought to account as a Future Income Tax Benefit	**10,800**	–	**10,800**	–
Losses not brought to account as a Future Income Tax Benefit	**312,643**	217,029	**312,643**	217,029
Income tax benefit attributable to operating loss	**–**	–	**–**	–

Future Income Tax Benefit Not Brought to Account

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

	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Tax losses carried forward	**930,594**	617,951	**930,594**	617,951
Timing differences	**84,000**	73,200	**84,000**	73,200
	1,014,594	691,151	**1,014,594**	691,151

The potential future income tax benefit which has not been recognised as an asset will only be obtained if:

(i) the relevant company and/or the group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;

(ii) the relevant company and/or the group 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 group in realising the benefit.

Dividend Franking Account

The consolidated entity does not have any available dividend franking credits.

Note 6: Receivables

	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Current				
Other debtors	**16,012**	18,613	**16,012**	18,613
Non-current				
Loans to controlled entities	**–**	–	**7,300**	7,300

Loans to controlled entities are interest free with no fixed term of repayment.

The effective weighted average interest rate for receivables is Nil (2003: Nil).

Note 7: Other financial assets

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Non-current				
Shares in controlled entities (unquoted) at cost	–	–	**6,616,480**	6,616,480

PARTICULARS IN RELATION TO THE COMPANY AND ITS CONTROLLED ENTITIES		CLASS OF SHARE	HOLDING	
			2004 $	2003 $
The Company:	Austpac Resources N.L.			
Controlled Entities:	Almeth Pty Ltd	Ord	**100%**	100%
	Austpac Technology Pty Ltd	Ord	**100%**	100%

Almeth Pty Ltd was incorporated in the ACT and carried on business in Australia. Almeth was acquired by Austpac Resources N.L. from Rothschilds in March 1999 in accordance with the terms and conditions of the Research and Development Agreement dated 30 June 1993.

Austpac Technology Pty Limited was incorporated in Australia and carries on business in Australia.

No dividends were received or receivable by any company in the group in the 2004 or 2003 financial years.

Note 8: Plant and Equipment

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Leased plant, equipment and motor vehicles capitalised	**442,751**	442,751	**442,751**	442,751
Less: Accumulated amortisation	**(166,987)**	(189,533)	**(166,987)**	(189,533)
	275,764	253,218	**275,764**	253,218
Plant and equipment at cost	**519,132**	514,398	**431,851**	427,117
Less: Accumulated depreciation	**(519,132)**	(499,821)	**(431,851)**	(412,540)
	–	14,577	–	14,577
Total plant, equipment – net book value	**275,764**	267,795	**275,764**	267,795

Reconciliations

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

	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Leased Plant and Equipment				
Carrying amount of beginning of year	**253,218**	310,370	**253,218**	310,370
Additions	**77,735**	–	**77,735**	–
Amortisation	**(55,189)**	(57,152)	**(55,189)**	(57,152)
Carrying amount at end of year	**275,764**	253,218	**275,764**	253,218
Plant and Equipment				
Carrying amount at beginning of year	**14,577**	39,102	**14,577**	39,102
Additions	**4,734**	3,850	**4,734**	3,850
Depreciation	**(19,311)**	(28,375)	**(19,311)**	(28,375)
Carrying amount at end of year	–	14,577	–	14,577

		CONSOLIDATED		THE COMPANY	
	NOTE	2004 $	2003 $	2004 $	2003 $
Note 9: Exploration, Evaluation and Development Expenditure					
Exploration and/or evaluation phase expenditure, at cost		**624,962**	560,226	**624,962**	560,226
Mineral Technology Development expenditure, at cost		**11,714,237**	11,719,913	**5,090,457**	5,096,133
		12,339,199	12,280,139	**5,715,419**	5,656,359

ERMS mineral technology development expenditure was valued independently by Mineralex Agencies Pty Limited for the year ended 30 June 2002 at $15.7 million based on commercial application of the technology in its current form. This valuation exceeds the capitalised value of $11,714,237.

