



**DeVERE**

**Mining Technologies**

***FINANCIAL REPORT***

***Year Ended  
30 June 2005***

***DeVERE Mining Technologies Limited A.C.N. 106 279 654***



# CONTENTS

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**Corporate Profile** **3**

---

**Directors' Report** **4**

|  |    |
|--|----|
| <i>Directors</i> .....   | 4  |
| <i>Chief Executive Officer &amp; Company Secretary</i> .....         | 5  |
| <i>Officers who were previously partners of the audit firm</i> ..... | 5  |
| <i>Directors' meetings</i> .....                                     | 5  |
| <i>Directors' emoluments</i> .....                                   | 5  |
| <i>Directors' interests</i> .....                                    | 6  |
| <i>Environmental Statement</i> .....                                 | 6  |
| <i>Principal Activities</i> .....                                    | 6  |
| <i>Operating and Financial Review</i> .....                          | 8  |
| <i>Dividends</i> .....   | 13 |
| <i>Events Subsequent to Reporting Date</i> .....                     | 13 |
| <i>Likely developments</i> .....                                     | 14 |
| <i>Share options</i> .....   | 14 |
| <i>Indemnification and insurance of officers and auditors</i> .....  | 15 |
| <i>Audit and non-audit services</i> .....                            | 15 |
| <i>Rounding of amounts</i> .....                                     | 15 |
| <i>Directors' Authorisation</i> .....                                | 15 |

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**FINANCIAL STATEMENTS** **16**

|   |    |
|---|----|
| <i>Statement of Financial Performance</i> ..... | 17 |
| <i>Statement of Financial Position</i> .....    | 18 |
| <i>Statement of Cash Flows</i> .....            | 19 |

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**Notes to Financial Statements** **20**

---

**Directors' Declarations** **29**

---

**Auditor's Report** **30**



# Corporate Profile

DeVERE Mining Technologies Limited is an Unlisted Public Company developing a number of exciting, environmentally sustainable and potentially highly profitable innovations for the mining industry.

DeVere was incorporated on 11 September 2003 under the name Evap-Mat Limited. It changed its name in August 2004 to better reflect the change in focus from a single technology to a number of important technologies under the DeVere umbrella.

Since its inception, DeVere has continued to refine its innovations. It has also developed a number of strategic alliances in the mining industry through consultants and various companies with interests in obtaining the benefits offered by the DeVere technologies.

DeVere is continuing its design and development phase, increasing the value of its intellectual property in the very lucrative field of mineral exploitation.

## **Registered Office**

The compliance, accounting and company secretarial activities of DeVere are carried out at its Registered Office in Bentley, Western Australia.

## **Product Development**

The design and development of DeVere's innovative mining systems also takes place at its Registered Office in Bentley.

The testing and construction activities of DeVere have been outsourced to three different companies.

## **Commercialisation Strategy**

For each of its innovative systems, it is DeVere's strategy to seek a share of profits from potential users, as opposed to a royalty on the sale of the systems.

It is the highly innovative nature of the systems and their extreme benefit to end-users that makes profit sharing an attractive and viable proposition for all parties. For this reason it is intended that the systems be marketed to mining companies with projects where the DeVere systems will provide the difference between "go" and "no go" decisions for their otherwise stranded projects, in addition to dramatically reducing capital and operating costs for viable projects.

## **Company Development & Growth**

DeVere is a research and development company and does not intend to become an engineering or manufacturing company. In this way, DeVere builds on its strengths and avoids competition with existing engineering and manufacturing companies.

## **Initial Public Offerings**

DeVere intends to apply for listing on the ASX on or about 16 March 2006. In the meantime DeVere intends to register a Prospectus for the raising of \$600,000 to increase the Company value and facilitate the ASX listing process.





# Directors' Report



## Directors

**Name, qualifications and independence status**

**Age Experience and special responsibilities**

**Mr Kimberley Vere Sadleir**

Chairperson (*dec.*)  
& Executive Director

57 Founder of the Company and originator of the Company's technologies. Possessed a unique combination of abilities in science, innovation and commerce, with over 30 years' experience in the development of new technology. Awarded a number of patents, including the world's first patent for a commercial computer software language. Several of his previous inventions achieved significant market success. Chairperson & Executive Director from 11 September 2003 until his untimely demise on 17 April 2005.

**Mr Graham Donald Maisey**

Chairperson (*current*)  
& Non-Executive Director

64 Over 20 years' experience in the roles of Chief Financial Officer, General Manager and Company Secretary for a range of large public and private enterprises. 5 years' experience as Group Corporate Manager of the Griffin Group. A background in accounting and law, and considerable experience with the mining and mineral sectors of the economy. A wealth of experience in strategy, planning, management and corporate governance. Director since November 2003. Appointed Chairperson April 2005.

**Mr Robert John Giraud**

Non-Executive Director

66 Over 40 years' experience in small business, with wide expertise in corporate governance, planning and management, strategic planning of new ventures, business planning, set-up, management and operation, analysis of market forces and opportunities. Considerable experience in management of teams, staff training, motivation and hiring. Special responsibilities include capital raising and promotion. Director since September 2003.

**Mr Nicholas Geoffrey de Vere Sadleir**

Non-Executive Director  
(*incoming*)

24 Son of Company founder, the late Kim Sadleir. Since early childhood, keenly followed the progress of his father's groundbreaking inventions. Fully committed to the commercialisation of the DeVere technologies, assuring continuity of his father's work. Nick is a profound thinker and designer. Director since May 2005.

## Chief Executive Officer & Company Secretary

**Clinton Giraud** was appointed to the positions of Company Secretary and Chief Executive Officer in November 2003 and April 2005, respectively. He previously spent 13 years working as a Patent Attorney and developed extensive legal and licensing expertise and broad experience in development and management of start-up technology. He serves on the board of several new technology-based companies in start-up phases. Clinton is a qualified electronics engineer with a broad understanding of a wide range of technologies. His responsibilities include overseeing product design and implementation including general management, project leadership and problem solving. Secondary duties include preparation and review of intellectual property documents.

## Officers who were previously partners of the audit firm

None.

## Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

| Director     | Board Meetings |    |
|--------------|----------------|----|
|              | A              | B  |
| Mr K Sadleir | 8              | 9  |
| Mr G Maisey  | 12             | 12 |
| Mr R Giraud  | 10             | 12 |
| Mr N Sadleir | 3              | 3  |

A – Number of meetings attended

B – Number of meetings held during the time the Director held office during the year

## Directors' emoluments

Disclosure relating to Directors' and Executive Officers' emoluments has been included in Note 11 of the Financial Report.

