Central Exchange Limited

A.B.N 77 000 742 843

Appendix 4E
Preliminary Final Report

For Year Ended 30 June 2003

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www.centralexchange.com.au

Central Exchange Limited
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RESULTS FOR ANNOUNCEMENT TO MARKET

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period: 30 June 2003

Previous Corresponding Period: 30 June 2002

For and on behalf of the directors,

....
Victor Ho
Company Secretary

Date: 12 September 2003

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit (Loss)

Revenue from ordinary activities	down	71%	to	$58,641
Profit (loss) from ordinary activities after tax attributable to members	down	52%	to	($652,545)
Net profit (loss) for the period attributable to members	down	52%	to	($652,545)

Dividends

No dividends have been paid or declared during the financial year. The Directors do not recommend the payment of a dividend in respect of the financial year.

Brief Explanation of Revenue, Net Profit (Loss) and Dividends (above)

The Consolidated Entity did not incur any technical service fees in the current reporting period (2002: $550,000) as a consequence of the settlement and termination of the technical services agreement approved by shareholders on 30 July 2002.

The Consolidated Entity wrote-down the carrying value of its VoIP licence by $276,000 to nil as at 30 June 2002 and accordingly, did not incur any further write-downs in the current reporting period.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Central Exchange Limited (**"Company"** or **"Central Exchange"**) has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. Controlled entities are Central Exchange Operations Pty Ltd ABN 16 094 097 122 (controlled throughout the financial year) and Hume Mining NL ABN 52 063 994 945 (controlled throughout the financial year).

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year were the operation of a telecommunication network utilising Voice-over-Internet Protocol (**"VoIP"**) technology and management of its share investments.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

At a General Meeting on 30 July 2002, shareholders approved, amongst others, a resolution proposing a change in the nature and scale of the Company's activities from a company involved in telecommunications to a company primarily involved in resources exploration and exploitation. In light of the termination of the Share Sale Agreement with the Juniper Vendors and the failure to complete the capital raising under the Prospectus, such change of activities has not eventuated (refer to sections 4 and 5 of Review of Operations in this report).

Other than that referred to in this report or the financial statements, there were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

OPERATING RESULTS

	Consolidated Entity	
	2003	**2002**
	$	$
Net profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	(400,750)	(918,551)
Net profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	(251,795)	(449,946)
Net profit (loss) from ordinary activities after tax attributable to members	(652,545)	(1,368,497)

EARNINGS PER SHARE

	Consolidated Entity	
	2003	**2002**
Basic earnings per share (cents)	(7.89)	(1.97)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	8,271,394	69,533,488

NET TANGIBLE ASSET BACKING

	Consolidated Entity	
	2003	**2002**
Net tangible assets of the Consolidated Entity	$474,413	$808,821
Fully paid ordinary shares on issue at Balance Date	8,499,263	65,650,000
Net tangible asset backing per issued ordinary share as at balance date (cents)	5.58	1.23

The Company's cash reserves and market value of listed share investments totalled approximately $479,000 as at 31 August 2003. The Company continues to operate out of shared office premises and with the removal of the costs associated with the suspended telecommunications operations and the agreement of the current Directors to forgo their Directors' fees until further notice (effective 1 July 2003), all but essential corporate operating and administrative expenses have been reduced to preserve the cash position of the Company and ensure a minimal cash burn.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

REVIEW OF OPERATIONS

1. ASX Suspension

The Company's shares were suspended from quotation on the official list of the ASX prior to commencement of trading on the day of the General Meeting on 30 July 2002.

The Company was required to re-comply with the admission requirements of the ASX set out in Chapters 1 and 2 of the ASX Listing Rules for its securities to be reinstated for quotation. As part of these admission requirements, the Company had to issue a prospectus and successfully complete a capital raising at a minimum price of 20 cents per share.

Shortly after the withdrawal of the Company's Prospectus and termination of the Share Sale Agreement for the acquisition of Juniper in November 2002, the Company applied to the ASX for re-admission of its securities on the ASX.

On 20 June 2003, the ASX advised the Company that it would not reinstate the Company to official quotation as they were of the view that the Company's level of operations was not sufficient to warrant the quotation of its securities as required by ASX Listing Rule 12.1.

The Company's suspension is likely to continue until the Company fully re-complies with Chapters 1 and 2 of the ASX Listing Rules, including a capital consolidation to ensure a sale price of at least $0.20 for the Company's shares, lodgement of a full form prospectus and satisfaction of the spread requirements set out in ASX Listing Rule 1.1.

