



**BALLARAT  
GOLDFIELDS  
N.L.**

A.C.N. 006 245 441

**HALF-YEAR REPORT  
31 DECEMBER 2001**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2001 and any public announcements made by Ballarat Goldfields NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

## Directors' Report

Your directors present their report on the consolidated entity consisting of Ballarat Goldfields NL and the entities it controlled at the end of, or during, the half-year ended 31 December 2001.

### Directors

The following persons were directors of Ballarat Goldfields NL during the whole of the half -year up to the date of this report:

John B. Roberts  
Andrew A. Woskett

Mark A. Syropoulo - was a director from the beginning of the half year until his resignation on 21 September 2001.

Kerry G. Penna - was appointed a director on 21 September 2001 and continues in office at the date of this report.

### Review of operations

#### Corporate

The Company entered into a conditional Heads of Agreement on 3 August 2001 with Rexadis Pty Ltd. That agreement contemplated the sale of the Company's portfolio of exploration assets and related infrastructure to Rexadis. Completion of the transaction was dependent upon Ballarat Goldfields NL's shareholders giving approval to the sale of the Company's main undertaking, as required by the Listing Rules of Australian Stock Exchange Ltd.

General meetings of shareholders on 4 and 5 June 2002 resolved that the Company would not sell its gold investments to Rexadis Pty Ltd. The Rexadis transaction was effectively cancelled as a result of that decision. By that decision, members confirmed that Ballarat Goldfields NL is to remain a gold exploration company and is to concentrate on development of its exploration assets. The proposal to change the name of Ballarat Goldfields has been abandoned.

By cancellation of the proposed sale to Rexadis it remains a responsibility of the Company to finance retirement of the debt owing to ANZ Banking Group Limited. To that end, since the general meetings, the directors have sought financing support from those parties, which have expressed interest in Ballarat Goldfields NL's exploration assets.

On 14 June 2002 the Company announced that it had arranged with RFC Corporate Finance Ltd (RFC) and Eureka Capital Partners Ltd (Eureka) for a financing structure to be put in place. That structure envisages a combination of loan funds, equity issue and an Underwritten Rights Issue. The loan funding and equity issue aspects are detailed below.

The proposed 3 for 2 underwritten rights issue is intended to raise \$4.3 million of new capital for Ballarat Goldfields NL. The funds received as a result of the rights issue will be applied to extinguish debt within the Ballarat Goldfields NL group and will provide a modest amount for working capital uses. The underwriting proposal is subject to normal rights issue underwriting conditions, including the underwriters' satisfaction with due diligence, completion of sub-underwriting and other matters. The underwriting will also be subject to escape conditions in relation to the gold price (US\$290 per ounce) and S&P/ASX 200 Index (3000 index points). ASX has granted a waiver from listing rule 7.11.3 to permit the Company to conduct a pro rata non-renounceable 3 for 2 rights issue provided the issue is approved by shareholders and the notice of meeting gives full particulars of the proposed underwriting agreement and contains the requisite voting exclusion statement.

BGF anticipates that the rights issue will open in August and September 2002. The underwriters will become entitled to underwriting fees equal in total 5% (excluding GST) of the issue proceeds. RFC will additionally, on re-instatement of BGF to ASX quotation, become entitled at no cost to receive 5 million, 4-year options in BGF at exercise price of 3.45 cents per share.

Ballarat Goldfields NL's re-launch as a gold development company will again address the economic potential of Ballarat Goldfields NL's exploration assets. Therefore, the path ahead for Ballarat Goldfields NL as a gold explorer and project developer firstly requires a review of exploration and development options for the Ballarat Gold Project. It is expected that initial investment in the project will be directed towards improving the value of the project and management of technical risk. The

Board intends to commission an assessment of options for exploitation of the remaining exploration assets.

**Exploration**

No funds were allocated to field exploration activity during the reporting period. No underground work was carried out at the Ballarat Gold Project, apart from minimal essential maintenance.

Project staff were primarily engaged in assisting potential financial supporters of Rexadis Pty Ltd to conduct their due diligence.

**Oztrak Group Pty Ltd**

Oztrak's activity level was reduced in order to minimise expenditure and overheads, including closure of the German subsidiary office in Munich.

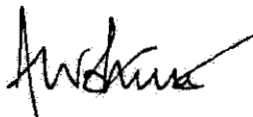
Oztrak Group's sales activity level was noticeably reduced in the second half of calendar 2001 due to reduced capital expenditure by customers and a general downturn in the Telemetry market. Lower sales revenue was incurred as a result.