No Directors' fees have been paid to the Directors. The Constitution of the Company provides for the non executive Directors to collectively be paid remuneration for their services as a fixed sum not exceeding the maximum, from time to time determined by the Company in general meeting. At the last AGM it was resolved that Directors' remuneration be set at \$25,000 per annum for each Director, payable as and when the Directors believe there are sufficient funds to make the payments without significantly affecting the Company's operations, and that these payments be made retrospectively to the commencement date of their respective directorships. As at 30 June 2005 there is a contingent liability to Directors in the amount of \$129,315.

A Director may be paid fees or other amounts, as the Directors determine, when a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred on behalf of the Company.

Prior to his passing away Kim Sadleir had been performing the function of Managing Director on a speculative payment basis. His fees were computed at \$500 per day. As at 17 April 2005, under the speculative services scheme, his accumulated entitlement was \$167,000. Additionally Kim Sadleir received a small advance on his fees of \$500 per week, treated as salary. This payment has been deducted from his speculative entitlement.

Finally, the position of Company Secretary currently involves a payment of \$30 including GST.



## Directors' interests

No Director and no firm in which a Director is a partner, as at 30 June 2005, has any other interest in the promotion of the Company or any property proposed to be acquired by the Company. There are no disclosable interests for any commissions or rewards to be received by a Director as a result of the promotion of the Company or the Ordinary Shares it has issued.

As at 30 June and 31 December 2004, the Directors had the following relevant interests, either directly or indirectly, in the issued capital of the Company.

|                               | Fully paid ordinary shares to Directors |                |
|-------------------------------|---|----------------|
|                               | 30 Jun 2005                             | 30 Jun 2004    |
| Robert Giraudo*               | 3,900,003 <sup>#</sup>                  | 1,300,001      |
| Graham Maisey                 | 3,600,000 <sup>#</sup>                  | 1,200,000      |
| Kim Sadleir                   | - <sup>#</sup>                          | 13,099,001     |
| Nicholas Sadleir <sup>§</sup> | <u>19,848,501</u>                       | <u>300,000</u> |
| TOTAL                         | 27,348,504                              | 15,899,002     |

- \* Robert Giraudo holds these shares in partnership with Gwenda Giraudo
- # Increase in shares due to a 3 for 1 share split on 7 July 2004. Prior to the share split, parcels of shares were taken from Kim Sadleir's shareholding and allocated to loan providers and speculative services providers.
- § Nicholas Sadleir also controls the shares of his brother Simon Sadleir which amount to 19,848,502, and the shares of Smog Solutions Pty Ltd and the KV & MB Sadleir Family Trust, which amount to a further 1,800,000. Further, under the terms of gifting of shares to speculative services providers, speculative loan providers and other family and close associates of Kim Sadleir, the voting rights of all of the shares of the Company save for 1,360,006 are currently either directly or indirectly under the control of Nicholas Sadleir. However, at the time of listing of the Company on the stock exchange, the voting rights of 22,063,000 of the shares of the Company will revert to their beneficial owners.

There are no options held by any of the Directors.

## Environmental Statement

In addition to adhering to environmental regulation under both Commonwealth and State legislation, DeVere Mining Technologies Limited is particularly committed to achieving a high standard of environmental performance, as outlined in its Mission Statement:

**To commercialise ground-breaking technologies to dramatically improve efficiencies in the mining industry, whilst minimising impact on the environment, exercising a strong social conscience and creating extraordinary returns for shareholders.**

## Principal Activities

The principal activities of DeVere during the course of the financial year continued to be the research and development of its three technologies: the Trench Leaching System, the CARIAT Bulk Solids Transportation System and, to a lesser degree, the Evap-Mat Dam Cover.

### **Trench Leaching System**

During the reporting period the Company continued to benefit from the receipt of a Federal Government COMET grant towards the development and proving of the Trench Leaching System.

In July 04 the first prototype Leach Cell was constructed and a testing program using cyanidation on samples of oxide gold ore with relatively low mineral content was developed and commissioned.

An initial test of the leaching system was very encouraging, with results equal to current best





practice for a coarsely ground gold ore sample. A particle size analysis of the processed ore, in the first test, revealed that particles smaller than 0.5 mm released over 93% of the gold. A second test, with finer ore, indicated that some changes needed to be made to the test cell. In spite of these problems, the cell recovered 82% of the gold over 4 days, which is an extraordinary result for a heap leaching system in that period of time.

Modifications have been made to streamline the technology to further increase its efficiency. A third test is expected to yield between 85% and 90% gold recovery.

All COMET Grant obligations for 2004-2005 are expected to be acquitted by the end of November.

### ***CARIAT Conveyor System***

Design and fabrication of the CARIAT Conveyor System is progressing systematically. Several small modifications have streamlined the original CARIAT design, and research and discussions are ongoing in the search for ways to maintain and even improve the simplicity and cost effectiveness of the technology, with special emphasis on cost effective ways to manufacture the components required.

### ***Evap-Mat Dam Cover***

Other than continued literature searching and product sourcing, further development of the Evap-Mat Dam Cover was put on hold during 2005.

The Company will continue to focus its efforts and capital on completing the two technologies that have generated the most market interest (the Trench Leaching System and the CARIAT Conveyor).

While our technologies are still at an early-to-mid R & D stage, DeVere has already received expressions of interest from the marketplace

based on projected cost savings gained by using each of the technologies.

### ***Company Founder and Chairman***

On 17<sup>th</sup> April 2005, it was our sad duty to report the premature passing of our founder - and prolific creator of our technologies - Kimberley Vere Sadleir.

Mr Sadleir, who until his demise occupied the positions of Managing Director and Chairperson, left all legal, design & developmental matters of the Company's technologies in order, allowing DeVere Mining Technologies to continue on its path to commercialisation of these technologies. Kimberley's son, Mr Nicholas Sadleir, becoming the principal shareholder in the Company, was elected to the Board in May.

There were no other significant changes in the nature of the activities of DeVere Mining Technologies during the year.