2. Telecommunications Network

The Company has previously advised shareholders of the disappointingly low revenues generated by the Central Exchange telecommunications network since its commercial launch in August 2001 (both from existing Central Exchange shareholders and the public at large) and the limited prospects for future growth. Whilst the ongoing costs of maintaining the network had been minimised, the Directors are mindful of the low level of cash reserves of the Company.

In the light of the above and the ASX decision not to reinstate the Company to official quotation on ASX, the Company announced on 4 July 2003 that the Directors could see no commercial benefit in continuing to operate the telecommunications network and had decided to suspend such operations. The Company's telecommunications carrier's licence was also not renewed on 1 July 2003.

Shareholders should note however that the Company still retains the 14 year non-exclusive Australian license to operate the VoiceNet System VoIP technology which it acquired from Queste Communications Ltd (**"Queste"**) in October 1999. Should market conditions improve in the future, the Company could relatively easily redeploy its network infrastructure and recommence operations.

3. Settlement And Termination Of Technical Service Agreement

The Company was required to pay Queste $1,000,000 per annum (indexed for inflation after the first 12 months) for the provision by Queste of 3,000 hours per annum of technical services, pursuant to a Technical Services Agreement dated 4 June 1999, the execution of which was ratified by shareholders on 29 September 1999. This technical service fee was payable by monthly instalments in advance (**"Monthly Fee"**) and commenced in November 1999.

The Monthly Fee was, at the Board's election, payable in any month by the issue of fully paid ordinary shares, the price of such shares to be calculated at 80% of the weighted average price for the 4 week trading period on the ASX immediately preceding the due date for payment of the Monthly Fee to which the issue relates.

During the 2001/2002 financial year the Board entered into discussions with the Board of Queste regarding the Monthly Fees from October 2001 to the balance of the term of the Technical Services Agreement with the view to a possible termination of the agreement prior to its natural effluxion as the Company no longer required the provision of technical services.

At that time, the last Monthly Fee invoiced by Queste and paid by the Company was for services performed in September 2001. Queste asserted that $1,167,000 remained at issue, representing Monthly Fees due and payable from 1 September 2001 (for services performed in October 2001) to the end of the term of the Technical Services Agreement.

In April 2002, the independent Director of the Company reached agreement with the independent directors of Queste (subject to each respective company's shareholder approvals) on the following consideration payable by the Company to Queste as full and final discharge of all past and future fees outstanding and payable under the Technical Services Agreement:

(a) $300,000 to be satisfied by the issue of shares in the Company at an issue price of 80% of the weighted average price for fully paid ordinary shares in the Company for the period from 28 December 2001 to 26 March 2002, being 1.551 cents per share (on a pre 1:10 share consolidation basis); and

(b) $150,000 cash.

The common Directors of both companies were not involved in any determination with respect to this proposed settlement. Both companies had separate legal representation in this matter and the proposed settlement put to shareholders was reached on an arm's length basis.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

The Board called a general meeting on 30 July 2002 to allow shareholders to consider and, if thought fit, pass a resolution approving the termination of the Technical Services Agreement and the settlement of all past and future fees outstanding and payable under the Technical Services Agreement as described above.

The Directors commissioned an Independent Expert's Report prepared by BDO Consultants (WA) Pty Ltd for inclusion in the Notice of Meeting Information Memorandum and which report concluded that the proposed termination and settlement of the Technical Services Agreement the subject of the relevant resolution was fair and reasonable to the non-associated shareholders of the Company.

The Board considered that the termination of the Technical Services Agreement was in the best interests of the Company as satisfying part of the settlement payment by the issue of shares in the Company would be beneficial in that it would permit the Company to preserve its cash reserves. Furthermore, the Board considered that the Technical Services Agreement should be terminated so that the Company would not incur any further liability to pay fees under the terms of the agreement, in circumstances where the corresponding services were not required.

On 30 July 2002, shareholders passed, amongst others, a resolution approving the settlement and termination of the Technical Services Agreement. Queste did not vote on the resolution at such meeting and the matter was determined by unassociated shareholders. Queste shareholders also approved the same at their general meeting held on 8 August 2002.

Pursuant to such shareholder approvals:

(a) 1,934,236 shares (on a post 1:10 share consolidation basis) were issued to Queste on 12 August 2002 at a deemed consideration of $300,000; and

(a) $150,000 cash was paid to Queste on 5 September 2002.

Queste currently holds 4,149,112 shares in the Company (being 48.817% of issued ordinary share capital).