In the half year Technology revenue was \$752,054. Oztrak Group reported a loss of \$1,487,638 which includes a \$949,940 write off of intangible assets.

Sales revenue was derived from the General Motors Holden project (41%), other telematics projects (39%) and telemetry sales (20%). Oztrak Group's delivery into the Holden project was highly successful. The Oztrak in-vehicle telematics system proved to be the first commercially accepted telematics system brought into the Australian passenger car market.

Oztrak Group and its subsidiary have received four favourable judgements from two separate legal actions in Germany. The actions seek to recover debts totaling over \$2 million (subject to exchange rate fluctuations) due from a defaulting customer. The Court of Appeal in Munich has issued its written verdict in relation to one of the actions. As a result, Oztrak Europe GmbH is now entitled to recover around \$200,000. In the second case, the Court of Appeal has deferred its written verdict until 24 July 2002. Oztrak Group fully expects that verdict to also award full damages against the plaintiff.

This report is made in accordance with a resolution of the directors.



**Andrew Woskett**  
**Managing Director**

Ballarat  
27 June 2002

**Consolidated Statement of Financial Performance**  
For the half-year ended 31 December 2001

	Notes	CONSOLIDATED	
		2001 \$	2000 \$
Revenues from sales of goods	2	729,135	709,397
Cost of sales		(277,091)	(280,160)
Gross profit		452,044	429,237
Other revenue from ordinary activities	2	242,935	54,599
Other expenses from ordinary activities			
Marketing		(153,584)	(271,992)
Administration		(1,549,845)	(1,385,560)
Engineering		(210,967)	(336,702)
Borrowing costs		(41,711)	(55,301)
Other		(226,510)	-
<b>Loss from ordinary activities before income tax expense</b>	2	<b>(1,487,638)</b>	<b>(1,565,719)</b>
Income tax expense		-	-
<b>Net loss attributable to members of Ballarat Goldfields NL</b>		<b>(1,487,638)</b>	<b>(1,565,719)</b>
Net exchange differences on translation of financial report of foreign controlled entity		2,148	(143)
<b>Total revenues, expenses and valuation adjustments attributable to members of Ballarat Goldfields NL recognised directly in equity</b>		<b>2,148</b>	<b>(143)</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>(1,485,490)</b>	<b>(1,565,862)</b>
Loss per share		(1.41)	(1.60)
Diluted loss per share		(1.41)	(1.60)

*The above consolidated statement of financial performance should be read in conjunction with the accompanying notes.*

**Consolidated Statement of Financial Position**  
As at 31 December 2001

	<b>CONSOLIDATED</b>	
	31 December 2001 \$	30 June 2001 \$
<b>CURRENT ASSETS</b>		
Cash	224,429	-
Receivables	278,412	602,338
Inventory	714,648	993,787
<b>TOTAL CURRENT ASSETS</b>	<b>1,217,489</b>	<b>1,596,125</b>
<b>NON CURRENT ASSETS</b>		
Receivables	55	55
Property, plant and equipment	483,329	779,874
Intangible assets	-	1,008,700
Exploration	12,717,191	12,512,523
<b>TOTAL NON CURRENT ASSETS</b>	<b>13,200,575</b>	<b>14,301,152</b>
<b>TOTAL ASSETS</b>	<b>14,418,064</b>	<b>15,897,277</b>
<b>CURRENT LIABILITIES</b>		
Overdraft	993,343	957,882
Accounts payable	1,647,246	1,690,282
Borrowings	165,000	146,474
Provisions	121,568	135,629
Other	45,256	45,256
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,972,413</b>	<b>2,975,523</b>
<b>NON CURRENT LIABILITIES</b>		
Borrowings	84,777	75,000
Provisions	46,661	47,051
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>131,438</b>	<b>122,051</b>
<b>TOTAL LIABILITIES</b>	<b>3,103,851</b>	<b>3,097,574</b>
<b>NET ASSETS</b>	<b>11,314,213</b>	<b>12,799,703</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	70,986,698	70,986,698
Reserves	(38,187)	(40,335)
Accumulated losses	(59,634,298)	(58,146,660)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>11,314,213</b>	<b>12,799,703</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Consolidated Statement of Cash Flows**  
For the half-year ended 31 December 2001