### ***Objectives***

DeVere Mining's objectives over the next six years (or earlier) are to continue research and development of each of its three technologies until commercialization comprising:

- completion of research into systems, processes, alternatives and markets;
- completion of design and development of sub-systems and processes of installation and testing;
- construction of full scale demonstration systems for proving of the efficacy of the technologies;
- implementation of marketing programs;
- construction and commissioning of commercial systems.

Lengthy and detailed business objectives for each of the technologies for the coming six years have been devised and in order to meet



these objectives, the following targets have been set for the 2005-2006 financial year:

- Raise initial equity of a minimum \$600,000 to allow ongoing development of the technologies.
  - Acquit the COMET grant, including success fee payments.
  - List the Company on the ASX and/or raise significant private investment.
  - Apply for a Commercial Ready Grant for the CARIAT Conveyor.
  - Provide an overall operating budget of \$1,220,000 for the three technologies,
- specifically: the Trench Leaching System \$600,000, the CARIAT Conveyor System \$600,000 and the Evap-Mat Dam Cover \$20,000
  - Enter into pre-feasibility study agreements for the Trench Leaching System and the CARIAT Conveyor System.
  - Substantially raise the profile of the Company and share value.



## Operating and Financial Review

### **Overview of DeVere Mining Technologies Limited**

The Consolidated Statement of Financial Position shows an anticipated loss attributed to increased research and development activities for the Trench Leaching System and the CARIAT Conveyor System, which are not yet at a marketable stage. This loss was mitigated by the receipt of a Federal Government COMET grant payment to the value of \$15,157 and a Research & Development Tax Rebate of \$19,798, together with a share investment totalling \$126,000 from private investors' purchase of \$1,260,000 ordinary shares.

### **Shareholder returns**

|                              | <b>2005</b> | <b>2004</b> |
|------------------------------|-------------|-------------|
| Net profit                   | (\$121,951) | (\$48,340)  |
| Basic Earnings Per Share EPS | -           | -           |
| Dividends Paid               | -           | -           |
| Dividends Per Share          | -           | -           |
| Change in Share Price        | \$0.10      | \$0.10      |
| Return on capital employed   | 0 %         | 0 %         |

As the Company is still in a research and development phase with no earnings from commercialisation of any of the technologies under development, no returns have been available for distribution to shareholders to date.

### **Investments for future performance**

DeVere Mining Technologies Limited acquired plant and equipment totalling \$1,455 during the year. This acquisition was to enable in-house development of CAD drawings to address design issues and streamline the transition from design to prototype.

A new Company logo and letterhead were designed and an Information Memorandum and promotional flyer printed, to facilitate capital raising, establish a Company image and assist in promotion of all of the DeVere technologies.

All other expenditure was directed at the creation and modification of prototypes and

independent testing of the Trench Leaching System, the creation and modification of design components of the CARIAT Conveyor System, and management and administration of these research and development processes, including accounting and audit processes.

Printing of a Prospectus and other prescribed documentation, together with broking, consultants' and legal fees connected with the ASX listing process, will be included in the coming year's budget. This may change if significant private investment is obtained in the coming financial year, allowing development and proving of the technologies to a point which would place the Company in a much stronger position to list.

There are no other major capital expenditure projects planned.

**Review of financial condition**

Capital structure and treasury policy

DeVere has no bank borrowings and does not intend to seek bank funding for its operations. It does, however, have loan agreements with a number of shareholders totalling \$57,436 which are contingent upon the Company having a significant amount of money available for

distribution, as detailed in Note 14 of the Notes to Financial Statements.

Capital raising for the operations of DeVere will continue through the issue of new share capital. In order to ameliorate the reduction in equity of existing shareholders, the Directors have been mindful of continuing to increase the value of DeVere's technologies. This has resulted in an increase in the Directors' valuation of the technologies from \$6 million to \$8 million.

Liquidity and funding

Liquidity and funding of DeVere continues to depend upon capital raising through the issue of shares, COMET grant drawdowns and R&D Tax Rebates.

There are no borrowings or interest charges affecting the operations of DeVere.

The funds raised are used in the research and development of DeVere's three technologies and protecting the Intellectual Property created in that development process.

The only continuing liability to the operation of DeVere is a lease over its premises in Bentley.




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The maturity profile of the consolidated debt of DeVere at 30 June 2005 is:

| <i>Due</i>                   | <i>2006</i>   | <i>2007</i> | <i>2008-2011</i> | <i>Total</i>  |
|------------------------------|---------------|-------------|------------------|---------------|
|                              | \$            | \$          | \$               | \$            |
| Bank debt                    | -             | -           | -                | -             |
| Redeemable preference shares | -             | -           | -                | -             |
| Convertible notes            | -             | -           | -                | -             |
| Lease liabilities            | 11,440        | -           | -                | 11,440        |
| <b>TOTAL</b>                 | <b>11,440</b> | <b>-</b>    | <b>-</b>         | <b>11,440</b> |

Cash flows from operations

Cash flow over the last year has been the result of capital raising through the issue of shares,

COMET grant drawdowns and R&D Tax Rebates.

Income streams from the use of the Trench Leaching Test Cell are expected to develop over the next financial year.

Impact of legislation and other external requirements

From 1 July 2005 DeVere Mining Technologies Limited is required to comply with Australian equivalents to International Financial Reporting Standards (AIFRS) issued by the Australian Accounting Standards Board. The expected impact of the resulting changes in accounting policies is disclosed in Note 1 of the Notes to the Financial Statements.

There were no changes in environmental or other legislative requirements during the year that have significantly impacted on DeVere's results or operations.

**Significant changes in the state of affairs**

During the last financial year \$126,000 was raised through the issue of new share capital, which was used in the further operation of the Company.

During the year, a loss of \$121,951 before tax was incurred, which is expected to generate an R&D Tax Rebate of about \$45,000.

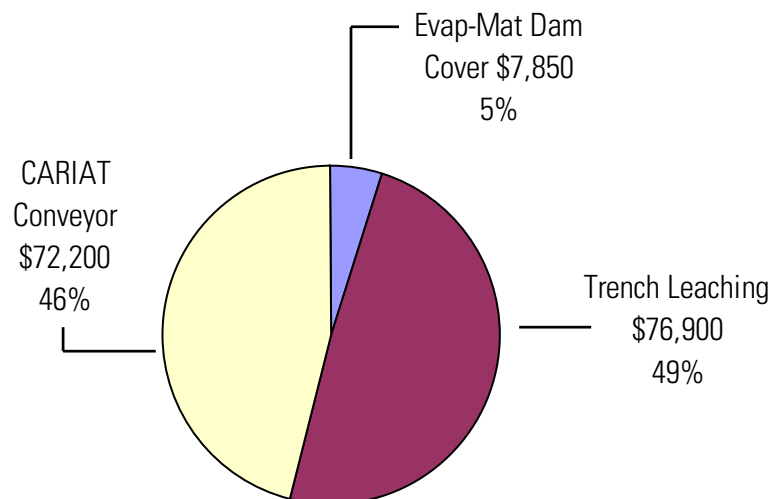


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**Review of principal businesses**

Total expenditure on the research and development of the three technologies was \$157,015.

