

MOUNT CONQUEROR

MINERALS N.L.

A.B.N.34 003 312 721

**2004
ANNUAL REPORT**

COMPANY DIRECTORY

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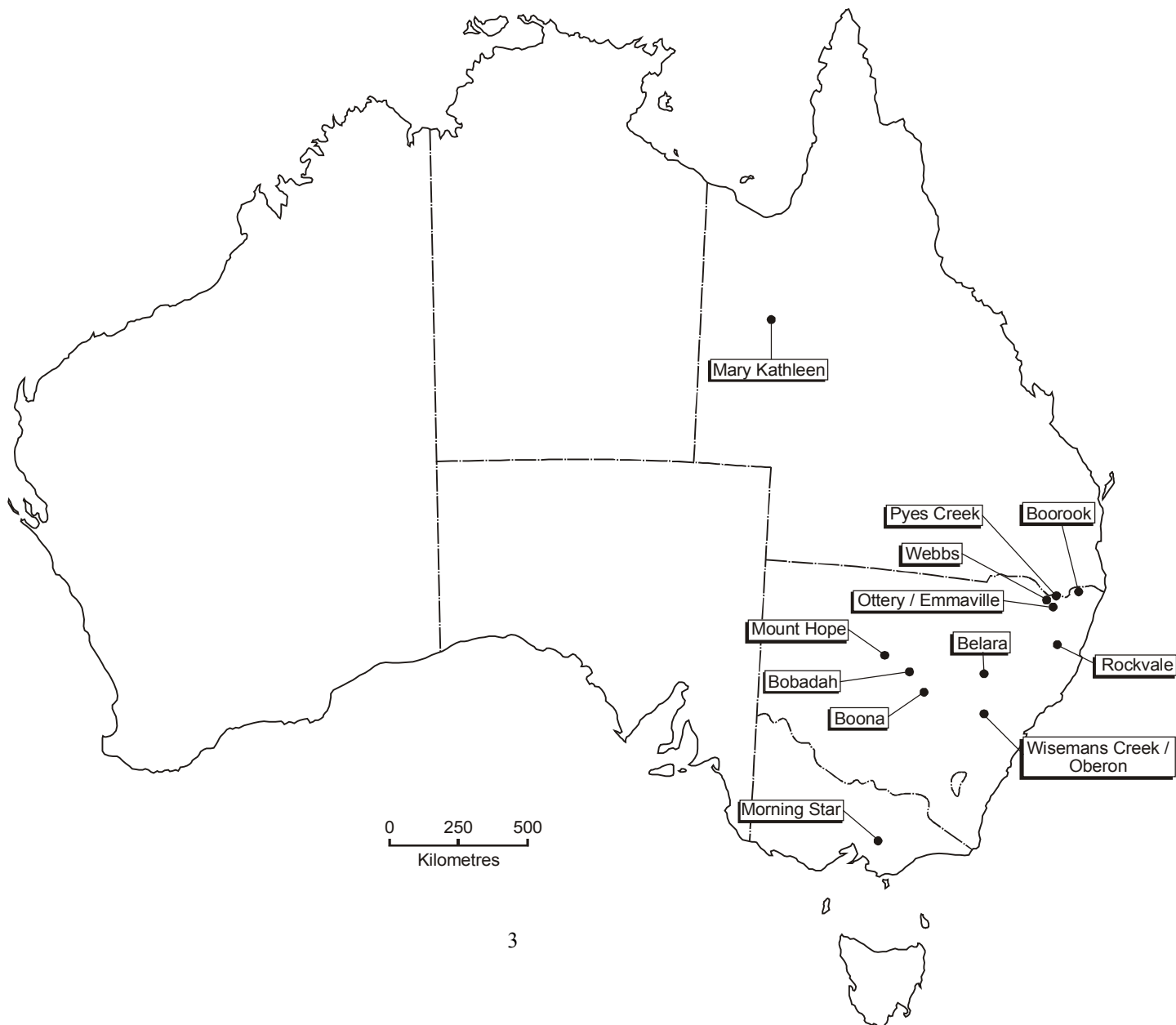
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Mount Conqueror Minerals N.L. shares
are listed on the Australian Stock Exchange Ltd.
ASX Code: MCO

Review of Exploration Interests

Location of Mining Tenements



Review of Exploration Interests

Overview

During the period under review the Company's activities were refocused on the Woods Point areas in Victoria.

At the Morning Star Mine, major site preparations and surveying were undertaken in preparation for a drilling program to be undertaken in the coming year, with the object of increasing known gold resources.

The strong rise in metal prices during the year has added considerably to the value of Mount Conqueror's portfolio of holdings throughout Australia, and has led to an increase in enquiry from prospective joint venture producers.

The doubling of the price of tin, for example, has markedly increased the potential to mine both the high grade veins and the lower grade bulk deposits known within the Ottery and Emmaville Licences.

With its New England tenements the Company is well situated to take advantage of the steady but continuing rise in silver price. In addition, examination of other silver possibilities, particularly Queensland, has been an exploration priority during the year.

VICTORIA

Morning Star Gold Mine - Woods Point

The main activities during the year were:

1. Completion of and review of historical resource inventories.
2. Commencement of 3-dimensional modeling of grade distribution.
3. Surveying and layout of surface grid for marking out of deep drill hole collars.
4. Completion of biannual water monitoring program.
5. Site works for safety and security and also bush fire control.
6. Drill core library re-established.

Location

The Morning Star mining and exploration operations are centrally located within the Woods Point goldfield. The project area is 120km northeast of Melbourne and is 100% owned by Mount Conqueror Minerals N.L.

The Morning Star (and Comet) mining operations are centrally located within the tenement package which contains three granted mining licences (MIN 5009, 5010 and 5013) and five mining licence applications (MIN 5233, 5234, 5240, 5241 and 5242). These MIN's are in part enclosed within exploration licence application (EL 4320) that is also included in the tenement package.

The mining operations are located west of the town of Woods Point, which provides access to an experienced and skilled workforce, accommodation and services. The mine site is serviced by the state electricity grid and has site freshwater supplies. Minewater is also fresh and meets discharge limit requirements.

Historical Production

The Woods Point – Walhalla Goldfield is second only to Bendigo in Victorian hardrock production records with approximately 155 tonnes of gold (>5,000,000 ounces).

The Company's Tenements are estimated to have produced 50 tonnes of gold (1.6 million ounces (Moz)). Of this, the main historical production sites were:

| | |
|-------------------|------------|
| Morning Star Mine | 883,000 oz |
| All Nations Mine | 132,000 oz |
| Loch Fyne Mine | 109,000 oz |
| Comet Mine | 64,000 oz |

Review of Exploration Interests

Significant other producers were the Waverley, Tingha, Mountaineer and Little Comet. There are estimated to have been in excess of 1,000 small mining operations between 1862 and 1870. The Morning Star operations include the Hope, Cherry's Alps, North United and Age of Progress reefs.

Mine Production Historical Grades

The quartz vein deposits of the Woods Point dyke swarm are considered to be particularly high grade. Most mines had quoted historical production grades in excess of 1oz/tonne (>31g/t Au).

The Morning Star Mine had a published recovered grade of 24.5g/t and work carried out by Mount Conqueror Minerals showed that battery tails ranged from 2.0 to 6.2g/t. Taking a minimalistic approach of 2g/t for the tailings, the average grade of the Morning Star Mine would have been > 26.5g/t.

Regional Geology

More than 95% of the hardrock gold production has been from quartz vein deposits, either within or along the contact of Devonian-Age dykes. The dykes occur in a 15 to 20km wide belt known as the Woods Point Dyke Swarm, which extends over a strike of approximately 200km in the eastern portion of the Melbourne geological zone.