4. Unsuccessful Acquisition Of Juniper Resources Ltd And Capital Raising By Prospectus

At a general meeting on 30 July 2002, Central Exchange shareholders approved various resolutions, including, inter alia, with respect to the following matters:

- The change in the nature and scale of Central Exchange's activities from a company involved in telecommunications to a company primarily involved in resources exploration and exploitation;
- The acquisition of Juniper Resources Ltd in consideration for the issue of 15,000,000 shares in Central Exchange at an issue price of 20 cents per share. Juniper Resources Ltd was an Australian public company involved in 6 gold, base metal, copper and iron-ore resource projects in Western Australia;
- The issue of the shares and options pursuant to a prospectus; and
- The change of name to "Juniper Resources Limited",

Central Exchange lodged a Prospectus dated 1 August 2002 seeking to raise a total of 15,000,000 shares at an issue price of 20 cents per share to raise $3,000,000 (with a minimum subscription of $1,500,000 and oversubscriptions of an additional $3,000,000) and options.

On 26 November 2002, Central Exchange announced the withdrawal of its prospectus due to the failure to raise the minimum subscription and the termination of the agreement to acquire Juniper Resources Ltd (for failure of a condition precedent, namely the raising of a minimum of $1.5m).

Accordingly, the change of company name to "Juniper Resources Limited" has not proceeded.

5. Share Reconstruction

On 8 August 2002, the Company's fully paid ordinary shares were consolidated on a on a one (1) for ten (10) basis with fractions of shares after such reorganisation being rounded up to the nearest one share.

The number of shares on issue prior to such reorganisation was 65,650,000.

The number of shares on issue after such reorganisation was 6,565,027.

At the date of this report, there are 8,499,236 listed fully paid ordinary shares on issue.

1,934,236 shares were issued to Queste on 12 August 2002 pursuant to the settlement of the Technical Services Agreement.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

CONTINGENT ASSET

Anaconda Nickel Settlement Deed Payment

Pursuant to a settlement deed between Anaconda and Central Exchange dated 17 September 1996 (**"Settlement Deed"**), Anaconda agreed to pay Central Exchange $16,250,000 (to be indexed - $18,937,738 as indexed by the United States Consumer Price Index (**"US CPI"**) (non-seasonally adjusted all urban consumers for all items) from September 1996 to August 2003) (**"Agreed Amount"**) on the earlier of certain Review Dates defined as follows:

(1) 12 months after the financiers to the Murrin Murrin Nickel Project (**"Murrin Murrin Project"**) has confirmed that the Murrin Murrin Project is operating to design standards of performance in terms of throughput, recovery and metal production;

(2) 3 years after the commissioning of a nickel/cobalt treatment plant of ore from the Murrin Murrin Project;

(3) 3 years after 250,000 tonnes of ore from the Murrin Murrin Project has been mined and treated;

(4) When Anaconda has sold its interest in the Murrin Murrin Project for not less than A$350,000,000.

(i) Anaconda Position

Anaconda, in its 2002 Annual Report at Note 31 (Contingent Assets and Liabilities) of the notes to its financial statements, makes the following statements about this matter:

"Under a settlement agreement with Central Exchange Limited (formerly Central Bore Nickel NL, "Central Exchange") the Murrin Murrin Joint Venture may be required to pay $16.25m (subject to escalation for inflation based on USA consumer price index) to Central Exchange. The payment is dependent upon several factors. The first factor is that the Review Date as defined under the settlement contract is triggered.

Anaconda considers that the Review Date, as defined in the Deed, whereby Anaconda is required to consider whether any monies are payable to Central Exchange under the Deed occurred on 28 September 2002. On that date, Anaconda was required to calculate the LME average nickel price for the preceding 12 months and, only if that price is above $US3.50lb indexed, will Anaconda have the pay $16,250,000 (indexed from September 1996 to September 2002).

The trigger price was not met on 28 September 2002 and therefore Anaconda is required to repeat the process each month until the trigger price is exceeded and the money becomes payable to Central Exchange."

On 8 October 2002, Anaconda formally advised Central Exchange in writing that it considered the Review Date was 29 September 2002. Anaconda did not provide any explanation as to the basis for this determination. However, Central Exchange notes that in its 2001 and 2000 annual reports, Anaconda stated that the Review Date was triggered with the mining of 250,000 tonnes of ore on 12 September 1999 and that the Review Date was therefore 12 September 2002.

Therefore, based on Anaconda's view which Central Exchange does not concede, the Agreed Amount is due and payable by Anaconda at the Review Date of 12/28 September 2002 (to be reconciled by Anaconda) (or at each subsequent month thereafter) if the average London Metals Exchange Nickel (**"LME"**) nickel daily settlement price (**"LME Average Nickel Price"**) in the 12 months prior to 12/28 September 2002 (or each subsequent month) exceeds the trigger price of US$3.50 per pound as indexed by the US CPI (**"Trigger Price"**).