**2005 Expenditure per Technology Before Tax**





## **Review of Trench Leaching System**

### Product

The Trench Leaching System is a hybrid of existing heap leaching and tank leaching systems that provides yields almost as high as those gained from expensive tank leaching, yet costs little more than inexpensive, low-yield heap leaching, while exercising protective measures on the environment due to containment and extra flushing. The Trench Leaching System is particularly aimed at small to medium mining projects deemed unviable due to prohibitive leaching costs.

### Market

The market includes all proposed mineral leaching projects seeking to extract metals from crushed ore including gold, tungsten, nickel, copper and cadmium, or previously processed tailings, at relatively low costs.

This market particularly includes mining projects currently deemed unviable due to relative prohibitive costs and/or poor yields associated with the conventional leaching processes, thus tapping a previously unserved market niche.

### Operating Results

DeVere is the recipient of a competitive COMET grant in the amount of \$60,000, awarded on the potential of the Trench Leaching System.

In July 2004 the first prototype was constructed and a testing program using cyanidation on samples of oxide gold ore with relatively low mineral content was developed and commissioned.

An initial test of the leaching system was very encouraging, with results equal to current best practice for a coarsely ground gold ore sample. A particle size analysis of the processed ore, in the first test, revealed that particles smaller than 0.5 mm released over 93% of the gold. A

second test, with finer ore, indicated that some changes needed to be made to the test cell. In spite of these problems, the cell recovered 82% of the gold over 4 days, which is an extraordinary result for a heap leaching system in that period of time.

In line with our R & D program, modifications continue to be made to streamline the technology, which has shown increases in efficiency.

A third test, to be conducted before the AGM, is expected to yield between 85% and 90% gold recovery.

### Commentary on operating results

All COMET Grant obligations for 2004-2005 are expected to be acquitted by the end of November.

If tests on the Trench cell prototype continue to yield positive results, construction of a larger test cell will take place around December 2005. This test cell is to be used for commercial tests to ascertain the viability of applying the Trench Leaching System to specific ore samples from interested mining companies.

It is planned to construct a third full sized test cell in 2006 in order to conduct a six month on-site feasibility study with a West Australian mining company. Negotiations for this study are to commence shortly.

### Strategy and future performance

After a detailed research and development and proving program, it is anticipated that the Trench Leaching System will reach full commercialisation by financial year 2007-2008. Nevertheless, some income is expected to be generated prior to 2007 through the use of the test cell to leach ore samples from interested mining companies.



The Trench System will be marketed as a breakthrough in leaching technology that is an extremely cost effective hybrid of heap and tank leaching, while being environmentally friendly. It will be custom made to order for specific leaching objectives.

It is intended that a royalty will be set per tonne of ore processed via the Trench Leaching System, with the amount of the royalty to be a share of the extra profit that the mining company receives as a result of using the Trench Leaching System over other leaching options.

### ***Review of CARIAT Conveyor System***

#### Product

The CARIAT Conveyor – Continuous Articulated Rail in a Tube – is an innovative bulk materials transportation system for the mining industry that provides dramatic cost savings and environmental advantages compared to existing systems (rail, road or belt conveyor).

#### Market

All mining and resource operations (including woodchip and grain handling), either in development, expansion, established or abandoned due to prohibitive costs, requiring major cost savings in bulk materials transportation combined with strong environmental advantages, over distances from 0.1 km to in excess of 500 km.

#### Operating Results

In line with R & D planning, design and fabrication of the CARIAT is progressing. Several small modifications have streamlined the original CARIAT design, and research and discussions are ongoing in the search for ways to maintain and even improve the simplicity and cost effectiveness of the technology, with special emphasis on cost effective ways to manufacture proprietary components.

#### Commentary on operating results

While the CARIAT Conveyor is a multi-faceted system with many of the minutiae of its design still to be finalized (at the appropriate time), prototype components constructed to date are functioning optimally and the Company is extremely pleased with its progress.

Furthermore, research has revealed that current and projected market tendencies, eg a world-wide shortage of large truck tyres and rubber, increased fuel prices and increased environmental lobbying, have heightened the CARIAT's competitive edge and potential importance in the mining and mineral resources marketplace. Also, the enormous pressure to ship iron ore from inland reserves to China and the prohibitive installation and operating costs of large dedicated rail infrastructure adds to the attractiveness of the CARIAT Conveyor as a cost effective alternative.

#### Strategy and future performance

Development and proving of the various systems and processes of the CARIAT Conveyor System (including a customized port infrastructure) will continue until its anticipated full commercialisation in financial year 2008–2009.

A detailed R & D plan allows for the construction of 7 prototypes over this period, ending with the construction of a 50km CARIAT which will, in effect, become the world's longest conveyor.

Pending successful equity raising, the Company intends to apply for a Government Commercial Ready Grant of up to \$5 million, which is to be matched dollar by dollar by DeVere Mining Limited. Funding is critical to streamline the development of the CARIAT given its enormous current potential in the mining and mineral resources sectors. Nevertheless, maintaining the equity interests of existing shareholders, balanced against the operational funding



requirements of the Company, remains a foremost objective of the Board of Directors.

### **Review of Evap-Mat Cover System**

#### Product

The Evap-Mat Dam Cover is a low cost, long life floating cover for water reservoirs and dams, where water is a limited resource or where loss of water through evaporation is a costly problem with clear social, economic and environmental repercussions. Long-term applications of the technology include conservation of water in irrigation and reticulation systems and farm dams, and conservation of water in large human consumption water reservoirs.

#### Market

Initially, our target market will be any mining project where on-site water is a limited resource that is trucked in at large expense.

In total, there are 3 potential markets for dam covers:

- evaporation containment in mining industry dams,
- evaporation containment in agricultural/farming water dams, and
- evaporation containment and water quality control in human consumption water reservoirs.