Gold bearing quartz veins can occur anywhere within or along the dyke units and make the individual dykes very prospective. The Company's tenements cover the most historically productive portion of the Woods Point goldfield and the central portion of the dyke swarm.

Mine Geology

The Morning Star Mine is a significant mining operation, which was in production between 1862 and 1963. The mine workings extend over a vertical depth of 1,100 metres and strike length of 750 metres. The dyke ranges from 60 to 115 metres wide.

The mine has been extensively worked from surface down to 50 metres, from 120m to 230m depth and from 500m to 700m depth. Drill intercepts show that extensive ore-grade intersections exist, both in the worked areas and the "Gap Zones" between these areas.

The mine has been intensively mined in only 360m of the 1,100 drilled depth and these worked areas produced between 2,000 and 5,000 ounces, per vertical metre. The All Nations, Loch Fyne and Comet Mines have been worked to only 100 to 200m depths.

In recent cases, (post 1985) mining, research and exploration operations have shown that the dykes and mineralised quartz veins are open both along strike and down depth.

Ore Geology and Mineralisation

The mineralisation is controlled by a series of Devonian-age dykes that have been deformed through brittleness and have been filled with a series of cross cutting quartz veins known as ladder veins and stockworks. The veins range to 50cm thick and carry grades in the 1,000's g/t Au.

Mineralised ladder structures have been shown to be continuous over hundreds of metres, with the more significant stopes having produced > 100,000 ounces each (Achilles, Victory, Whitelaws etc).

The mineralisation has significant sulphidisation, with galena and Cu-Ag sulphide assemblages. 80-85% of the gold is recovered as free metal by gravity separation, and 10+% of the gold is recovered from a sulphide concentrate off site.

Review of Exploration Interests

Mine Plan

Geological exploration and mine development since the mid-1980's has indicated the dyke host rocks to be open both at depth and along strike, and have intersected significant ore-grade mineralisation.

A model has been developed which supports repetitive vein spacing. Predictive modelling has been successfully tested using deep diamond drilling and has shown significant targets in both mined and gap zones.

Preliminary plans are to substantiate a significant resource in the 200 to 500m gap zone and to direct some deep exploration drilling beneath and along strike of the 500 to 700m stopes. The existing mine infrastructure facilitates the mine exploration/development by providing access for mine dewatering, ventilation, secondary egress and deep drilling platforms.

Recent Work

The Company has commissioned appropriate experts to compile a computerised data base containing all the assay information from both recent and historical drilling level sampling and trenching programs. This will enable an accurate estimate of resources and resource focussed drill targets to be completed during next year.

Potential

The Company's tenements provide five potential developments to establish significant resources as follows:

- A: Morning Star Mine
- Drill extensions to historic stoping areas
 - Development of the 'gap zones' between the historical depth zones
 - Depth and strike extensions
- B: Other Significant Historical Gold Mines
- Comet Mine – strike and depth extensions within 500m of Morning Star
 - All Nations Mine – strike and depth extensions 500m north of Loch Fyne Mine
 - Loch Fyne Mines – several historical workings on Loch Fyne dyke – northern workings close to All Nations
- C: Other Historical Gold Mines
- Waverley Dyke System – untested at depth
 - Little Comet Dyke System – untested at depth
 - Mountaineer – prospective Jericho zone
- D: Other Metals – copper, nickel, platinoids
- Ultramafic Dykes – prior to the 1990's, the largest production in Victoria of copper and platinoids came from Woods Point dyke hosted deposits
- E: Blind Deposits
- Buried Dyke Deposits – recent geophysics has indicated anomalies requiring exploration attention
 - Alluvial Field Sources – alluvial gold acted as the principal guide to the discovery of the goldfield. Significant alluvial workings have been found in areas of no significant hardrock source, thus requiring exploration attention
 - Target identified by the VIMP works in progress by the Geological Survey of Victoria

Review of Exploration Interests

Target Model

Modelling of vein distribution and recent drill intercepts supports repetition of production levels in the gap zones of the Morning Star. Using a discounted average per vertical metre production record, the Morning Star target is 2.4 million ounces (Moz) within 500m depth extension of the lowest drill intercept.

If we independently apply the grade-factoring model on the stated historical resource, we get a target resource of 2.5 Moz.

The model is applicable to the All Nations, Loch Fyne and Comet mines, which present an additional target of 0.6 Moz to 0.8 Moz.

Proposed Work Program

With a depth/strike model in targets of 3 Moz below the 200m depth, the initial program must involve a moderate depth drill program.

It is anticipated that the initial drill campaign will target repetitions of ladder vein/stockwork systems between the 300-500m depth of the Morning Star Mine.

Each hole will have multiple targets down to the 500m depth. Select holes at 500m may be in a suitable position to extend the strike of known lines of lode that were mined at the 500-700m depth.

Exploration will be driven initially with focus on the largest Morning Star resource and then outwards to the more remote deposits. Regional exploration on the surrounding tenement package will evolve during the drilling campaign.

The state government of Victoria is undertaking an extensive mapping, sampling and geophysics program at Woods Point, which will be completed in December 2006. Mt Conqueror Minerals is working co-operatively with the Geological Survey of Victoria teams to be in a strong position to optimise exposure to exploration potential.

The Company has significant tenement holding over the area covered by this GSV initiative.

Historical Resources

Although historical resources have been partially reviewed and data cannot comply with current JORC classifications, it is necessary to make an awareness of these compilations.

The historical compilation until 1998 was 423,000 ounces of gold broken down as an underground total resource of 1.58 Mt @ 5.5g/t (including a Measured Resource of 85,000 tonnes @ 11.5g/t Au); and a surface total resource of 2.13 Mt @ 2.1g/t (including a Measured Resource of 736,000 tonnes @ 2.0g/t Au).

Two technical issues relate to the historical resources:

1. It must be pointed out that the historical production of this mine was approximately 1.03 Mt @ 26.5g/t Au and that grade factoring studies have consistently shown recovered grades being two to five-fold of drill and face sample assays (Goodz 1997, Gamble 1987, Bell 1973, Broadhurst 1960); and
2. Percussion drillhole samples were omitted from the above resource compilations, because it was felt that site specific studies have shown that these results were inconsistent with the diamond drill core or bulk sampling assay results.

Review of Exploration Interests

Exploration Licence Applications – Woods Point

Native Title negotiations have taken place regarding these exploration licence application areas both north and south of the Dividing Range. These areas include the All Nations, Loch Fyne mines and the remainder of the Woods Point Goldfield. Formal documentation of the agreements is under preparation. An exploration program will be commenced as soon as the licences are granted.

The information contained in this report was compiled by Morrie D Goodz who is a Corporate Member of the Australasian Institute of Mining and Metallurgy, and has relevant experience in relation to the mineralisation being reported on, to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves. He is a Competent Person as defined under the Australian Stock Exchange Listing Rules and has consented to the use of the information in this report.

Morrie D Goodz

M Sc, M AusIMM, M CanIMM, Cert. Mine Manager.

NEW SOUTH WALES

Boorook

The Boorook Ag-Au field 33km northeasterly from Tenterfield comprises numerous small but rich lodes mined between 1870 and 1885 for a yield of approximately 125,000oz Ag and (at least) 1,000oz Au from about 5,000tonnes of ore.

The principal lodes were the Golden Age and Wellington, where mineralisation was traceable in a northerly direction for several kilometres, with an average width of almost 1m and depths of development generally no greater than 50m.

Recent drilling at Wellington intersected rich gold grades in early drill holes, which were not repeated subsequently (see accompanying table of drill results).

The Wellington shoots appear to be only small in size, but their outline has not been clearly established.

Possible poor recovery of coarse gold in the drilling also needs to be assessed.

Further drilling will also be considered at other reefs known within the Licence area.