Note 10: Payables

		CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Current					
Trade Creditors		**374,393**	599,872	**374,393**	599,872

The effective weighted average interest rate is:
– trade creditors N/A (2003: N/A)

Note 11: Interest Bearing Liabilities

	NOTE	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Current					
Lease liabilities	16	**67,454**	108,218	**67,454**	108,218
Non-Current					
Lease liabilities	16	**208,310**	145,704	**208,310**	145,704

The effective weighted average interest rate is:
– Lease liabilities 7% (2003: 7%) (Fixed)

Note 12: Provisions

		CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Current					
Employee benefits		**280,000**	243,999	**280,000**	243,999
Number of employees at year end		**6**	10	**6**	10
Discount rate		**6%**	6%	**6%**	6%

Note 13: Contributed Equity

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Issued and paid up Capital				
401,428,726 (2003: 371,226,363) ordinary shares fully paid	**42,328,980**	40,941,055	**42,328,980**	40,941,055
23,850,000 (2003: 23,850,000) ordinary shares paid to $0.01	**238,500**	238,500	**238,500**	238,500
425,278,726	**42,567,480**	41,179,555	**42,567,480**	41,179,555
Movements in Ordinary Share Capital				
Balance at the beginning of the financial year	**41,179,555**	40,113,055	**41,179,555**	40,113,055
Shares issued:				
Placement – Phase 2: UK and local investors – 10,036,585 ordinary shares issued for cash in September 2002 at 4.1 cents each	**–**	411,500	**–**	411,500
Placement – Phase 3: UK and local investors – 2,712,945 ordinary shares issued for nil consideration to participants in Phase 1 of the placement as a result of market price fluctuations	**–**	–	**–**	–
Placement – Local, UK and international investors – 10,000,000 ordinary shares issued for cash at 3.3 cents each in March 2003	**–**	330,000	**–**	330,000
Placement – Local and international investors – 6,200,000 ordinary shares issued for cash in June 2003 at 5 cents each	**–**	310,000	**–**	310,000
Placement – Farrington for marketing services – 300,000 ordinary shares issued in June 2003 at 5 cents each	**–**	15,000	**–**	15,000
Placement – Local investors – 6,028,077 ordinary shares issued for cash in September 2003 at 6.5 cents each	**391,825**	–	**391,825**	–
Placement – Local investors – 6,000,000 ordinary shares issued for cash in December 2003 at 6 cents each	**360,000**	–	**360,000**	–
Placement – Australian institutions and local investors – 18,174,286 ordinary shares issued for cash in May 2004 at 3.5 cents each	**636,100**	–	**636,100**	–
	42,567,480	41,179,555	**42,567,480**	41,179,555

Share issues made during the year were to increase the working capital of the Company.

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends if declared and are entitled to one vote per share at shareholders meetings.

Holders of Austpac Resources N.L. Employee Share Purchase Plan shares are entitled to the same rights as ordinary shareholders once the shares are paid in full. The amount of unpaid capital is $3,994,364. In the event of winding up, ordinary shareholders rank after creditors.

Notes to the Financial Statements

for the year ended 30 June 2004

Note 14: Accumulated Losses

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Accumulated losses at beginning of year	**29,516,826**	28,793,396	**29,516,826**	28,793,396
Net loss attributable to members of the parent entity	**1,078,144**	723,430	**1,078,144**	723,430
Accumulated losses at the end of year	**30,594,970**	29,516,826	**30,594,970**	29,516,826

Note 15: Commitments

Superannuation Commitments

The Company acts as trustee for and contributes to a group employee superannuation fund, matching contributions to the fund made by employees. Employee contributions are based on various percentages of their gross salaries. After serving a qualifying period, all employees are entitled to benefits on retirements, disability or death. The fund is an accumulation type fund. The Company and other group corporations are under no legal obligation to make up any shortfall in the fund's assets to meet payments due to employees.