	<b>CONSOLIDATED</b>	
	<b>2001</b>	<b>2000</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	1,128,794	1,583,152
Payments to suppliers and employees (inclusive of goods and services tax)	(1,113,362)	(2,052,863)
	15,432	(469,711)
Interest received	355	719
Borrowing costs	(41,711)	(41,546)
<b>Net cash outflow from operating activities</b>	<b>(25,924)</b>	<b>(510,538)</b>
<b>Cash flows from investing activities</b>		
Exploration expenditure	(66,559)	(243,861)
Payments for property, plant and equipment	(8,919)	(641)
Proceeds from sale of property, plant and equipment	240,371	24,650
<b>Net cash inflow (outflow) from investing activities</b>	<b>164,893</b>	<b>(219,852)</b>
<b>Cash flows from financing activities</b>		
Repayments of loans	-	(78,589)
Loans from Directors	50,000	100,000
<b>Net cash inflow from financing activities</b>	<b>50,000</b>	<b>21,411</b>
<b>Net increase (decrease) in cash held</b>	<b>188,969</b>	<b>(708,979)</b>
Overdraft at the beginning of the reporting period	(957,882)	(259,336)
<b>Net overdraft at the end of the reporting period</b>	<b>(768,913)</b>	<b>(968,315)</b>

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

**Notes to the Consolidated Financial Statements**  
For the half-year ended 31 December 2001

**Note 1. Basis of preparation**

This general purpose financial report for the interim half-year reporting period ended 31 December 2001 has been prepared in accordance with Accounting Standard AASB 1029 Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2001 and any public announcements made by Ballarat Goldfields NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**a Going concern basis of accounting**

The Company had net current liabilities of \$1,754,924 at 31 December 2001 and made a net loss during the half year period of \$537,698. However, the directors consider the preparation of the half-year financial report on a going concern basis is appropriate, due to the following factors and proposed actions in order to satisfy the entity's working capital requirements and to enable the Company to pay its debts as and when they fall due.

Since balance date, the consolidated entity has received funding support from several sources. These are:

- \$100,000 as a result of a share placement to Rexadis Pty Ltd on 3 April 2002;
- a loan facility of \$300,000 from Eureka Capital Partners Ltd on 13 May 2002 secured over the assets of Ballarat Goldfields NL;
- the ANZ Banking Group Limited have agreed to extend the overdraft facility to 30 September 2002;
- a \$200,000 extension to the loan facility from Eureka on 24 June 2002;
- a placement of shares to RFC Corporate Finance Ltd and others on 24 June 2002 at two cents per share raising \$276,419
- a statement of intention by RFC and Eureka that each intends equally and severally to enter into an underwriting agreement with Ballarat Goldfields NL to facilitate a 3 for 2 rights issue at an issue price of 2.3 cents per share. The rights issue, if completed, is expected to raise \$4.3 million (exclusive of underwriters' fees) and result in Ballarat Goldfields NL having an issued capital of approx 320 million fully paid ordinary shares on issue. The issue proceeds shall be applied to extinguish debt within the Ballarat Goldfields NL group and will provide a modest amount for working capital uses. The underwriting proposal is subject to normal rights issue underwriting conditions, including the underwriters' satisfaction with due diligence, completion of sub-underwriting and other matters. The underwriting will also be subject to escape conditions in relation to the gold price (US\$290 per ounce) and S&P/ASX 200 Index (3000 index points). ASX has granted a waiver from listing rule 7.11.3 to permit the Company to conduct a pro rata non-renounceable 3 for 2 rights issue provided the issue is approved by shareholders and the notice of meeting gives full particulars of the proposed underwriting agreement and contains the requisite voting exclusion statement.

A full form prospectus is to be prepared and lodged with ASIC before applications for rights can be sought. The prospectus is expected to be lodged with ASIC in late July 2002, after which the Company shall apply to ASX for its securities to be re-instated for official quotation on ASX.

Oztrak Group and its subsidiary have received four favourable judgements from two separate legal actions in Germany. The actions seek to recover debts totaling over \$2 million (subject to exchange rate fluctuations) due from a defaulting customer. The Court of Appeal in Munich has issued its written verdict in relation to one of the actions. As a result, Oztrak Europe GmbH is now entitled to recover around \$200,000. In the second case, the Court of Appeal has deferred its written verdict until 24 July 2002. Oztrak Group fully expects that verdict to also award full damages against the plaintiff. The expected award has not been recognised as a receivable in the statement of financial position at 31 December 2001.

While the directors are confident that the factors and proposed actions will result in adequate funding being available to support the continuity of the operations of the company, there is inherent uncertainty as to the quantum and timing of such funding. Accordingly, there is significant uncertainty as to the Company's ability to continue as a going concern and therefore whether the Company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

No adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities that might be necessary should the company not continue as a going concern.