Review of Exploration Interests

WELLINGTON DRILL-HOLE SUMMARY

| <u>Hole</u> | <u>Intersection</u> | <u>Assays</u> | <u>Orientation</u> Dip/Azimuth (MN) | <u>Depth</u> |
|---------------|---|---|--|--------------|
| B002 * | 58 – 61 = 3m @ 61 – 71 = 10m @ | 108g/t Au, 102g/t Ag 0.77g/t Au, 3g/t Ag | 50/090 | 71 |
| B003 * | 16 – 19 = 3m @ 30 – 31 = 1m @ | 0.46g/t Au, 2g/t Ag 42g/t Au, 37g/t Ag | 50/090 | 66 |
| B004 * | 12 – 13 = 1m @ 30 – 31 = 1m @ 37 – 38 = 1m @ | 1.57g/t Au, <1g/t Ag 0.85g/t Au, 2g/t Ag 1.74g/t Au, 61g/t Ag | 50/090 | 80 |
| B011 # | 23 – 25 = 2m @ | 1.56g/t Au, 71g/t Ag | 50/270 | 39 |
| B012 # | 44 – 45 = 1m @ | 0.32g/t Au, 1g/t Ag | 50/090 | 60 |
| B013 # | 56 – 57 = 1m @ | 0.05g/t Au, 3g/t Ag | 50/090 | 78 |
| B014 # | 48 – 49 = 1m @ | 1.59g/t Au, 2g/t Ag | 50/090 | 60 |
| B015 # | 17 – 20 = 3m @ 36 – 39 = 3m @ | Open Workings 0.24g/t Au, 34g/t Ag | 50/270 | 60 |
| B016 # | 98 – 99 = 1m @ | 0.13g/t Au, 6g/t Ag | 60/270 | 150 |
| B017 + | 42 – 43 = 1m @ 49 – 50 = 1m @ | 0.24g/t Au, <1g/t Ag 0.23g/t Au, 27g/t Ag | 70/270 | 80 |
| B018 + | 25 – 26 = 1m @ 28 – 32 = 4m @ Incl 31 – 32 = 1m @ 44 – 45 = 1m @ | 3.30g/t Au, 1g/t Ag 0.88g/t Au, 38g/t Ag 1.62g/t Au, 136g/t Ag 1.1g/t Au, 57g/t Ag | 70/270 | 96 |
| B019 + | 16 – 17 = 1m @ 35 – 36 = 1m @ | 1.75g/t Au, 7g/t Ag 0.43g/t Au, 41g/t Ag | 50/090 | 66 |
| B020 + | 42 – 43 = 1m @ | 0.29g/t Au, 25g/t Ag | 50/090 | 66 |
| B021 + | 58 – 60 = 2m @ | 1.21g/t Au, 47g/t Ag | 50/090 | 78 |
| B022 + | 31 – 32 = 1m @ | 1.22g/t Au, 2g/t Ag | 50/090 | 66 |

*Initial drilling program

#Second drilling program

+Third (2004) drilling program

Review of Exploration Interests

Mount Hope

Gold mineralisation is known at five localities within the Mount Hope Licences.

The most important of these is the Mount Solitary deposit at the northern end of E.L6055, where the higher grade resource has been increased from (the previously published) 68,000 tonnes @ 10.4g/t Au to 117,000 tonnes @ 9.85g/t (a contained 37,000oz gold) as a result of better understanding of the form and extent of mineralisation. The cut-off for this resource is 4g/t, with an average width of 1.13m.

At a cut-off grade of 1g/t Au the resource is approximately 300,000 tonnes @ 4g/t Au (width about 5m). (These [inferred + indicated] figures have been calculated from 52 RC and cored holes, 15 of which were drilled by the Company.)

At Mount Solar, about 7km to the south, 60,000 tonnes of similar near-surface mineralisation average 2.9g/t (1g/t cut-off, width 5m).

No resources have been outlined at Little Mount Solar and Powerline Hill between the two main deposits.

No resource has been established, either, for the Main Road deposit (within E.L. 5343) 4km west of Mount Solar, where additional sampling was carried out during the year.

Further drilling to both confirm and increase the Mount Solitary resource is planned. This drilling will also test palaeochannels draining this deposit.

Bobadah

At Bobadah, between Nyngan and Condobolin, moderate production of silver, gold and base metals has been obtained from mineralisation occurring within a sediment/acid volcanic sequence similar to that at Mineral Hill to the south.

The Bobadah Licence is a JV between the Company and Tri-Origin Exploration/Triako Resources, with the Company's involvement confined to a 15% interest in a small (18.75%) segment of the Licence only, which embraces any northern extension of the main lode.

Whilst JV operator Triako have developed several drill holes within the Licence, no drilling has as yet been undertaken within the Company's area of interest.

Triako report, however, their intention to further drill test the Licence in the coming year, but it is not clear whether any holes will be within the area of interest.

Ottery and Emmaville

The Ottery and Emmaville Licences extending from Emmaville north-easterly for 7km embrace one of the most economically important tin zones in NSW.

The Ottery Mine was one of the largest hard rock producers of tin in the New England, with almost 3,000 tonnes of tin concentrate won from various reefs in altered acid porphyry in the period 1883 to 1940.

Review of Exploration Interests

Current resources, based on archival underground sampling and the Company's RC drilling, are estimated as follows:

| | |
|--------------------|--------------------|
| Indicated Resource | 15,000t @ 3.0%Sn |
| Inferred Resource | 185,000t @ 0.8%Sn, |

using an in situ bulk density factor of 2.6 tonnes per cubic metre and a 0.3%Sn cut-off.

Average width for these resources is approximately 4m.

These figures relate only to mineralisation above a vertical depth of 80m (the deepest workings) along No.4 Lode; extensions below this depth (and possibly to the north) are likely, with additional resources possible in the adjoining Nos 1-3 Lodes.

The area closer to Emmaville is heavily mineralised and featured by several reported occurrences of broad zones (up to at least 100m in width) of multiple quartz veining containing tin mineralisation. Resources in the Great Britain and East Britain deposits have been reported in Government publications to contain almost 1,100 tonnes of tin; similar mineralisation at Schumachers, Thomsons and the Surprise deposits within 1km of the latter clearly warrants further exploration also.

Drilling to test both the Emmaville group of deposits and the Ottery Mine is planned in coming months.

Rockvale

The Ruby, Tulloch, Rockvale and Silver Point Ag ± Au, As deposits within E.L. 5926, 30km northeast of Armidale comprise small but rich lodes mostly associated with aplite dykes within the Rockvale Adamellite

The principal producer was the Ruby Mine where a northeasterly set of veins traceable for 650m have been worked to a depth of 120m. Width of the shoot mined ranged up to 1.4m, but its confines are not known with any certainty.

The first hole of a 1968 drill program intersected 5.08m @ 216oz/tonne Ag (estimated true width of 3m), which incorporated two subjacent silver-rich lodes, but values in subsequent holes were much lower.

An I.P. survey indicated extension of sulphide mineralisation to the immediate northeast of the main workings – this, together with the above-mentioned rich drill intersection, are targets for further drilling.

The Silver Point deposit, together with the nearby Union Jack, Little Beauty and Little Nell reefs, form a zone of significant mineralisation along the Ruby trend approximately 1km to the southwest.

Silver Point comprises a pipe-like body of aplite about 50m in diameter in which quartz veining is common. Three sets of workings have been developed in this body, but production appears to have been minor.

Recent sampling suggests Ag-Au values occur within the host rock, as well as in the quartz, and the deposit as a whole is prospective for bulk mining.

Drilling to test this possibility, as well as the high gold grades in the Union Jack reef, is planned for the coming months.

The various dumps at Tulloch contain significant precious metal content and the possibility of recovering both the gold and silver is being investigated.