In this regard, on 8 October 2002, Anaconda advised Central Exchange formally that the LME Average Nickel Price in the 12 months to 28 September 2002 was US$2.84 per pound and that this was below the indexed Trigger Price of US$4.01 per pound at that time.

Anaconda have also formally advised Central Exchange in each subsequent month thereafter that the relevant LME Average Nickel Price continued to be below the relevant indexed Trigger Price and that, accordingly, the Agreed Amount was not yet payable to Central Exchange.

In the most recent advice dated 11 August 2003, Anaconda advised Central Exchange that the LME Average Nickel Price in the 12 months to 28 July 2003 was US$3.53 per pound and that this was below the indexed Trigger Price of US$4.07 per pound at that time.

(ii) Central Exchange Position

Central Exchange has previously advised that a trigger event under Review Date (2) above has occurred in that a nickel/cobalt treatment plant from the Murrin Murrin Project was commissioned on 7 May 1999 when Anaconda issued a market announcement stating that the production of nickel metal from the Murrin Murrin Project had commenced and the commissioning phase of Murrin Murrin was moving immediately to full stage I production ramp up. Furthermore, the Prime Minister, Mr John Howard, officially opened the Murrin Murrin Nickel Cobalt Project on 29 July 1999. Therefore, in Central Exchange's opinion, one of the Review Dates is 7 May 2002.

Central Exchange has also considered whether a trigger event under Review Date (1) above has occurred and if so at what time, and alternatively, whether Anaconda has breached the settlement deed by virtue of it not entering into the type of financing arrangements contemplated in the Settlement Deed and whether that breach has resulted in the Agreed Amount having fallen due and payable.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Central Exchange notes that if the date of this trigger event can be established as having occurred prior to 31 January 2000 or that, had Anaconda not breached the Settlement Deed, the trigger event would have occurred prior to that date, with an associated Review Date being no later than 31 January 2001 - being the date on which the 12 month moving average LME Nickel Price last exceeded the relevant indexed Trigger Price at the same time - Central Exchange would assert that the Agreed Amount will be due and payable by Anaconda.

Central Exchange has also considered whether the trigger event under Review Date (4) above may occur in circumstances where there is a change of ownership of Anaconda and accordingly, a change in the indirect ownership of the Murrin Murrin Project.

The Board of Central Exchange has determined, after receipt of legal advice, not to pursue these 3 issues further through legal channels at the present time but reserves its rights to do so if further information comes to light or circumstances change in this matter.

(iii) Average Nickel Price

Central Exchange notes that Anaconda has advised that the LME Average Nickel Price in the 12 months to 28 July 2003 was US$3.53 per pound and that this was below the indexed Trigger Price of US$4.07 per pound on the same date.

Central Exchange notes that under the Settlement Deed, on the occurrence of a relevant Review Date, if the LME Average Nickel Price in the 12 months prior to the Review Date does not exceed the indexed Trigger Price, payment of the Agreed Amount is deferred and reviewed on a monthly basis until such time as the LME Average Nickel Price does exceed the indexed Trigger Price.

Central Exchange further notes that there is no "sunset" clause in the Settlement Deed. That is, the comparison of the 12 month LME Average Nickel Price against the relevant Trigger Price is performed on each monthly anniversary of the earliest relevant Review Date for an indefinite period until payment of the Agreed Amount is "triggered".

In this regard, Central Exchange notes that:

- The LME nickel price was US$4.43 (US$9,770 per tonne) as at 5 September 2003;
- The LME nickel price has traded above the present Trigger Price of US$4.08 per pound (US$8,992 per tonne) since 25 July 2003 and was as high as US$4.52 (US$9,960 per tonne) on 3 September 2003;
- The 12 month LME Average Nickel Price to 5 September 2003 was ~US$3.66 per pound;
- Accordingly, the present "gap" between the Trigger Price and 12 month LME Average Nickel Price is US$0.42 per pound;
- Such "gap" was US$0.94 per pound on 31 December 2002 and US$0.60 per pound on 30 June 2003 and has fallen by US$0.18 per pound since 1 July 2003 (please also refer to the following chart for an illustration of the Trigger Price versus the moving 12 month LME Average Nickel Price versus the LME nickel price);
- If the present levels of the LME nickel price are sustained, the Trigger Price may be reached in January 2004. If the actual LME nickel price increases above the present level, the Trigger Price is likely to be reached sooner and vice versa;
- A number of market forecasts for nickel for the next 12 months indicate a strong demand for nickel and consequently a positive outlook for nickel prices.