#### Operating Results

Due to strong market interest in its other two technologies, DeVere elected to postpone further development of the Evap-Mat until resources permit.

#### Commentary on operating results

While product development was paused, literature searches and product sourcing have been maintained in order to monitor market developments and the continued potential of this technology.

#### Strategy and future performance

Initial planning for the Evap-Mat Cover System is for continued research, development and proving until the Evap-Mat's commercialisation in 2010-2011. However, this plan will be reviewed and optimised according to market developments.

### **Dividends**

DeVere Mining Technologies Limited has a policy in place to pay dividends to its shareholders once the Company enters into reasonable profit.

### **Events Subsequent to Reporting Date**

#### **Company Valuation**

Since 1 July the value of DeVere's technologies was increased by the Directors from \$6,000,001 to \$8,000,001 due to positive results in the research and development process and positive feedback from industry sources.

#### **Funding**

Early filing of its Tax Return has seen DeVere receive a Research & Development Tax Rebate of \$45,704, which will be used to help further fund its operations.

#### **CARIAT Conveyor**

Construction of one end of the 60-metre CARIAT is complete and will soon be available for demonstration.

Discussions with interested parties have revealed that initial commercialisation of the CARIAT must lay with short haul operations less than 5 km. We shall therefore target companies with high cost structures and/or stringent environmental or social constraints, all of which are well met by the CARIAT conveyor.



Research has also indicated the potential of the CARIAT to resolve transportation problems within the Australian coal mining industry.

### ***Trench Leaching System***

Due to additional stresses being placed on the existing Trench Leaching prototype cell, in August it was considered necessary to construct a new cell. This has now been completed and implementation of the rebuilt test cell is underway. Final testing is expected to be completed by mid November.

A short list has been drawn up of W.A. mining concerns (potential customers) most likely to benefit from a feasibility study conducted with the Trench Leaching System test cell.

### ***Evap-Mat Dam Cover***

Patent searches have revealed a potential conflict for the Evap-Mat Dam Cover with another dam cover system. Management is reviewing its business strategy in order to maximize the continued potential of the Evap-Mat Dam Cover design. One approach being evaluated is a joint venture with one of our main competitors – which would have the advantage of shortening the path to commercialisation for the Evap-Mat Dam Cover and thus potentially fast track generating an income for DeVere while greatly reducing the responsibilities of product development, marketing and distribution.

### ***Capital Raising/Listing***

Extensive documentation required for the listing process has been prepared in-house and discussions have commenced with experts as to how best to proceed.

Alternative sources of finance to streamline development and proving of the three technologies are being rigorously researched.

## **Likely developments**

When the next test of the Trench Leaching System is completed around the end of November, the Company expects to have a strong platform from which to negotiate with mining companies for commencement of preliminary feasibility studies.

Pre-feasibility studies of the CARIAT will be negotiated for a stranded iron ore-mining project and a number of coal mining concerns.

Listing of DeVere Mining Technologies on the ASX by 16 March 2006 is now a priority.

In the meantime significant private investment in the Company is still being sought to raise \$600,000 to complete proving of the technologies preparatory to the ASX listing. A Prospectus for raising these funds is expected to be registered in early December 2005.

It is intended to make application for a Commercial Ready Grant for the CARIAT Conveyor to bolster the funds that will become available for this project from the ASX listing.

When management and personnel requirements increase, DeVere will expend additional monies to relocate the office and contract additional personnel.

In the coming year it will become necessary to rent or acquire secure storage and working space for components of the CARIAT Conveyor and Trench Leaching System as each prototype milestone is achieved.

## **Share options**

It is the intention of DeVere Mining Technologies Limited to introduce share options.



A special offer to Shareholders involving share options will be made once a suitable Information Memorandum has been completed. This offer will expire upon the registration of the Prospectus for the raising of \$600,000.



## **Indemnification and insurance of officers and auditors**

As part of our intended ASX listing process in March 2006, DeVere Mining Technologies Limited will undertake indemnification and liability insurance.

## **Audit and non-audit services**

The Auditors have reported audit costs of \$1,500 in accordance with a resolution of the AGM held in March 2005. They also report costs of \$1,200 for other non-audit services.

## **Rounding of amounts**

The amounts in the Financial Report and the Directors' Report have been rounded to the nearest dollar. Also, amounts supporting graphs have been rounded to the nearest \$50.

## **Directors' Authorisation**

This Report is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the Directors by:

A handwritten signature in black ink, appearing to read 'Graham Maisey', written over a horizontal dotted line.

Graham Maisey  
Chairman

Dated this 28<sup>th</sup> day of October 2005



# FINANCIAL STATEMENTS



***Year Ended  
30 June 2005***

DeVERE Mining Technologies Limited A.C.N. 106 279 654  
(formerly known as Evap-Mat Limited)

## Statement of Financial Performance

For the year ended 30 June 2005



|  | <i>Note</i> | <b>1 July to<br/>30 June<br/>2005</b> | <b>11 September<br/>to 30 June<br/>2004</b> |
|--|-------------|---------------------------------------|---|
| REVENUE  |             | <b>\$</b>                             | <b>\$</b>                                   |
| Revenue from government grant  | 2(a)        | 15,157                                | 20,000                                      |
| Other revenues from ordinary activities                                    |             | 19,907                                | -   |
| Total revenue from ordinary activities                                     |             | <u>35,064</u>                         | <u>20,000</u>                               |
| EXPENSES   |             |                                       |   |
| Employee expenses  |             | 45,746                                | 36,927                                      |
| Other expenses from ordinary activities                                    | 2(b)        | <u>111,269</u>                        | <u>31,413</u>                               |
| Total Expenses   |             | 157,015                               | 68,340                                      |
| <b>Loss from ordinary activities before related<br/>income tax expense</b> |             | (121,951)                             | (48,340)                                    |
| Income tax expense relating to ordinary activities                         | 3           | <u>-</u>                              | <u>-</u>                                    |
| <b>Loss from ordinary activities after related income tax<br/>expense</b>  |             | (121,951)                             | (48,340)                                    |
| <b>Net loss</b>  |             | <u>(121,951)</u>                      | <u>(48,340)</u>                             |

The accompanying notes form part of these financial statements.