Review of Exploration Interests

Oberon and Wisemans Creek

The Oberon Licences embrace the Black Bullock, Trig and Northwest Ridge gold deposits 6km north of Oberon, where Au + Ag mineralisation associated with quartz veining is developed in northerly trending zones of silicification and brecciation within sediments near the Bathurst Granite .

The principal mine was the Black Bullock, which produced 42,000oz Ag and 2,200oz Au from 2,800 tonnes of ore in the period 1889 – 1902.

Considerable drilling has been undertaken in all three areas in the last few decades, with best results seemingly at Northwest Ridge, e.g. 7m @ 4.1, 8m @ 4.12 and 13m @ 5.6g/t Au.

Detailed examination of these results suggest that the Northwest Ridge deposit comprises two sub-parallel lodes about 40m apart and traceable for approximately 100m along strike and at depth.

In March a ground magnetometer and radiometric survey was carried out with the aim of more clearly outlining controls for gold mineralisation, but results were inconclusive.

Further drilling is planned to determine whether the Northwest Ridge deposits can be mined in its own right or in association with other deposits within this or the Wisemans Creek areas.

In The Wisemans Creek Licence approximately 25km to the west numerous occurrences of mostly narrow, but rich Au-Ag lodes are known, but production has only been relatively minor.

The area has attracted considerable exploration interest over the last few decades and detailed assessment of results continued during the year.

Belara

Exploration Licence 6051 covers the Belara stratiform base and precious metals deposit (near the village of Goolma, approximately 40km northeast of Wellington), which was a small producer at the turn of the century.

In 1978-80 Newmont Pty Ltd reported a “possible resource” (pre JORC code) of 700,000t @ 0.85%Cu, 2.3%Pb, 5.9%Zn and 55g/t Ag from drill intersections averaging 2.2m in width, with potential at depth and laterally for additional resources “an order of magnitude greater”.

These intersections were not assayed for gold, despite significant gold grades being recorded in early production and surface sample figures.

Detailed assessment of exploration data continued during the year as a precursor to further exploration.

Pyes Creek

E.L. 6114 centred about 30km northeast of Emmaville incorporates numerous small but rich Ag-base metal lodes in close proximity to the highly mineralised Mole Granite.

The principal deposit was the Pyes Creek (or Torny) Mine, which produced minor quantities of Ag ore from workings up to 107m deep in the period 1884-1905. Little modern exploration has been undertaken in this area and the form of the Pyes Creek Lode is unclear.

Review of Exploration Interests

Width of mineralisation ranges up to 3m, but strike extent has not been reported. Possible skarns occur within the mine area.

Exploration to test mineralisation in the mine area will include drilling.

Webbs (Collisons) Silver Mine

Webbs Mine, 13km northwesterly from Emmaville, falls with E.L. 5674 (comprising 8 units for Group 1 Minerals) under option to purchase by the Company.

The Mine was one of the most important producers of silver in New England, with an estimated 700,000 ounces (from approximately 30,000 tonnes of ore won between 1884 and 1964) obtained from the middle of three lines of lode traceable in a northerly direction for up to several kilometres within metasediments.

Several ore lenses have been worked to a depth of 230m, with an average width of 2m and an overall shoot plunge steeply to the south.

A resource of 163,500 tonnes @ 13.5oz Ag/tonne has been inferred from almost 50 holes drilled to-date.

Lead and zinc values in this resource are estimated at several per cent each, with about 0.5% Cu.

There is potential for additional resources both at depth in the workings and along trend and further drilling is planned.

Webbs Consols

In the Webbs Consols area within E.L. 6239 (about 12km southwesterly from Emmaville) moderate-sized pipe-like shoots at Webbs Consols, Mount Galena, Castlereagh and Lucky Lucey were worked between 1884 and 1956 for an approximate production of 75-100,000oz Ag (head grade estimated to be 10-20oz/tonne), 750-1,000 tonnes Pb and 100 tonnes Zn.

These shoots are spaced several hundred metres apart along a north-northwesterly trending fault within granite and associated late stage porphyry.

Webbs Consols, the principal producer, was worked to a depth of 70m, with a length of between 12 and 30m and a width up to 11m; below this depth mineralisation was zinc-rich.

Each of the shoots mentioned above has prospectivity for additional mineralisation, as does the line of mineralisation between and beyond the shoots.

At the Tangoa prospect 4km to the southeast an inferred resource of 30,000tonnes @ 6.5%Pb, 7.4%Zn, with a further 200,000 tonnes @ 4%Pb, 5%Zn possible, has been outlined in previous drilling.

Silver content of this resource is less than 1oz/tonne.

Further drilling is proposed to test the above deposits.

Review of Exploration Interests

Boona

Silver-gold-base metal mineralisation at Boona occurs within the same acid volcanic unit that hosts the gold-copper lodes currently being worked by Triako Resources at Mineral Hill approximately 10km to the northwest.

Both Mount Conqueror Minerals and Triako have carried out considerable drilling in the Boona Licence in the past decade.

Whilst mineralisation has been found to be widespread, grades overall have not been economic.

Triako report that no exploration of significance was undertaken within the Boona tenements during the period under review.

Continuing re-appraisal of exploration results at Mineral Hill, however, might lead to further drilling at Boona during the coming year.

QUEENSLAND

Mary Kathleen

The Mary Kathleen tenements between Mount Isa and Cloncurry are considered to be prospective for precious and base metal mineralisation.

Little exploration has been carried out within the tenements to-date by the Company, due in part to a delay in their grant.

In August Goldsearch Ltd, who have an active presence in the region, agreed to JV the tenements as operator whilst earning an interest by contributing to exploration expenditure.

The above report has been prepared by Lincoln McClatchie of L McClatchie Pty Ltd who is a competent person as defined under the Australian Stock Exchange List Rules.

Mr. McClatchie has consented in writing to the inclusion of the above information in this report in the form and context in which it appears.

Schedule of Mining Titles*At end of August, 2004*

| Project | Tenement | Area (Km²) | Commodity | Interest (%) | Currency of Title |
|-------------------------------|----------------------|----------------------------------|-------------------------|-------------------------|--------------------------|
| <u>VICTORIA</u> | | | | | |
| Morning Star | Min. 5009/1) | 1.3 | gold | 100 | to 20.09.2005 |
| | Min. 5010/1) | | | | |
| | Min. 5013) | | | | |
| | Min. Lic. Appn. 5233 | 4ha) | gold | 100 | lodged 24.02.1998 |
| | Min. Lic. Appn. 5234 | 116 ha) | | | |
| | Min. Lic. Appn. 5240 | 176ha) | | | |
| Min. Lic. Appn. 5241 | 254ha) | gold | 100 | lodged 29.05.1998 | |
| Min. Lic. Appn. 5242 | 194ha) | | | | |
| | E.L.A.4320 | 67.5 | gold | 100 | lodged 05.05.1998 |
| <u>NEW SOUTH WALES</u> | | | | | |
| Boona | E.L. 2727 | 3 | gold/base metals | 14.76 | to 25.12.2004 |
| | E.L. 4766 | 12 | gold/base metals | 14.76 | to 08.01.2005 |
| | E.L. 5757 | 15 | gold/base metals | 14.76 | to 27.06.2004 |
| Bobadah | E.L.5878 | 93 | gold/base metals/silver | 15* | 23.07.2005 |
| Ottery | E.L. 4459 | 3 | Tin | 50 | to 03.12.2005 |
| Emmaville | E.L. 5923 | 42 | Tin | 50 | to 19.02.2004 |
| | | | | | (renewal pending) |
| Mount Hope | E.L. 5343 | 3 | gold | 50 | to 25.08.2005 |
| | E.L. 6055 | 15 | gold | 50 | to 18.02.2005 |
| Rockvale | E.L. 5926 | 90 | Silver/gold | 50 | to 29.02.2004 |
| | | | | | (renewal pending) |
| Boorook | E.L. 5937 | 30 | Silver/gold | 50 | to 02.04.2004 |
| | | | | | (renewal pending) |
| Wisemans Creek | E.L. 6015 | 27) | base metals/ | 50 | to 24.10.2004 |
| Oberon | E.L. 6016 | 3) | Silver/gold | 50 | to 24.10.2004 |
| | E.L. 6252 | 3) | | 50 | to 02.06.2006 |
| Belara | E.L. 6051 | 72 | base metals/gold/silver | 50 | to 10.02.2005 |
| Pyes Creek | E.L.6114 | 60 | Silver/base metals | 50 | to 13.08.2005 |
| Webbs Consols | E.L. 6239 | 30 | Silver/base metals | 100 | to 16.05.2006 |