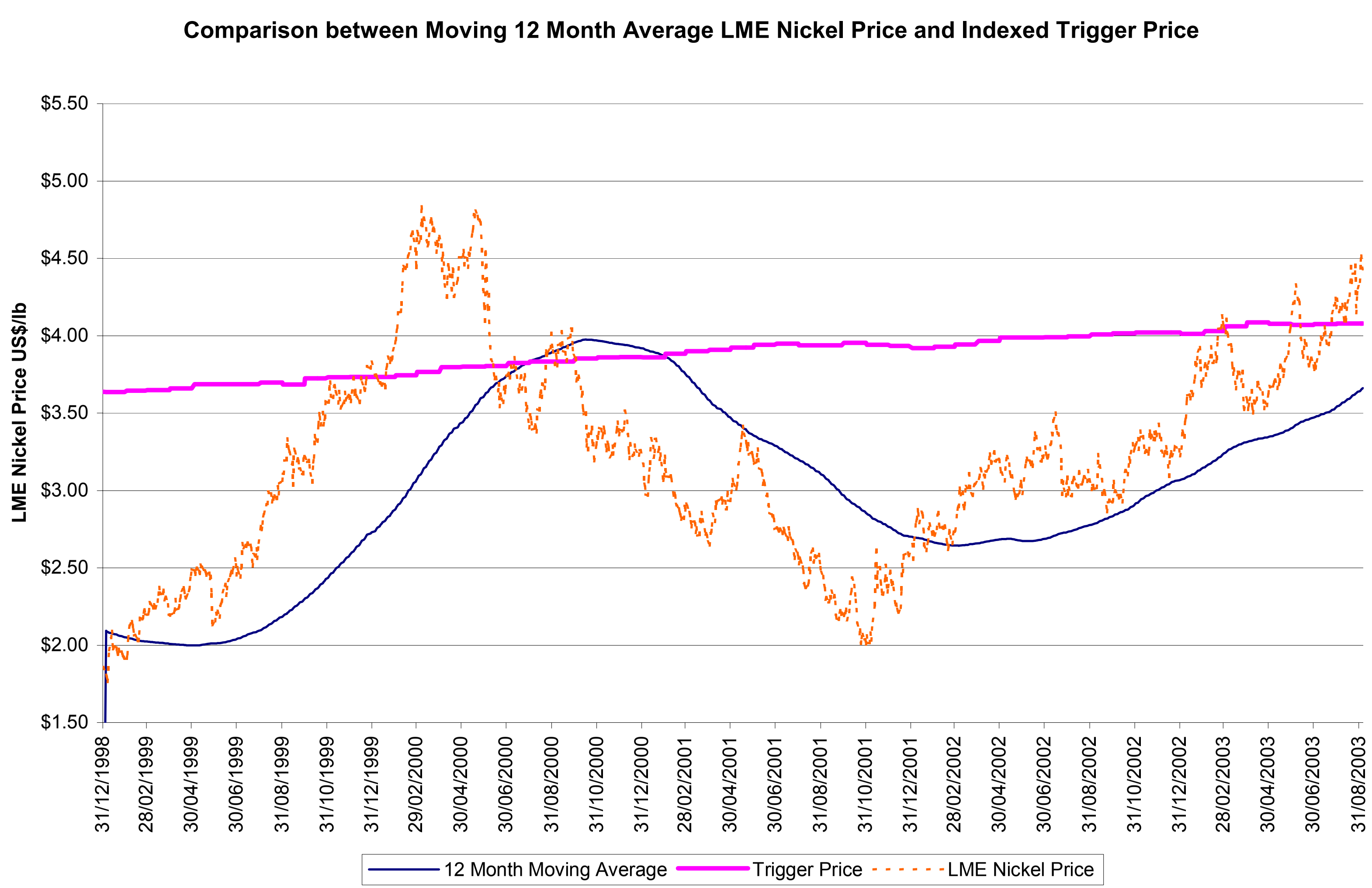
Whilst Central Exchange is pleased with the current direction of LME nickel prices, the perceived outlook for the future and the possibility of payment by Anaconda of the Agreed Amount (presently $18,937,738), the Board of Central Exchange caution against the market placing any certainty of payment for a number of reasons including but not limited to:

- There is no certainty that LME nickel prices will maintain or increase from their current levels;
- There is a significant possibility that LME nickel prices may decrease in the future;
- The requirement for nickel to maintain an average price for a 12 month period, by its nature, requires a long term position to be adopted compared with only relatively recent increases in the nickel price;
- The current Trigger Price of US$4.08 per pound is linked to US CPI and if US CPI increases, such Trigger Price will be revised upwards, potentially increasing the "gap" between the Trigger Price and the 12 month LME Average Nickel Price, notwithstanding that nickel prices may have also increased over the same period.