## Statement of Financial Position

For the year ended 30 June 2005



|                                      | <i>Note</i> | <b>1 July to<br/>30 June<br/>2005</b> | <b>11 September<br/>to 30 June<br/>2004</b> |
|--------------------------------------|-------------|---------------------------------------|---|
|                                      |             | \$                                    | \$  |
| <b>ASSETS</b>                        |             |                                       |   |
| <b>Current Assets</b>                |             |                                       |   |
| Cash                                 | 4           | 8,898                                 | 20,100                                      |
| Receivables                          | 5           | 3,179                                 | -   |
| <b>Total Current Assets</b>          |             | 12,077                                | 20,100                                      |
| <b>Non Current Assets</b>            |             |                                       |   |
| Intangible Assets                    | 6           | 6,000,801                             | 6,000,801                                   |
| <b>Total Non Current Assets</b>      |             | 6,000,801                             | 6,000,801                                   |
| <b>TOTAL ASSETS</b>                  |             | 6,012,878                             | 6,020,901                                   |
| <b>LIABILITIES</b>                   |             |                                       |   |
| <b>Current Liabilities</b>           |             |                                       |   |
| Payables                             | 7           | (271)                                 | 16,937                                      |
| <b>Total Current Liabilities</b>     |             | (271)                                 | 16,937                                      |
| <b>Non Current Liabilities</b>       |             |                                       |   |
| Payables                             | 7           | 57,436                                | 52,300                                      |
| <b>Total Non Current Liabilities</b> |             | 57,436                                | 52,300                                      |
| <b>TOTAL LIABILITIES</b>             |             | 57,165                                | 69,237                                      |
| <b>NET ASSETS</b>                    |             | 5,955,713                             | 5,951,664                                   |
| <b>EQUITY</b>                        |             |                                       |   |
| Contributed Equity                   | 8           | 126,003                               | 3   |
| Reserves                             | 9           | 6,000,001                             | 6,000,001                                   |
| Accumulated Losses                   | 10          | (170,291)                             | (48,340)                                    |
| <b>TOTAL EQUITY</b>                  |             | 5,955,713                             | 5,951,664                                   |

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the year ended 30 June 2005



| <i>Note</i>   | <b>1 July to<br/>30 June<br/>2005<br/>\$</b> | <b>11 September<br/>to 30 June<br/>2004<br/>\$</b> |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |  |  |
| Receipts from government grant                      | 15,157                                       | 20,000   |
| Tax refund  | 19,879                                       | -  |
| Interest received                                   | 28   | -  |
|   |  |  |
| Payments to suppliers and employees                 | (157,015)                                    | (68,340)   |
| Increase (decrease) in payables                     | (12,072)                                     | 16,937   |
| (Increase) in receivables                           | (3,179)                                      | -  |
| (Increase) in intangibles                           | -  | (800)  |
|   |  |  |
| Net cash provided by (used in) operating activities | <u>(137,202)</u>                             | <u>(32,203)</u>                                    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |  |  |
| Proceeds from borrowings                            | -  | 52,300   |
| Issue of share capital                              | 126,000                                      | 3  |
|   |  |  |
| Net increase (decrease) in cash held                | <u>(11,202)</u>                              | <u>20,100</u>                                      |
| Cash at the beginning of the year                   | <u>20,100</u>                                | <u>-</u>   |
| Cash at the end of the year                         | <u><u>8,898</u></u>                          | <u><u>20,100</u></u>                               |

The accompanying notes form part of these financial statements.



# Notes to Financial Statements

For the year ended 30 June 2005

The financial report is a general-purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001, which includes applicable Accounting Standards. Other mandatory professional reporting requirements have also been complied with.



## **1. Summary of Significant Accounting Policies**

The financial statements have been prepared on a going concern basis. DeVere has net assets of \$ 5,955,713 and incurred an operating loss after income tax of \$121,951 for the year ended 30 June 2005. During the year DeVere issued shares to provide working capital, which has provided cash flow to meet operating expenses.

The following is a summary of the material accounting policies adopted by DeVere in the preparation of this financial report. The accounting policies have been consistently applied unless otherwise stated.

### **Comparative figures**

The comparative figures are for the year 11 September 2003 (the date of incorporation) to the 30 June 2004.

### **Recoverable amount**

Non-current assets are not valued at an amount above their recoverable amount and where carrying values exceed this recoverable amount assets are written down.

### **Cash**

For the purpose of the statement of cash flows, cash includes cash on hand and in banks.

### **Income Tax**

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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

### **Accounts Payable**

Amounts owing to the Directors and other related parties will not be claimed in the near future and are payable at DeVere's discretion. The Directors have undertaken to provide financial support to DeVere where it is unable to pay the remaining debts as and when they fall due and to keep it operating and in good standing.

## ***Adoption of Australian Equivalents to International Financial Reporting Standards***

DeVere's management, along with its auditors, are assessing the significance of the introduction of the International Financial Reporting Standards (IFRS) and preparing for their implementation. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The Directors are of the opinion that the key differences in DeVere's accounting policies that will arise from the adoption of IFRS are:

### ***Impairment of Assets***

DeVere currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. It is likely that the change in accounting policy will lead to impairments being recognised more often than under the existing policy.

### ***Non-Current Investments***

Under the new requirements the financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by Directors to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

### ***Income Tax***

Currently, DeVere adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent of IAS 12, DeVere will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.





## 2. (a) Revenue

|                   | <b>1 July to<br/>30 June<br/>2005</b> | <b>11 September<br/>to 30 June<br/>2004</b> |
|-------------------|---------------------------------------|---|
|                   | <b>\$</b>                             | <b>\$</b>                                   |
| Operating revenue | 15,157                                | 20,000                                      |
|                   | <u>15,157</u>                         | <u>20,000</u>                               |

## (b) Administrative Expenses

|   |                |               |
|---|----------------|---------------|
| Accounting and Audit Fees                   | 4,420          | -             |
| Administration and secretarial              | 1,469          | -             |
| Advertising                                 | 84             | 1,533         |
| Bank Charges                                | 637            | 395           |
| Brochures                                   | 6,820          | -             |
| Capital raising fees                        | 2,160          | -             |
| Electricity                                 | 1,020          | 188           |
| Engineering Consultants                     | 29,987         | # 478         |
| Intellectual Property Consultant            | 3,984          | # 10,563      |
| Intellectual Property Fees                  | -              | 300           |
| Interest Expense                            | 63             | 136           |
| Internet Expense                            | 692            | 205           |
| Legal & Statutory Fees                      | 1,635          | 691           |
| Model Fabrication Expenses                  | -              | 6,165         |
| Motor Vehicle Running & Travel              | 1,110          | 1,301         |
| Office Supplies                             | 2,072          | 550           |
| Plant and Equipment, Furniture and Fittings | 1,455          | -             |
| Postage                                     | 145            | 17            |
| Prototypes and demonstrators                | 42,578         | -             |
| Rent  | 6,441          | 7,048         |
| Repairs and maintenance                     | 429            | -             |
| Sundry                                      | 885            | 604           |
| Telephone                                   | 2,349          | 1,239         |
| Travel                                      | 834            | -             |
|   | <u>111,269</u> | <u>31,413</u> |