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company and consolidated entity are required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report and are payable:

	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Within one year	**300,000**	100,000	**300,000**	100,000

Note 16: Lease Liabilities

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Included as lease liabilities are the present value of future rentals for leased assets capitalised:				
Current	**67,454**	108,218	**67,454**	108,218
Non-Current	**208,310**	145,704	**208,310**	145,704
	275,764	253,922	**275,764**	253,922
Lease commitments in respect of capitalised finance leases are payable as follows:				
not later than one year	**91,778**	129,020	**91,778**	129,020
later than one year but not later than five years	**237,181**	165,931	**237,181**	165,931
	328,959	294,951	**328,959**	294,951
Deduct: Future finance charges	**53,195**	41,029	**53,195**	41,029
Total lease liability	**275,764**	253,922	**275,764**	253,922

The consolidated entity leases equipment under finance leases expiring from one to four years.
At the end of the lease term the consolidated entity has the option to purchase the equipment at 40% of cost.

Note 17:
Related Party Transactions

The consolidated entity was provided with mineral sands consulting services by H & N Investments Pty Ltd ($Nil) (2003: $7,500), a company of which H. Hines is a director, A. Paton and Associates Pty Ltd ($Nil) (2003: $7,500), a company of which A. Paton is a director, and T. Cuthbertson ($Nil) (2003: $7,500). K. Turbott (spouse of M.J. Turbott)provided secretarial services ($30,000) (2003: $30,000). The terms and conditions of the transactions with directors and their director related entities were no more favourable than those available, or which might reasonbly be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Directors

The names of each person holding the position of Director of Austpac Resources N.L. during the financial year were Terry Cuthbertson, Michael John Turbott, Charles A. MacDonald, Alfred Lampard Paton and Harold Hines.

Details of Directors' shareholdings as at 30 June 2004 are as follows:

	2004		2003	
	DIRECT	INDIRECT	DIRECT	INDIRECT
Terry Cuthbertson				
Fully paid ordinary	**–**	**–**	–	–
Ordinary share purchase plan paid to 1 cent	**–**	**600,000**	–	600,000
Michael John Turbott				
Fully paid ordinary	**3,350,000**	**3,283,333**	3,350,000	3,283,333
Ordinary share purchase plan paid to 1 cent	**1,351,118**	**–**	1,351,118	–
Charles Alexander MacDonald	**–**	**–**	–	–
Fully paid ordinary	**–**	**–**	–	–
Ordinary share purchase plan paid to 1 cent	**–**	**–**	–	–
Alfred Lampard Paton				
Fully paid ordinary	**–**	**912,500**	–	912,500
Ordinary share purchase plan paid to 1 cent	**–**	**2,050,000**	–	2,050,000
Harold Hines				
Fully paid ordinary	**106,834**	**–**	106,834	–
Ordinary share purchase plan paid to 1 cent	**1,040,000**	**–**	1,040,000	–

Austpac Resources N.L. Share Purchase Plan

The Austpac Resources N.L. Employee Share Purchase Plan was approved at the Company's Annual General Meeting in November 1986. Under the Plan employees and directors may participate in the issue of Austpac Resources N.L. shares issued at 95% of market price. No shares were issued under the plan during the current financial year.

Note 18:
Directors' and Senior Executives' Emoluments

The broad remuneration policy is to ensure the remuneration package properly reflects the duties and responsibilities of the director. Details of the nature and amount of each major element of the emoluments of each director of the company are:

	Base $	Non Cash Benefits $	Super $	Total $
Mr M.J. Turbott	88,188	20,700	12,000	120,888
Mr A.L. Paton	25,000	–	–	25,000
Mr H. Hines	15,000	–	–	15,000
Mr T. Cuthbertson	15,000	–	–	15,000
Mr C.A. MacDonald	1,250	–	–	1,250
Mr R. Harrison	–	–	–	–

The Company is managed by the Managing Director, supported by the Board of Directors. The Company does not have a senior executive staff. The Company has no employees that are specified executives.