| Project | Tenement | Area (Km²) | Commodity | Interest (%) | Currency of Title |
|--------------------------|-----------------|----------------------------------|------------------|-------------------------|--------------------------|
| <u>QUEENSLAND</u> | | | | | |
| Mary Kathleen | E.P.M. 14022 | 272 | base metals/gold | 50 | to 31.07.08 |
| | E.P.M. 14919 | 286 | base metals/gold | 50 | to 18.07.08 |

* The Company holds a 15% interest in 18.75% of this Licence (being the area of the former E.L. 4067)

Directors' Report

The Directors of Mount Conqueror Minerals N.L. present the financial statements of the Company for the year ended 30th June 2004.

Directors

The names of the Directors of the Company in office at the date of this report and the particulars of their interests in securities of the Company are:-

Malcolm Harvey Bird (Acting Chairman)

Mr Bird is an Executive Director of Central West Gold NL, and has been on the board of Mount Conqueror Minerals NL since its formation 17 years ago. He has had 36 years experience in the stockbroking industry with an emphasis on mining investments.

Timothy R Allen

Mr Tim Allen was appointed as a Director on 9th January 2004. Following a mining engineering background in Kalgoorlie WA Tim Allen has been involved in all aspects of merchant banking and stockbroking in Australia, UK and USA since 1962. Over the last twenty years he has instigated and managed corporate operations for a number of Australian and overseas broking firms with an emphasis on corporate advice and company restructuring, particularly in the mining field.

Max (Michael) Garling LLB (Sydney)

Mr Garling was appointed as a Director on 19th December 2003. Mr Garling, a lawyer has previously been a Director of the Company and recently retired as a Director of The Vietnam Resources Group. He has extensive experience in gold production and exploration particularly in the Eastern Victorian gold fields, since 1979.

Jeffrey W Williams BSc (Mining Engineer) MBA MAusIMM AFAIM

Mr Williams has 16 years' experience as a professional mining engineer in Australia and seven years in the stockbroking industry. In the mining industry, his experience ranges from mine planning, underground management and feasibility study through to mine development. From 1972 to 1984, he held various positions with CRA Limited at Broken Hill in NSW. At the underground silver/zinc mine, he gained his Mine Manager's Certificate and practical experience in mine planning and underground management. Following his Masters of Business Administration (MBA) program in 1987, he

played a major role as a Senior Project Engineer with North Limited. From 1989 to 1996, he spent several years in stockbroking specializing in gold mining research. He is a Director of Beaconsfield Gold Ltd and Mineral Deposits Ltd.

Stephen Geoffrey Gemell was a Director from the beginning of the year until his resignation on 19.12.03

Lincoln de Siou McClatchie was a Director from the beginning of the year until his resignation on 8.1.04.

Warren Staude was a Director from the beginning of the year until his resignation on 17.6.04.

Directors' Shareholdings

Particulars of shares in Mount Conqueror Minerals N.L. in which Directors have a relevant interest at the date of this report are as follows:

| Director | Ordinary Shares |
|-----------------|------------------------|
| M.H. Bird | 2,028,012 |
| M.M. Garling | 7,766,666 |
| T.R. Allen | 200,000 |
| J.W. Williams | 200,000 |

Directors' Meetings

During the financial year 6 meetings of Directors were held. Attendance at these meetings were as detailed below:

| Director | No. of meetings held eligible to attend | No. of meetings attended |
|-------------------|--|---------------------------------|
| M.H. Bird | 6 | 6 |
| L.de S McClatchie | 3 | 3 |
| S.G. Gemell | 3 | 3 |
| W.J. Staude | 5 | 5 |
| M.M. Garling | 4 | 4 |
| T.R. Allen | 4 | 4 |
| J.W. Williams | 4 | 4 |

Interest in Contracts

Since the end of the previous financial year no Director has had any interest in any contract or proposed contract with the Company.

Principal Activities

The principal activity of the Company in the course of the financial year was mineral exploration.

Directors' Report

Trading Results

The net loss of the Company for the year ended 30th June, 2004 was \$360,316 (2003 \$291,267).

Dividend

No dividend has been paid during the year nor have the Directors recommended that dividends be paid

Review of Operations

During the year the Company carried out exploration on its existing tenements and applied for or acquired additional tenements with the object of identifying economic mineral deposits. A review of the operations during the year and the results of those operations appear in the foregoing "Review of Exploration Interests".

Significant Changes

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

- a) The issue of 5,000,000 shares in the Company at 5.5 cents each, to improve working capital.
- b) 1,480,000 shares issued at 6 cents each via a Share Purchase Plan offered to all shareholders.

Environmental Regulations

The Company is subject to environmental regulations in respect to its exploration activities and has fully complied with its obligations. No known rehabilitation commitments exist at the date of preparation of the accounts.

Since Balance Date

There have been no significant changes since balance date.

Options

At the date of this report the unissued ordinary shares of the Company under option are as follows;

2,250,000 options exercisable at 10c and expiring on 30.01.06.

Directors' & Officers' Emoluments

The Company is not of a size to justify a separate remuneration committee, all matters regarding Directors' Emoluments are subject to scrutiny at full board meetings.

No Director' Fees were paid for the year ended 30th June 2004.

Directors or their associates were paid consulting fees in the normal course of business in respect to the Company's exploration program as set out in Note 17.

The Company had no employees during the year ended 30th June, 2004.

Signed in Sydney on this 23rd day of September, 2004 in accordance with a resolution of Directors.

M. H. Bird
Director

M.. Garling
Director

Statement of Financial Position
As at 30th June, 2004

| | Notes | 30 th June, 2004 | 30 th June, 2003 |
|---------------------------------------|-------|-----------------------------|-----------------------------|
| CURRENT ASSETS | | | |
| Cash Assets | 5 | 338,706 | 231,916 |
| Receivables and Prepayments | | 12,040 | 39,895 |
| Investments | 6 | 0 | 51,712 |
| | | ----- | ----- |
| TOTAL CURRENT ASSETS | | 350,746 | 323,523 |
| | | ----- | ----- |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 7 | 51,695 | 68,906 |
| Other | 8 | 452,858 | 452,858 |
| Sundry Debtors | | 14,000 | 0 |
| | | ----- | ----- |
| TOTAL NON-CURRENT ASSETS | | 518,553 | 521,764 |
| | | ----- | ----- |
| TOTAL ASSETS | | 869,299 | 845,287 |
| | | ----- | ----- |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 9 | 45,665 | 11,386 |
| | | ----- | ----- |
| TOTAL CURRENT LIABILITIES | | 45,665 | 11,386 |
| | | ----- | ----- |
| TOTAL LIABILITIES | | 45,665 | 11,386 |
| | | ----- | ----- |
| NET ASSETS | | \$ 823,634 | \$ 833,901 |
| | | ===== | ===== |
| EQUITY | | | |
| Contributed Equity | 10 | 7,621,573 | 7,271,524 |
| Reserves | 11 | 54,820 | 54,820 |
| Retained Profits (Accumulated Losses) | 12 | (6,852,759) | (6,492,443) |
| | | ----- | ----- |
| TOTAL EQUITY | | \$ 823,634 | \$ 833,901 |
| | | ===== | ===== |