Accordingly, Central Exchange continues to treat the Agreed Amount as a contingent asset only with no current certainty of payment.

However, the Board of Central Exchange notes that should the current nickel price be sustained in the next 6 – 12 months and the Trigger Price reached, the Agreed Amount will become due and payable, which when ultimately received, would significantly increase the net assets of Central Exchange. In this regard, the Board of Central Exchange notes that the current Agreed Amount of $18,937,738 would be equivalent to $2.23 per each Central Exchange fully paid ordinary share (excluding the effects of taxation).

COMMENTARY ON RESULTS
AND OTHER SIGNIFICANT INFORMATION



STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003

	Note	Consolidated Entity 2003 $	2002 $
Revenue from ordinary activities	2(a)&(b)	58,641	200,665
Expenses from ordinary activities:	2(c)		
Cost of services		(54,288)	(58,466)
Personnel		(253,261)	(306,092)
Communications		(19,187)	(21,639)
Occupancy		(33,909)	(28,559)
Corporate			
– technical service fees		-	(550,000)
– other		(26,835)	(157,344)
Financing		(3,824)	(2,028)
Borrowing cost		-	(98)
Investment cost		(44,651)	(15,848)
Administration expenses			
– consultants		(61,119)	-
– amortisation of VoIP licence		-	(276,000)
– amortisation of websites		-	(22,839)
– diminution of investments		(32,663)	-
– diminution of investments written back		-	2,950
– exploration expenditure written back/ (off)		-	4,455
– cost of investment sold		(20,148)	(22,781)
– share issue costs		(78,563)	-
– other		(82,738)	(114,873)
OPERATING LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		(652,545)	(1,368,497)
Income tax relating to ordinary activities		-	-
OPERATING LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX		(652,545)	(1,368,497)
Basic earnings per share (cents)	8	(7.89)	(1.97)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share		8,271,394	69,533,488

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003

		Consolidated Entity	
		2003	2002
	Note	$	$
CURRENT ASSETS			
Cash	13(b)	414,156	1,169,446
Receivables		5,103	121,658
Other		5,304	20,560
TOTAL CURRENT ASSETS		424,563	1,311,664
NON CURRENT ASSETS			
Receivables		14,106	14,106
Investments	3	65,850	118,661
Property, plant and equipment	4	37,680	45,214
Intangibles		-	-
Other		-	-
TOTAL NON CURRENT ASSETS		117,636	177,981
TOTAL ASSETS		542,199	1,489,645
CURRENT LIABILITIES			
Payables		67,786	676,188
NON CURRENT LIABILITIES			
Provisions		-	4,636
TOTAL CURRENT LIABILITIES		67,786	680,824
NET ASSETS		474,413	808,821
EQUITY			
Contributed Equity	5	28,780,607	28,462,470
Reserves	6	2,124,000	2,124,000
Accumulated losses	7	(30,430,194)	(29,777,649)
TOTAL EQUITY		474,413	808,821

e statement of financial position should be read in conjunction with the accompanying not

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003

	Note	Consolidated Entity 2003 $	2002 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		40,237	10,224
Payments to suppliers and employees		(840,977)	(524,857)
Payments to exploration and evaluation		-	-
Interest received		31,677	64,367
Interest paid		-	(98)
Refunds for exploration expenditure		-	4,455
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	13(a)	(769,063)	(445,909)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for:			
Equity investments		-	(31,250)
Plant and equipment		(3,282)	(3,296)
VoiceNet System servers		-	(759)
Proceeds from sales of:			
Plant and equipment		43	-
Equity investments		17,012	37,866
Loans to controlled entities		-	-
NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES		13,773	2,561
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for share buy back		-	(77,377)
Payment for share issue costs		-	(12,028)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		-	(89,405)
NET DECREASE IN CASH ASSETS HELD		(755,290)	(532,753)
Cash at beginning of the financial year		1,169,446	1,702,199
CASH AT THE END OF THE FINANCIAL YEAR	13(b)	414,156	1,169,446

The statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

1. BASIS OF PREPARATION

This Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of this Preliminary Final Report are consistent with those adopted and disclosed in the financial statements for the year ended 30 June 2002.