Notsag Pty Limited, a company which provides corporate, financial, underwriting and guarantee services, employs Mr N. Gaston and provides his services as company secretary. Notsag Pty Limited received fees of $120,000 during the financial year ended 30 June 2004.

Note 19:
Events Subsequent to the end of the Financial Year

International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the consolidated entity must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the consolidated entity's financial performance are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions are presented.

The consolidated entity has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the consolidated financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with IFRS.

Regulatory bodies that promulgate Australian GAAP and IFRS have significant ongoing projects that could affect the differences between Australian GAAP and IFRS described below and the impact of these differences relative to the consolidated entity's financial reports in the future. The potential impacts on the consolidated entity's financial performance and financial position of the adoption of IFRS, including system upgrades and other implementation costs which may be incurred have not been quantified as at the transition date of 1 January 2004 due to the short timeframe between finalisation of IFRS standards and the date of preparing this report. The impact on future years will depend on the particular circumstances prevailing in those years.

The board is in the process of establishing a formal project to achieve transition to IFRS reporting, beginning with the half-year ending 30 June 2005. The Company expects this project to be substantially completed by 31 December 2004.

The potential implications of the conversion to IFRS on the consolidated entity include:

- Financial instruments must be recognised in the statement of financial position and all derivatives and most financial assets must be carried at fair value.
- Impairment of assets will be determined on a discounted basis, with strict tests for determining whether goodwill and cash-generating operations have been impaired.

The impact of ED6 *Exploration for and Evaluation of Mineral Resources* on the consolidated entity's accounting policy for the treatment of exploration and evaluation expenditure cannot be determined until the final standard is issued by the International Accounting Standards Board in September 2004, and the equivalent Australian accounting standard is subsequently issued by the Australian Accounting Standards Board.

Recent announcements from the AASB indicate that the IASB will amend ED6 and will grandfather Australia's existing areas of interest method for accounting for exploration and evaluation expenditure. Until these proposed changes are enacted it is not possible to determine the potential impact in respect to extractive industries.

Placement

Since 30 June 2004, 3,254,285 ordinary shares being the balance of the placement of 21,428,571 ordinary Austpac Resources N.L. shares at 3.5 cents each was completed, banking $113,900.

Share Purchase Plan

On 1 September 2004 Austpac Resources N.L. announced a Shareholder Share Purchase Plan allowing each shareholder to participate in a total capital raising of up to $4,000,000. Each shareholder appearing on the Company Share Register as at 6 September 2004 being eligible to take up between $500 and $5,000 of ordinary Austpac Resources N.L. shares at 3 cents each. The terms and conditions of the plan were mailed to all shareholders.

Other than as identified above, 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 consolidated entity in future financial years.

Notes to the Financial Statements

for the year ended 30 June 2004

Note 20:
Interest in Joint Venture Operations

Joint Venture percentage interests are indicated in the tenement schedule appearing in the front section of the annual report. All activities relate to mineral sands and mineral technology development. No mineral sands production has occurred during the current financial year. Expenditure and activity commitments relating to these joint ventures are determined by regular review of joint venture management committees in accordance with the requirements of issuing tenement.

The directors are aware of no substantial contingencies. No capital expenditure commitments are currently a part of joint venture activity.

Included in the assets and liabilities of the Company and the consolidated entity are the following items which represent the Company's and the consolidated entity's interest in the assets and liabilities employed in the joint ventures.

	CONSOLIDATED		THE COMPANY	
	2004 $	2003 $	2004 $	2003 $
Non-Current Assets				
Exploration and/or evaluation expenditure	**624,962**	560,226	**624,962**	560,226

Note 21:
Segment Reporting

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

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business Segments

The consolidated entity comprises one main business segment, based on the consolidated entity's management reporting system – Mineral sands and mineral sands technology development.