The accompanying notes form part of these Financial Statements

Statement of Financial Performance

For the year ended 30th June, 2004

| | Notes | 30 th June, 2004 | 30 th June, 2003 |
|---|-------|-----------------------------|-----------------------------|
| REVENUES FROM ORDINARY ACTIVITIES | 4 | 17,592 | 10,203 |
| EXPLORATION EXPENSES | | (204,715) | (134,114) |
| ADMINISTRATION EXPENSES | | (173,193) | (167,356) |
| | | ----- | ----- |
| PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX | | (360,316) | (291,267) |
| Income Tax Attributable thereto | 1B/2 | 0 | 0 |
| | | ----- | ----- |
| NET PROFIT (LOSS) FOR THE YEAR AFTER INCOME TAX | | (360,316) | (291,267) |
| | | ----- | ----- |
| TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS | | (360,316) | (291,267) |
| | | ===== | ===== |
| Profit (Loss) from ordinary activities before income tax has been determined: | | | |
| AFTER CREDITING: | | | |
| Interest Received - Other Entities | | 12,392 | 10,203 |
| | | ===== | ===== |
| AFTER CHARGING: | | | |
| <i>Auditors Remuneration:</i> | | | |
| Auditing & Reviewing the Accounts (no other services were performed) | | 5,940 | 5,100 |
| Directors' Fees | 14 | 0 | 0 |
| Depreciation of Property Plant & Equipment | | 17,210 | 22,878 |
| | | ===== | ===== |
| BASIC EARNINGS PER SHARE | 15 | (0.67) cents | (0.61) cents |
| DILUTED EARNINGS PER SHARE | 15 | (0.67) cents | (0.61) cents |

The accompanying notes form part of these Financial Statements

Statement of Cash Flows
For the year ended 30th June, 2004

| | 30th June, 2004 | 30th June, 2003 |
|---|-----------------------------------|-----------------------------------|
| | Inflows (Outflows) | Inflows (Outflows) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Interest and rent received | 17,592 | 10,203 |
| Payments to suppliers & employees | (312,564) | (279,250) |
| | ----- | ----- |
| Net increase (decrease) in cash from operating activities (Note 21) | (294,972) | (269,047) |
| | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Increase in investments | 51,713 | (18,217) |
| Payments for office equipment | 0 | (2,617) |
| | ----- | ----- |
| Net increase (decrease) in cash from investing activities | 51,713 | (20,834) |
| | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | 363,800 | 180,001 |
| Placement fees & other share issue costs | (13,751) | (10,800) |
| | ----- | ----- |
| Net increase (decrease) in cash from financing activities | 350,049 | 169,201 |
| | ----- | ----- |
| Net increase (decrease) in cash held | 106,790 | (120,680) |
| Cash at the beginning of the financial year | 231,916 | 352,596 |
| | ----- | ----- |
| Cash at the end of the financial year | \$338,706 | \$231,916 |
| | ===== | ===== |

The accompanying notes form part of these Financial Statements

Notes to Financial Statements

For the year ended 30th June, 2004

1. Accounting Policies:

This general purpose financial report has been prepared in accordance with applicable Accounting Standards and complies with requirements of the Corporation Act 2001.

A. Historical Cost Basis

These Financial Statements have been prepared on the basis of historical cost except for those items which are stated at valuation and therefore do not reflect changes in the purchasing power of money.

B. Income Tax

Accounting for income tax follows the liability method of tax-effective accounting. Possible future income tax benefits have not been taken up in respect of any tax losses incurred by the Company.

C. Mining Exploration Expenditure

Mining Exploration Expenditure consists of expenditure on prospects still at an exploratory stage. These costs include costs of acquisition, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects. Recoupment of exploration costs is dependent upon the successful development and commercial exploitation of each area of interest and will be amortised over the expected commercial life of each area, once production commences. The Company adopts the "area of interest" method of accounting whereby all exploration costs relating to areas of interest are written off as incurred.

D. Property, Plant & Equipment

The cost of property, plant and equipment is depreciated over the period of estimated useful life of the asset. Carrying values of property, plant and equipment are reviewed regularly and written down to recoverable amounts, where these are less than carrying values. The estimated useful life of buildings is 10 years and for plant and equipment 5 to 20 years.

E. Current Assets: Investments

Investments in marketable securities which are current assets are valued at the lower of cost and market value. Unrealised losses arising from the revaluation of current asset investments to their market values are brought to account in the Profit & Loss Account.

F. Cash

For purposes of the statement of cash flows, cash includes cash on hand, deposits at call with banks and investments in money market instruments, net of bank overdrafts.

G. Joint Ventures

The proportions of assets, liabilities and expenses attributable to the interests of the Company in joint ventures have been incorporated into the financial statements under the appropriate headings.

H. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 in the statement of financial position are shown inclusive of GST.

Notes to Financial Statements

For the year ended 30th June, 2004

2. Income Tax Expense:

No Income Tax is payable in respect of either this year or the previous year.

The Company has residual deductible exploration expenditure and losses for Income Tax purposes unrecouped at 30th June, 2004 as shown below, subject to confirmation by the Australian Taxation office.

The future Income Tax benefit which may be derived from this expenditure and tax losses has not been carried forward as an asset in the balance sheet and will only be obtained if the Company;

- i) derives future assessable income of a nature and sufficient amount to enable the benefit to be realised;
- ii) continues to comply with the legal conditions for deductibility; and
- iii) no changes in legislation adversely affects the ability of the Company to realise the benefit.

| | 30th June, 2004 | 30th June, 2003 |
|---|-----------------------------------|-----------------------------------|
| Exploration expenditure & tax losses carried forward | \$6,337,939 ===== | \$5,971,499 ===== |
| The benefit of these deductions at the income tax rate of 30% is as follows:- | | |
| Future Income tax benefit not brought to account | \$1,901,382 ===== | \$1,791,450 ===== |

3. Franking Account:

| | 30th June, 2004 | 30th June, 2003 |
|---|-----------------------------------|-----------------------------------|
| Balance of franking account at year end | \$25,496 ===== | \$25,496 ===== |

4. Operating Revenue:

| | 30th June, 2004 | 30th June, 2003 |
|-------------------|-----------------------------------|-----------------------------------|
| Interest Received | 12,392 | 10,203 |
| Rent Received | 5,200 | 0 |
| | ----- \$17,592 ===== | ----- \$10,203 ===== |

5. Cash:

| | 30th June, 2004 | 30th June, 2003 |
|---------------------------|-----------------------------------|-----------------------------------|
| Cash at Bank | 212,895 | 106,104 |
| Interest Bearing Deposits | 125,811 | 125,811 |
| | ----- \$338,706 ===== | ----- \$231,915 ===== |