### 3. *Income Tax*

|  | <b>1 July to<br/>30 June<br/>2005<br/>\$</b> | <b>11<br/>September<br/>to 30 June<br/>2004<br/>\$</b> |
|--|--|--|
| The income tax attributable to the loss is reconciled to the prima facie tax payable as follows: |  |  |
| Operating loss before income tax   | <u>(121,951)</u>                             | <u>(48,340)</u>  |
| Prima facie tax on operating loss at 30%   | (36,585)                                     | (14,502)   |
| Tax losses, the benefit of which is not brought to account                                       | <u>                    </u>                  | <u>14,502</u>  |
| Income tax expense attributable to operating loss  | <u>36,585</u> #                              | <u>-</u>   |

### 4. *Cash Assets*

|                 |              |               |
|-----------------|--------------|---------------|
| BankWest        | -            | 2,559         |
| Bond            | 880          | 880           |
| Challenge Bank  | 8,734        | 16,661        |
| Imprest Account | <u>164</u>   | <u>-</u>      |
|                 | <u>8,898</u> | <u>20,100</u> |

### 5. *Receivables*

|                |              |          |
|----------------|--------------|----------|
| Sundry debtors | <u>3,179</u> | <u>-</u> |
|----------------|--------------|----------|



## 6. Intangible Assets

|   | <b>1 Jul 2004<br/>30 June<br/>2005</b> |   | <b>11 Sep 2003<br/>to 30 June<br/>2004</b> |
|---|--|---|--|
|   | <b>\$</b>                              |   | <b>\$</b>                                  |
| CARIAT Bulk Solids Transportation System at Directors Valuation | 5,000,000                              | # | 5,000,000                                  |
| Evap-Mat Dam cover at Directors Valuation                       | 1                                      |   | 1  |
| Formation Expenses  | 800                                    |   | 800  |
| Trench Leaching System at Directors Valuation                   | 1,000,000                              |   | 1,000,000                                  |
|   | <u>6,000,801</u>                       |   | <u>6,000,801</u>                           |

## 7. Payables

### (a) Current

|   |              |   |               |
|---|--------------|---|---------------|
| Nicholas Sadleir (Kimberley Sadleir dec.) | -            |   | 5,542         |
| GST Collected                             | 1,530        | # | -             |
| GST Paid                                  | (5,406)      |   | -             |
| PAYG Withholding Tax                      | 3,605        |   | -             |
| Sundry Creditors                          | -            |   | 11,395        |
|   | <u>(271)</u> |   | <u>16,937</u> |

### (b) Non current

|                   |               |  |               |
|-------------------|---------------|--|---------------|
| Shareholder loans | #             |  |               |
|                   | <u>57,436</u> |  | <u>52,300</u> |



## 8. Contributed Equity

### Share Capital

|   | <b>1 July to<br/>30 June<br/>2005<br/>\$</b> | <b>11 September<br/>to 30 June<br/>2004<br/>\$</b> |
|---|--|--|
| 1,260,003 (2004:3) ordinary shares fully paid | <u>126,003</u>                               | <u>3</u>   |
|   | <u>126,003</u>                               | <u>3</u>   |
| (a) Ordinary shares                           |  |  |
| Balance at beginning of year                  | 3  | 3  |
| Share split 3:1                               |  |  |
| - 6 shares                                    |  |  |
| 60,000,000 ordinary shares fully paid         |  |  |
| Shares issued                                 |  |  |
| - 1,260,000 for cash                          | 126,000                                      | -  |
| Balance at end of year                        | <u>126,003</u>                               | <u>3</u>   |

## 9. Accumulated Losses

|                                      |                  |                 |
|--------------------------------------|------------------|-----------------|
| Accumulated losses - opening balance | (48,340)         | -               |
| Net loss for the year                | <u>(121,951)</u> | <u>(48,340)</u> |
|                                      | <u>(170,291)</u> | <u>(48,340)</u> |

## 10. Segment Information

The Company operates in one industry, the mining technology industry. The Company operates in one geographical location being Australia.



## 11. Directors' and Executives' Remuneration

### a. Names and positions held by officers

The following people held office in DeVere in the period from incorporation to 30 June 2005.

#### Directors

Kim Sadleir (dec.)  
 Rob Giraudo  
 Graham Maisey  
 Roger Scott (resigned)  
 Nicholas Sadleir

#### Company Secretary

Clinton Giraudo

### b. Directors' Remuneration

| <b>Year Ended</b>               | <b>Salary<sup>(1)</sup></b> | <b>Superannuation</b> | <b>Equity</b> | <b>Other</b> | <b>Total</b> |
|---------------------------------|-----------------------------|-----------------------|---------------|--------------|--------------|
| <b>30 June 2005</b>             | <b>\$</b>                   | <b>\$</b>             | <b>\$</b>     | <b>\$</b>    | <b>\$</b>    |
| Kim Sadleir <sup>(2)</sup>      | -                           | -                     | -             | -            | -            |
| Rob Giraudo                     | -                           | -                     | -             | -            | -            |
| Graham Maisey                   | -                           | -                     | -             | -            | -            |
| Roger Scott <sup>(3)</sup>      | -                           | -                     | -             | -            | -            |
| Nicholas Sadleir <sup>(4)</sup> | -                           | -                     | -             | -            | -            |
|                                 | -                           | -                     | -             | -            | -            |

| <b>Year Ended</b>          | <b>Salary<sup>(1)</sup></b> | <b>Superannuation</b> | <b>Equity</b> | <b>Other</b> | <b>Total</b> |
|----------------------------|-----------------------------|-----------------------|---------------|--------------|--------------|
| <b>30 June 2004</b>        | <b>\$</b>                   | <b>\$</b>             | <b>\$</b>     | <b>\$</b>    | <b>\$</b>    |
| Kim Sadleir <sup>(2)</sup> | -                           | -                     | -             | -            | -            |
| Rob Giraudo                | -                           | -                     | -             | -            | -            |
| Graham Maisey              | -                           | -                     | -             | -            | -            |
| Roger Scott <sup>(3)</sup> | -                           | -                     | -             | -            | -            |
|                            | -                           | -                     | -             | -            | -            |

(1) There were no Directors' salaries paid. However, Directors are entitled to \$25,000 per annum and pursuant to a resolution of the first AGM of the Company Directors shall be payable as and when the Directors believe there are sufficient funds to make the payments without significantly affecting the Company's operations, and that these payments be made retrospectively to the commencement date of their respective directorships. As at 30 June 2005 there is a contingent liability to Directors in the amount of \$129,315.