Geographical segments

The consolidated entity operates predominantly in Australia.

In the prior year the Company disclosed a result of $494,711, attributable to India, a discontinued segment, which was in relation to the Austpac/Ticor Joint Venture in Orissa.

Note 22:
Notes to the Statements of Cash Flows

A. Reconciliation of Operating Loss after Tax to Net Cash used in Operating Activities

	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Operating loss after income tax	**(1,078,144)**	(723,430)	**(1,078,144)**	(723,430)
Add/(less) non-cash items:				
Amortisation	**55,189**	57,152	**55,189**	57,152
Amounts set aside to/(reversals from) provisions	**36,001**	–	**36,001**	–
Depreciation	**19,311**	28,375	**19,311**	28,375
Services rendered in exchange for equity	**–**	15,000	**–**	15,000
Exploration expenditure written off	**–**	898,765	**–**	898,765
Extinguishment of other loans	**–**	(1,255,271)	**–**	(1,255,271)
Net cash used in operating activities before change in assets and liabilities	**(967,643)**	(979,409)	**(967,643)**	(979,409)
Change in assets and liabilities during the financial year:				
Decrease/(increase) in receivables	**2,601**	(10,951)	**2,601**	(10,951)
Decrease in payables	**(225,479)**	(147,146)	**(225,479)**	(147,146)
Net cash used in operating activities	**(1,190,521)**	(1,137,506)	**(1,190,521)**	(1,137,506)

B. 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 balance sheets as follows:

	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	THE COMPANY 2004 $	THE COMPANY 2003 $
Cash	**271,692**	193,975	**271,692**	193,975

C. Non cash financing activities

The Company acquired leased plant and equipment amounting to $77,735 (2003: $Nil) by way of finance leases during the financial year.

Note 23:
Earnings per Share

	THE COMPANY 2004 $	THE COMPANY 2003 $
Basic and diluted loss	**1,078,144**	723,430
Weighted average number of shares used to calculate basic and diluted earnings per share	**404,054,154**	377,855,934
Basic and diluted loss per ordinary share	**($0.003¢)**	($0.002¢)

Note 24:
Fair Value of Financial Assets and Liabilities

Financial assets and liabilities are stated at net fair value.

Director's Declaration

1. In the opinion of the Directors of Austpac Resources N.L.
   a) the financial statements and notes set out on pages 18 to 35 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 2004 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 2001; and
   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

T. Cuthbertson
Director

M.J. Turbott
Director

Sydney, thirtieth day of September 2004

Auditors' Report

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTPAC RESOURCES N.L.

Scope

The financial report and directors' responsibility

The financial report comprises the statements of financial position, statements of financial performance, statements of cash flows, accompanying notes to the financial statements, and the directors' declaration for Austpac Resources N.L. (the 'Company'), and its controlled entities (the 'Consolidated Entity'), for the year ended 30 June 2004. 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 acocunting 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 Austpac Resources N.L. 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 2004 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 requirements in Australia.

Going Concern Concept

Without qualification to the opinion expressed above, attention is drawn to the following significant matter:

The financial report has been prepared on a going concern basis as discussed in note 1(D) which assumes continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business.

In note 1(D), the directors state why they consider the going concern basis used in the preparation of the financial report is appropriate. Without the equity raisings and joint venturing or sale of interests held in mineral tenements and projects referred to by the directors, there are uncertainties as to whether the consolidated entity will be able to continue as a going concern.

KPMG

KPMG

T. van Veen
Partner

Sydney, 30 September 2004

Additional Stock Exchange Information

Directors' Interests

The maximum contingent liability of the group for termination benefits under service agreements with directors and persons who take part in the management of the parent entity amount to $nil at 30 June 2004.

Shareholdings

SUBSTANTIAL SHAREHOLDERS

The number of shares held by the substantial shareholders listed in the holding Company's register as at 10 September 2004 was: Nil.