2. LOSS FROM ORDINARY ACTIVITIES

The operating loss from ordinary activities before income tax includes the following items of revenue and expense:

	Consolidated Entity	
	2003	**2002**
(a) Operating revenue	**$**	**$**
Calls revenue	9,557	7,259
Mining royalties	351	28,890
Interest received - other	31,678	62,421
	41,586	98,570
(b) Non-operating revenue		
Proceeds from sale of assets:		
Plant and equipment	43	-
Share investments	17,012	37,866
Revaluation of investments	-	58,040
Other income	-	6,189
Total revenue	58,641	200,665
(c) Expenses		
Operating expenses		
Cost of services	54,288	58,466
Occupancy expenses	33,909	28,559
Finance expenses	3,824	2,028
Borrowing cost	-	98
Corporate expenses		
- Technical services fees	-	550,000
- Other	26,835	157,344
Administration expenses		
- Communications	19,187	21,639
- Consultants	61,119	
- Personnel - employee entitlements	253,261	7,270
- other	-	298,822
- Investment related cost	44,651	15,848
- Amortisation of VoIP licence	-	276,000
- Amortisation of website	-	22,839
- Diminution of investments (written back)	32,663	(2,950)
- Exploration expenses written (back)/off	-	(4,455)
- Depreciation	8,408	44,755
- Cost of assets sold	84	-
- Cost of investment sold	20,148	22,781
- Write off receivables	4	-
- Write down plant and equipment	2,324	70,118
- share issue costs	78,563	-
- Other	71,918	-
	711,186	1,569,162

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

2. LOSS FROM ORDINARY ACTIVITIES (Cont)

(d) Sale of Assets

		Consolidated Entity 2003 $	2002 $
Sale of assets in the ordinary course of business have given rise to the following profits and losses:			
Net Gain	Plant and equipment	(41)	-
	Share investments	(3,136)	15,085
		(3,177)	15,085

3. NON-CURRENT INVESTMENTS

	2003	2002
Investments comprise:		
Shares in listed companies	5,433,416	5,511,607
Less: provision for diminution	(5,367,566)	(5,392,946)
Revaluation value -refer (i)	65,850	118,661
Shares in controlled entities at cost	-	-
Less: provision for diminution	-	-
	65,850	118,661
Market value of listed share investments	65,850	118,661

(i) Shares in listed companies have been revalued to current market values as at the Balance Date. Investments in controlled entities are recorded at Directors' valuation based on the net tangible assets of each controlled entity. Investments in entities, which are not controlled, are brought to account at cost or Directors' valuation. The carrying amount of investments is reviewed bi-annually by the Directors and valued at current market value to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the share's current market value or the underlying net assets in the particular entities. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

Investment in Controlled Entities:	Ownership interest 2003	2002
Hume Mining NL (ACN 064 994 945)		
Incorporated in Australia on 29 March 1994	100%	100%
This company is not currently engaged in any activities.		
Central Exchange Operations Pty Ltd (ACN 094 097 122)		
Incorporated in Australia on 10 August 2000	100%	100%
This company was engaged in telecommunication service operations.		
Such operations were closed down in August 2003. This company is not currently engaged in any activities.		

4. PROPERTY, PLANT AND EQUIPMENT

Consolidated Entity:	Plant & Equipment	Leasehold Improve-ments	Total
Gross Carrying Amount	$	$	$
Balance at 30 June 2002	179,088	21,788	200,876
Additions	3,282	-	3,282
Disposals	(109)	-	(109)
Balance at 30 June 2003	182,261	21,788	204,049
Accumulated Depreciation			
Balance at 30 June 2002	(148,848)	(6,814)	(155,662)
Depreciation expense	(6,162)	(2,246)	(8,408)
Disposals	25	-	25
Write off	(2,324)	-	(2,324)
Balance at 30 June 2003	(157,309)	(9,060)	(166,369)
Net Book Value			
As at 30 June 2002	30,240	14,974	45,214
As at 30 June 2003	24,952	12,728	37,680

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

5. CONTRIBUTED EQUITY

	Consolidated Entity 2003 $	Consolidated Entity 2002 $
8,499,263 (2002: 65,650,000) fully paid ordinary shares	28,780,607	28,462,470

On 8 August 2002, the Company's fully paid ordinary shares were consolidated on a on a one (1) for ten (10) basis
The number of shares on issue prior to such reorganisation was 65,650,000.
The number of shares on issue after such reorganisation was 6,565,027 (after rounding up to whole number of shares).

a) Movement in Ordinary Share Capital

	Consolidated Entity 2003 $	Consolidated Entity 2002 $
Balance at beginning of financial year	28,462,470	28,458,744
Issue of 1,934,236 shares on 12 August 2002	300,000	100,000
Prospectus related costs	18,137	(18,137)
Share buy-back	-	(78,137)
Balance at end of financial year	28,780,607	28,462,470

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

6. RESERVES

	Consolidated Entity 2003 $	Consolidated Entity 2002 $
Option Application Reserve - refer (i)	124,000	124,000
Asset Realisation Reserve - refer (ii)	2,000,000	2,000,000
	2,124,000	2,124,000

(i) There were no movements during the year in this Option Application Reserve. This Option Application Reserve relates to consideration received for the issue of options that have since lapsed.