(2) Kim Sadleir (deceased on 17 April 2005) performed the function of Managing Director on a speculative payment basis. His fees were computed at \$ 500 per day. As at 3 June 2005, under the speculative services scheme his accumulated entitlement was \$167,000. He was paid an amount of \$500 per week for these services and these payments have been deducted from the abovementioned entitlement.

(3) Roger Scott was removed from the board.

(4) Nicholas Sadleir was appointed a Director on 11 May 2005.



**c. Shareholdings**

| <b>Directors</b>                | <b>Balance 30 June 2005</b> | <b>Net Purchases/ (Sales)</b> | <b>Balance 30 June 2004<sup>(3)</sup></b> | <b>Net Purchases / (Sales)</b> |
|---------------------------------|-----------------------------|-------------------------------|---|--------------------------------|
| Kim Sadleir <sup>(1)</sup>      | -                           | -                             | 39,297,003                                | -                              |
| Rob Giraudo <sup>(2)</sup>      | -                           | -                             | 3,900,003                                 | -                              |
| Graham Maisey                   | -                           | -                             | 3,600,000                                 | -                              |
| Nicholas Sadleir <sup>(4)</sup> | 19,648,501                  | -                             | -   | -                              |
|                                 |                             | -                             | 46,797,006                                | -                              |

(1) Kim Sadleir gifted parcels of his shares to loan providers and speculative service providers and some family members. After the passing away of Kim Sadleir his shares transferred by virtue of his last will and testament to his two sons, Simon Sadleir and Nicholas Sadleir.

(2) Rob Giraudo holds these shares in partnership with Gwenda Giraudo

(3) The increase in shares is due to a share split on 7 July 2004.

(4) Nicholas Sadleir was appointed a Director on 11 May 2005.

**d. Options**

No options have been issued to the Directors or any entities related to them.

**12. Related Party Disclosures**

**a. Transactions with Directors and Director Related Entities**

Fees were paid to Clinton Giraudo (Company Secretary) for his services as an intellectual property consultant. These fees amounted to \$3,984 up to 30 June 2005 and \$10,563 up to 30 June 2004.

**b. Share Transactions of Directors**

Nil.

**13. Reconciliation of Cash**

Cash at the end of the financial period as shown in the statement of cash flows is reconciled as follows:

|  | <b>1 July to 30 June 2005</b> | <b>11 September to 30 June 2004</b> |
|--|-------------------------------|-------------------------------------|
|  | <b>\$</b>                     | <b>\$</b>                           |
| Operating (loss) from ordinary activities after income tax | (121,951)                     | (48,340)                            |
| Changes in Assets and Liabilities                          |                               |                                     |
| Increase (decrease) in payables                            | (12,072)                      | 16,937                              |
| Increase in receivables                                    | (3,179)                       | -                                   |
| (Increase) in intangibles                                  | -                             | (800)                               |
| Share Issue  | 126,000                       | -                                   |
| Cash flow from operating activities                        | (11,202)                      | (32,203)                            |



## **14. Loan Agreement**

### **"2. The Offer**

The Lender offers the Company the sum of \$5,000 to be repaid under the terms and conditions set out below.

In consideration of the funds being lent to the Company by the Lender, the principal shareholder will transfer to the Lender 100,000 ordinary shares under the terms and conditions set out below.

### **"3. Consideration**

In consideration of the Lender advancing these monies, the principal shareholder will transfer 100,000 of his ordinary shares to the Lender on the condition that these shares are treated as promoter shares and which may be held in escrow in the event of the Company listing on a stock exchange.

The voting rights associated with the said shares will be held by the principal shareholder until 31 December 2007.

### **"4. Repayment**

The Company will repay the Lender on the following basis:

- a) 10% of gross income and 10% of cash generated from new issued shares will be allocated to the repayment of all loans and speculative services on a pro rata basis.
- b) The Company will make repayments to the Lenders when a significant amount of money is available for distribution."

## **15. Subsequent Events After Balance Date**

The following significant events have occurred after balance date:

- Sale of new share capital has raised \$10,000.
- A Tax Return having an R&D Tax Rebate of \$45,704 has been received.

## **16. Registered Office**

66 Chapman Road  
Bentley WA 6102



# Directors' Declarations

The Directors of DeVere Mining Technologies Limited declare that:

1. The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
  - a. giving a true and fair view of the Company's financial position as at 30 June 2005 and of its performance for the ended on that date: and,
  - b. complying with Accounting Standards and Corporations Regulations 2001.
  
2. There are reasonable grounds to believe that DeVere 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.

On behalf of the Board

Graham Maisey  
Chairman

Broome, this 28th day of October 2005.



# Auditor's Report

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## CARLTON & PARTNERS

CERTIFIED PRACTISING ACCOUNTANTS

ABN 28 521 922 867

295A LORD STREET PERTH WA 6000

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### Independent Audit Report to the Members of DeVere Mining Technologies Limited

#### Scope

We have audited the financial report of DeVere Mining Technologies Limited for the year ended 30 June 2005 as set out on pages 16 to 29.

The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

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

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

#### Audit Qualification

The intellectual property has been included in the accounts at Directors Valuation. We have been unable to substantiate these valuations by independent means.

#### Audit Opinion

Subject to the above qualification, in our opinion, the financial report of DeVere Mining Technologies Limited is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
  - (ii) other mandatory professional reporting requirements in Australia.

#### Carlton & Partners

*Graeme V Wovodich*

G V Wovodich CPA  
Registered Company Auditor  
Dated 31<sup>st</sup> October 2005

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