Notes to Financial Statements

For the year ended 30th June, 2004

| 6. Current Assets: Investments | 30th June, 2004 | 30th June, 2003 |
|---|-----------------------------------|-----------------------------------|
| Shares in other corporations listed on a prescribed Stock Exchange: At the lower of Cost or Market Value | \$0 | \$51,712 |
| | ===== | ===== |
| Market Value of Shares in other corporations listed on a prescribed Stock Exchange | \$0 | \$51,712 |
| | ===== | ===== |
| | | |
| 7. Property, Plant & Equipment: | 30th June, 2004 | 30th June, 2003 |
| Buildings at Cost | 60,154 | 60,154 |
| Less: | | |
| Accumulated Depreciation | 55,654 | 51,172 |
| | ----- | ----- |
| | 4,500 | 8,982 |
| | ----- | ----- |
| Plant & Equipment at Cost | 340,542 | 340,542 |
| Less: | | |
| Accumulated Depreciation | 293,347 | 280,618 |
| | ----- | ----- |
| | 47,195 | 59,924 |
| | ----- | ----- |
| | \$51,695 | \$68,906 |
| | ===== | ===== |
| | | |
| 8. Other Non-Current Assets: | 30th June, 2004 | 30th June, 2003 |
| Mining & Development Leases - See A below | 452,858 | 452,858 |
| Mining Exploration Expenditure - See B below | 0 | 0 |
| | ----- | ----- |
| | \$452,858 | \$452,858 |
| | ===== | ===== |
| | | |
| <i>A. Mining & Development Leases:</i> | | |
| At beginning & end of financial year | \$452,858 | \$452,858 |
| | ===== | ===== |
| | | |
| <i>B. Mining Exploration Expenditure:</i> | | |
| Balance brought forward | 0 | 0 |
| Expenditure incurred during the year | 204,715 | 138,192 |
| Expenditure written off during the year | (204,715) | (138,192) |
| Decrement arising from Directors' revaluation to recoverable amount | 0 | 0 |
| | ----- | ----- |
| Balance carried forward | \$ 0 | \$ 0 |
| | ===== | ===== |

Notes to Financial Statements

For the year ended 30th June, 2004

Ultimate recoupment of mining exploration expenditure carried forward is dependent upon successful development and exploitation or sale of the respective areas.

| 9. Payables: | 30th June, 2004 | 30th June, 2003 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Sundry Creditors & Accruals | 13,831 | 11,386 |
| Liability to Joint Venture | 31,834 | 0 |
| | ----- | ----- |
| | \$45,665 | \$11,386 |
| | ===== | ===== |

| 10. Contributed Equity: | 30th June, 2004 | 30th June, 2003 |
|--|-----------------------------------|-----------------------------------|
| <i>Paid up capital:</i> | | |
| At beginning of financial year: | | |
| 50,094,761 Ordinary Shares (2003 45,594,761) | 7,271,523 | 7,091,523 |
| Issued during the year: | | |
| 6,480,000 Ordinary Shares (2003 4,500,000) | 363,800 | 180,000 |
| Share Issue Costs | (13,750) | 0 |
| | ----- | ----- |
| At end of financial year: | | |
| 56,574,761 Ordinary Shares | \$7,621,573 | \$7,271,523 |
| | ===== | ===== |

During the year the following changes were made to the share capital:

28.11.2003 Placement of 5,000,000 shares at 5.5c per share.

30.06.2004 Share Purchase Plan 1,480,000 shares at 6c.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to Financial Statements

For the year ended 30th June, 2004

| 11. Reserves: | 30th June, 2004 | 30th June, 2003 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Expired 1992 Option Premium Reserve | 54,820 | 54,820 |
| | ----- | ----- |
| | <u>\$54,820</u> | <u>\$54,820</u> |

| 12 Retained Profits (Accumulated Losses) | 30th June, 2004 | 30th June, 2003 |
|--|-----------------------------------|-----------------------------------|
| Retained Profits (Losses) at beginning of financial year | (6,492,443) | (6,201,176) |
| Net Profit (Loss) attributable to members | (360,316) | (291,267) |
| | ----- | ----- |
| Retained Profit (Losses) at end of financial year | <u>(6,852,759)</u> | <u>(6,492,443)</u> |

13. Segments:

In the year ended 30th June, 2004 the Company operated entirely within Australia and the principal activity was the exploration for minerals.

| 14. Directors Remuneration: | 30th June, 2004 | 30th June, 2003 |
|--|-----------------------------------|-----------------------------------|
| Income paid or otherwise made available to the Directors is as follows:- | \$0 | \$0 |
| | ===== | ===== |

| 15. Earnings per Share: | 30th June, 2004 | 30th June, 2003 |
|--|-----------------------------------|-----------------------------------|
| (a) Earnings used in calculation of basic EPS | (\$360,316) | (\$291,267) |
| (b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS. | 53,134,761 | 47,456,405 |

Diluted Earnings Per Share has the same value as Basic Earnings Per Share for both years.

Notes to Financial Statements

For the year ended 30th June, 2004

16. Commitments for Expenditure:

Exploration Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to meet the minimum expenditure requirements of the Queensland, New South Wales and Victorian Mines Departments.. These obligations are not provided for in the accounts and are payable:

| | 30th June, 2004 | 30th June, 2003 |
|--|-----------------------------------|-----------------------------------|
| Not later than one year | 232,750 | 225,250 |
| Later than one year but not later than two years | 27,500 | 189,250 |
| Later than two years but not later than five years | 0 | 145,000 |
| Later than five years | 0 | 50,000 |

17. Related Parties:

Directors and Director-related entities.

The Directors named in the attached Directors' Report each held office as a Director of the Company during the year ended 30th June, 2004.

Remuneration received or receivable by the Directors of the Company is disclosed in Note 14.

The aggregate number of shares and options for shares of Mount Conqueror Minerals N.L. acquired or disposed of by the Directors or their Director-related entities during the year is as follows:-

| | 30th June 2004 | 30th June, 2003 |
|-----------------------------|----------------------------------|-----------------------------------|
| Ordinary Shares acquired | 4,000,000 | 140,000 |
| Ordinary Shares disposed of | 0 | 0 |

Aggregate numbers of shares of Mount Conqueror Minerals N.L. held directly, indirectly or beneficially by Directors or their Director - related entities at balance date are as follows:-

| | 30th June, 2004 | 30th June, 2003 |
|-----------------|-----------------------------------|-----------------------------------|
| Ordinary Shares | 10,194,678 | 2,832,805 |

Transactions including G.S.T. entered into during the year with Directors of the Company or their Director-related entities are as follows:-

1. L. McClatchie Pty Limited received fees of \$18,412 in the normal course of business in relation to geological consulting.
2. Mr. M Bird received consulting fees of \$33,400 in the normal course of business in respect of the Company's exploration program.
3. Taveflame Pty Limited, a company controlled by Mr M. Bird received consulting fees of \$14,600 in the normal course of business in respect of the Company's exploration program.
4. Gemell Mining Engineers received consulting fees of \$10,191 in the normal course of business in relation to the Company's exploration program.
5. Mr. W. Staude received consulting fees of \$23,411 in the normal course of business in respect of the Company's exploration program.

Notes to Financial Statements

For the year ended 30th June, 2004

18. Interest in Joint Ventures:

- The Company holds a 50% joint interest in a number of mining tenements together with Central West Gold N.L. as described in the Schedule of Mining Titles.

The Company's share of net assets in respect of the tenements included in Mining Exploration Expenditure at 30th June, 2004 as stated in Note 8B was \$ NIL (2003 \$NIL). The contribution of the undertakings to the loss of the Company for the year ended 30th June, 2004 was \$66,599 (2003 \$61,056).

- This Company, together with Central West Gold N.L, was the registered holder of E.L.4067 Bobadah. Through a JV agreement Delta Gold Exploration Pty Ltd earned a 70% interest in the licence by spending in excess of \$110,000 on exploration.

In September 1998 Tri Origin Australia N.L. formed an agreement with Delta to earn an interest from Delta and tin mid-2001 they consolidated the Licence and their adjoining tenements into E.L. 5878 (of which area the former E.L. 4067 occupied 18.75%). Pro rata entitlements to this licence may be retained or relinquished by the parties in proportion to their future expenditure.

- This Company was the initial registered holder of E.L.'s 2727 & 4766, Boona. Through a JV agreement dated 7th February, 2000 Triako Resources Ltd. have spent \$75,000 to earn a 51% interest . Triako have elected to acquire a further 29% by the expenditure of a further \$196,000 on a continuing exploration program. At the end of June Triako held an 80% interest in the licence, with Mount Conqueror the remaining 20% .Mount Conqueror can elect to contribute pro rata to subsequent exploration or to dilute.
- This Company, together with Central West Gold NL is the registered holder of EPM 14019 and EPM 14022 Queensland. Through a JV agreement Goldsearch Ltd has the right to earn up to 75% with the expenditure of \$130,000.