(ii) There were no movements during the year in this Asset Realisation Reserve. This Asset Realisation Reserve relates to the realisation of revalued mining tenements in prior years.

7. ACCUMULATED LOSSES

	Consolidated Entity 2003 $	Consolidated Entity 2002 $
Balance at beginning of the year	29,777,649	28,409,152
Net loss	652,545	1,368,497
Balance at end of financial year	30,430,194	29,777,649

8. EARNINGS PER SHARE

	Consolidated Entity 2003	Consolidated Entity 2002
Basic earnings per share (cents)	(7.89)	(1.97)
Net loss for the year	(652,545)	(1,368,497)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	8,271,394	69,533,488

Diluted earnings per share is not materially different from basic earnings per share and therefore is not disclosed in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

9. SEGMENT REPORTING

The Consolidated Entity operates in one geographical segment (Australia) in the mining and communication industries.

	External Revenue		Operating Results	
	2003	2002	2003	2002
	$	$	$	$
Mining	351	28,890	351	17,497
Investments	17,012	95,906	(60,386)	76,075
Communications	9,557	7,259	(47,055)	(935,347)
	26,920	132,055	(107,090)	(841,775)
Unallocated	31,721	68,610	(545,455)	(526,722)
	58,641	200,665		
Profit from ordinary activities before income tax			(652,545)	(1,368,497)
Income tax expense relating to ordinary activities			-	-
Profit from ordinary activities after income tax			(652,545)	(1,368,497)

	Assets		Liabilities	
	2003	2002	2003	2002
	$	$	$	$
Investments	65,850	118,661	-	-
Communications	-	2,264	-	-
	65,850	120,925	-	-
Unallocated	476,349	1,368,720	(67,786)	(680,824)
	542,199	1,489,645	(67,786)	(680,824)

	Mining		Investments		Communications	
Other Segment Information	2003	2002	2003	2002	2003	2002
	$	$	$	$	$	$
Acquisition of segment assets	-	-	-	31,250	-	-
Depreciation and amortisation of segment assets	-	-	-	-	-	310,817
Other non-cash expenses						
Write down of segment assets	-	-	-	-	2,324	70,118
Revaluation/ diminution of investments	-	-	32,663	(2,950)	-	-
Write back of segment assets	-	(4,455)	-	-	-	-

The mining segment in 2002 and 2003 derives its revenue from mining royalties.

The telecommunications segment derives its revenues from the provision of voice telecommunications services.

10. ASSOCIATES AND JOINT VENTURES

The Consolidated Entity did not undertake any investments in associated entities or joint ventures during the financial year.

11. DISCONTINUING OPERATIONS

There were no operations discontinued by the Consolidated Entity during the financial year.

12. GAIN/LOSS OF CONTROL OF ENTITIES

There were no entities over which control had been gained or lost by the Consolidated Entity during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

13. STATEMENT TO CASH FLOWS

(a) Reconciliation of Loss from Ordinary Activities after Tax to Net Cash Flows from Operations

	Consolidated Entity 2003 $	Consolidated Entity 2002 $
Operating loss from ordinary activities after tax	(652,545)	(1,368,497)
Depreciation - plant & equipment	8,408	44,755
Amortisation - intangibles	-	298,839
Write off plant and equipment	2,324	70,118
Provision for doubtful debts	-	-
Write off receivables	4	-
Revaluation of investments	-	(58,040)
Provision for diminution	32,663	(2,950)
Gain on sale of investments	3,136	(15,085)
Gain on sale of assets	41	-
Issue of shares in lieu of technical fees	300,000	100,000
	-	-
(Increase)/decrease in assets:		
Current receivables	56,624	(23,011)
Non current receivables	-	-
Other current assets	-	(19,764)
Increase/(decrease) in liabilities:		
Current payables	(515,082)	532,100
Other current liabilities	(4,636)	(4,374)
Net cash flows from operating activities	(769,063)	(445,909)

(b) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated Entity 2003 $	Consolidated Entity 2002 $
Cash at bank	414,156	177,516
Bank bills	-	991,930
	414,156	1,169,446

STATUS OF AUDIT

This Preliminary Final Report is based on accounts to which one of the following applies:

	The accounts have been audited.
X	The accounts are in the process of being audited or subject to review.
	The accounts have been subject to review.
	The accounts have not been audited or reviewed.

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review

None noted