CLASS OF SHARES AND VOTING RIGHTS

At 10 September 2004 there were 3,954 holders of the ordinary shares of the holding Company. The voting rights attaching to the ordinary shares, set out in Article 32 of the holding Company's Articles of Association, are:

"Subject to any rights or restrictions for the time being attached to any class or classes of shares –

a) at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney; and

b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share he holds."

Offices and Officers

Company Secretary:	Nicholas John Gaston
Principal Registered Office:	Level 12, 23 Hunter Street, Sydney NSW 2000 Telephone: (02) 9221 3211
Location of Registers of Securities:	ASX Perpetual Registrars Limited Securities Registration Services, HSBC Building, 580 George Street, Sydney, NSW 2000

Austpac Resources N.L. is an Australian incorporated listed public no liability Company domiciled in Australia.

Additional Stock Exchange Information

Distribution of Shareholders as at 10 September 2004

	NUMBER OF ORDINARY SHAREHOLDERS
1–1,000	147
1,001–5,000	639
5,001–10,000	547
10,001–100,000	1,941
100,001 and over	680
	3,954
Holders of less than a marketable parcel	1,591

The 20 largest shareholders hold 23.73% of the ordinary shares of the holding company.

20 Largest Shareholders as at 10 September 2004

NAME	NO. OF ORDINARY SHARES HELD	PERCENTAGE (%) HELD TO ISSUED CAPITAL
Christopher Leech	13,104,114	3.04
J.P. Morgan Nominees Australia Limited	12,142,857	2.82
Richard Louden Delaney	11,548,188	2.68
Prestcorp Pty Limited	6,817,233	1.58
Kerry Cameron King and Christine Margaret King	5,080,958	1.18
Anthony Prestia	4,950,592	1.15
Michael J. Turbott	4,701,118	1.09
Jankit Pty Limited	4,571,435	1.06
Rik Deaton	4,526,501	1.05
Minford Pty Limited	4,500,000	1.04
Gary Koh	4,495,349	1.04
Nicholas John Gaston	3,330,000	0.77
Gold Coast Endoscopy Pty Limited	3,231,002	0.75
Stratagem Pty Limited	3,087,535	0.72
Alfred Paton and Associates Pty Limited	2,962,500	0.69
Elena Anna Claxton	2,934,108	0.68
G & J Paul Pty Limited	2,650,000	0.61
John Rudd	2,600,000	0.60
Notsag Pty Limited	2,586,662	0.60
Bahan Pty Limited	2,512,910	0.58
Top 20 subtotal:	**102,333,062**	**23.73**

Corporate Directory

MEMBERS OF THE BOARD

Mr Terry Cuthbertson *ACA*
Chairman

Mr Michael J. Turbott *BSc (Hons), FAusIMM, MAIG*
Managing Director

Mr Robert J. Harrison *FAICD*
Director

SECRETARIES

Company Secretary
Mr Nicholas J. Gaston *ACIS*

GENERAL MANAGERS

Mr John C. Downie *MIE, MAusIMM*
General Manager, Project and Technology Development

Mr Michael J. Smith *BSc, MSc, RPGeo, FAIG, MGSA, MASEG*
General Manager Exploration

PRINCIPAL OFFICE

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Sydney, NSW 2000
Phone: (02) 9221 3211
Fax: (02) 9223 1975
Email: apgtio2@ozemail.com.au
Website: www.austpacresources.com

AUDITORS

KPMG, The KPMG Centre
10 Shelley Street, King Street Wharf, Sydney, NSW 2000

SOLICITORS

Allen Allen & Hemsley
Level 23, The Chifley Tower
2 Chifley Square, Sydney, NSW 2000

SHARE REGISTRY

ASX Perpetual Registrars Limited
Securities Registration Services
580 George Street, Sydney, NSW 2000

BANKERS

ANZ Bank
68 Pitt Street, Sydney, NSW 2000

STOCK EXCHANGE LISTING

Australian Stock Exchange Limited (Melbourne)