19. Contingent Liabilities:

As a condition for the granting of Exploration Licences the Company was obliged to lodge with the Department of Mineral Resources security deposits in the form of Bankers Certificates in the total sum of \$82,000 (2003 \$55,000). In the event of the Company failing to fulfil any of its obligations in relation to the grant of the Exploration Licences the security deposits may be applied at the discretion of the Minister for Minerals Resources & Energy towards the costs of fulfilling such obligations.

As a condition for the issuing of the Banker's Certificates the Company was obliged to set aside the total sum of \$82,000 (2003 \$55,000) which was placed on Term Deposit with its bankers as collateral.

In the event that the bankers are obliged to pay the Minister under the terms of the Banker's Certificates they would have full recourse to the Company for compensation.

The Directors are not aware of any events that have occurred either before or since 30th June, 2004 which may result in the forfeiture of any of the above-mentioned funds.

Notes to Financial Statements

For the year ended 30th June, 2004

20. Reconciliation of Cash:

For the purposes of the statement of cash flows, cash includes cash on hand and "at call" deposits with financial institutions. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | 30th June, 2004 | 30th June, 2003 |
|------|-----------------------------------|-----------------------------------|
| Cash | \$338,706 | \$231,916 |
| | <u> </u> | <u> </u> |

21. Reconciliation of Net Increase (Decrease) in Cash from Operating Activities to Operating Profit (loss) after Income Tax:

| | 30th June, 2004 | 30th June, 2003 |
|--|-----------------------------------|-----------------------------------|
| Operating profit (loss) after income tax | (360,316) | (291,267) |
| Depreciation | 17,210 | 22,878 |
| Share issue expenses | 0 | 10,800 |

Change in operation assets & liabilities:

| | | |
|---|-----------------------------|-----------------------------|
| Decrease (increase) in other amounts receivable | 13,856 | (3,905) |
| Increase (decrease) in operating liabilities | 34,278 | (7,553) |
| | <u> </u> | <u> </u> |
| Net increase (decrease) in cash from operating activities | <u>\$ (294,972)</u> | <u>\$ (269,047)</u> |

***Independent Audit Report
to the Members of
Mount Conqueror Minerals N.L.***

Scope

We have audited the financial report, being the Directors' Declaration,, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of MOUNT CONQUEROR MINERALS N.L. for the financial year ended 30th June 2004. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of their operations and their cash flows.

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

Audit Opinion

In our opinion, the financial statements of MOUNT CONQUEROR MINERALS N.L. is in accordance with :

- (a) the Corporation Act 2001, including:
 - (1) giving a true and fair view of the company's financial as at 30th June 2004 and of their performance for the year ended on that date; and
 - (2) complying with Australian Accounting Standards and the Corporation Regulations 2001; and
- (b) other mandatory professional report requirements in Australia

Name of Firm: Graham Abbott Associates
Chartered Accountants

Name of Partner:
GRAHAM ABBOTT

Address: 10 Crown Street Sydney

Dated this 27th day of September 2004

Directors' Declaration

The Directors of Mount Conqueror Minerals N.L declare that:

1. the financial statements and notes
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position of the Company as at 30th June 2004 and its performance for the year ended on that date;
2. in the directors' opinions there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

M. H. BIRD

M. GARLING

Dated this 23rd day of September, 2004

Shareholder Information

Substantial Shareholders

At 1st September 2004 the Company had the following substantial shareholders:

| | |
|----------------------------|------------------|
| Ridgeview Nominees Pty Ltd | 5,966,666 shares |
| A.J. Reynolds | 2,900,821 shares |

Distribution of Shareholders

There were 778 shareholders. Each shareholder is entitled to one vote for each share held

The analysis of the number of holders was:

| Size of Holding | No. of Holders |
|------------------|----------------|
| 1 - 1,000 | 18 |
| 1,001 - 5,000 | 128 |
| 5,001 - 10,000 | 123 |
| 10,001 - 100,000 | 395 |
| 100,001 and over | 114 |
| | ----- |
| | 778 |
| | ===== |

There are 228 shareholders who hold less than a marketable parcel.

The top twenty holders held 40.00% of the Company capital.

Top twenty holders of ordinary shares as at 17th August, 2004

| Name | Shares | % |
|---|------------|-------|
| Ridgeview Nominees Pty Ltd | 5,966,666 | 10.54 |
| AJ & J Reynolds (Reynolds Securities a/c) | 2,654,989 | 4.69 |
| Mr Clarke Dudley | 2,059,014 | 3.63 |
| VIP Cruises Pty Ltd | 1,900,000 | 3.36 |
| Malcolm Harvey Bird | 1,000,002 | 1.77 |
| Mr Brian Garfield Bengier | 860,000 | 1.52 |
| Mr Arthur Carbo | 788,519 | 1.39 |
| Chartport Financial Services Pty Ltd | 713,474 | 1.26 |
| Aloren NL. | 666,666 | 1.18 |
| Penza Pty Limited | 626,045 | 1.11 |
| Super 1136 Pty Ltd | 625,000 | 1.10 |
| Minnie Joy Durrant | 600,000 | 1.06 |
| Reynolds (Nominees) Pty Limited | 592,490 | 1.05 |
| Bigson Pty Ltd | 550,000 | 0.97 |
| Turclin Pty Ltd | 550,000 | 0.97 |
| Mr Ianaki Semerdziew | 523,748 | 0.93 |
| Gecko Resources Pty Ltd | 500,000 | 0.88 |
| Sezila Pty Limited | 500,000 | 0.88 |
| HSBC Custody Nominees (Australia) Ltd | 489,466 | 0.87 |
| Mr Denis Michael Vaughan | 474,583 | 0.84 |
| | ----- | ----- |
| Total | 22,640,662 | 40.00 |
| | ===== | ===== |

Corporate Governance Statement

All Directors, employees and consultants are expected to act with the utmost integrity and objectivity and to enhance the reputation and performance of the Company.

The Board of Directors

The Board held 6 formal meetings throughout the previous financial year. At the date of this report the Board comprises four Directors; 2 executive and 2 non-executive.

The Board is responsible for the overall Corporate Governance of the Company and its primary functions include:

- the strategic direction of the Company approval of the long term goals for management and monitoring the achievement of these goals on behalf of the shareholders;
- the approval of the annual and half-yearly financial statements;
- the review and adoption of annual budgets for the financial performance of the Company and monitoring the results throughout the year; and
- ensuring the Company has implemented adequate systems to monitor compliance activities, risk management and health and safety requirements.

Audit Committee

At the date of this report the Directors have not formed an Audit Committee. The Company is not of a size nor are its financial affairs of such complexity to justify a separate Audit Committee. All matters which might properly be dealt with by such a committee are subject to scrutiny at full board meetings.

An external audit is undertaken by Graham Abbott Associates, Chartered Accountants

Independent Professional Advice

Each Director has the right to seek independent professional advice, in relation to matters arising in the conduct of his duties, at the economic entity's expense, subject to prior approval of the Chairman which is not to be unreasonably withheld.

The Environment

The Company also has in place an Environment Policy under which the Company, in seeking to locate and develop gold resources, is committed to achieving a high standard of environmental protection. This will be achieved while ensuring that the needs of the community and the values attached to natural and physical resources are taken into account in Company planning and the way in which business is conducted.

Shareholders

The Board aims to ensure that all shareholders are informed of significant developments through regular shareholders communications. These include the Annual Report, Accounting Reports and the distribution of material covering major events when appropriate.