## Note 2. Segment Information

	Technology	Resources	Inter-segment eliminations	Consolidated
	\$	\$	\$	\$
<b>Industry Segments - December 2001</b>				
Sales to customers outside the consolidated entity	729,135	-	-	729,135
Other revenue	22,919	220,016	-	242,935
Total segment revenue	<u>752,054</u>	<u>220,016</u>	<u>-</u>	<u>972,070</u>
Segment result	<u>(1,368,141)</u>	<u>(119,497)</u>	<u>-</u>	<u>(1,487,638)</u>
<b>Industry Segments - December 2000</b>				
Sales to customers outside the consolidated entity	709,397	-	-	709,397
Other revenue	53,879	720	-	54,599
Total segment revenue	<u>763,276</u>	<u>720</u>	<u>-</u>	<u>763,996</u>
Segment result	<u>(1,263,884)</u>	<u>(301,835)</u>	<u>-</u>	<u>(1,565,719)</u>

Included within administration expenses and the Technology segment result for the 2001 half-year period is a write off of intangible assets of \$949,940.

## Note 3. Dividends

The Directors do not recommend that a dividend be paid (2000: nil). Since the end of the previous financial year, no dividend has been declared or paid.

## Note 4. Contingent Liabilities and Contingent Assets

Other than as described in this financial report, there have been no changes in the Contingent Liabilities or Contingent Assets during the half-year ended 31 December 2001.



## Note 5. Event Occurring after Reporting Date

Since 31 December 2001:

- a. On 28 March 2002 Rexadis subscribed for a placement of new Ballarat Goldfields ordinary shares, in accordance with an agreement dated 6 February 2002. Accordingly, 4,322,589 shares were allotted and issued to Rexadis at an issue price of 2.313 cents per share. As a result Rexadis became the largest shareholder in Ballarat Goldfields NL having 3.92% of the issued capital at that date. The new shares were listed for official quotation on ASX on 18 April 2002.
- b. On 13 May 2002 Eureka provided a \$300,000 loan facility to Ballarat Goldfields NL secured over the assets of the Company. The loan is repayable within 12 months and requires quarterly interest payments in arrears at an annual interest rate equivalent to the ANZ Banking Group Limited Bank 90-day bank bill rate plus 3%.
- c. A \$100,000 unsecured loan received from the John Roberts Superannuation Fund on 14 September 2000, an entity in which director Mr JB Roberts has a beneficial interest, was converted into 1,111,111 new fully paid ordinary Ballarat Goldfields NL shares pursuant to shareholder approval received at the general meeting held on 9 May 2001. The shares were listed for official quotation on ASX on 19 April 2002.
- d. Oztrak Group and its subsidiary have received four favourable judgements from two separate legal actions in Germany. The actions seek to recover debts totaling over \$2 million (subject to exchange rate fluctuations) due from a defaulting customer. The Court of Appeal in Munich has issued its written verdict in relation to one of the actions. As a result, Oztrak Europe GmbH is now entitled to recover around \$200,000. In the second case, the Court of Appeal has deferred its written verdict until 24 July 2002. Oztrak Group fully expects that verdict to also award full damages against the plaintiff.
- e. Shareholder general meetings held on 4 and 5 June 2002 determined that the Company should not dispose of its exploration assets to Rexadis Pty Ltd and the agreement with Rexadis was annulled as a consequence of that decision.
- f. After the shareholder general meetings Ballarat Goldfields NL sought expressions of support from parties able to assist the Company recapitalise in order to settle its debts and move forward again as an active gold explorer. On 14 June 2002 the Company agreed terms with RFC Corporate Finance Ltd (RFC) and Eureka Capital Partners Ltd (Eureka) for those parties to provide underwriting assistance to Ballarat Goldfields NL. The proposed underwriting facility involves each of RFC and Eureka equally and severally underwriting a 3 for 2 non renounceable rights issue of new Ballarat Goldfields NL shares at an issue price of 2.3 cents per share. The Company intends to develop a prospectus document for issue to ASX, ASIC and shareholders. Directors expect that the prospectus will be lodged with the regulators in late July and that the Company may then apply to ASX for its securities to be reinstated for official quotation on ASX.
- g. The ANZ Banking Group Limited has agreed to extend the overdraft facility to 30 September 2002.
- h. Eureka extended its loan facility to Ballarat Goldfields NL by \$200,000 on 24 June 2002.
- i. A placement of shares to RFC and others on 24 June 2002 at two cents per share raised \$276,419.

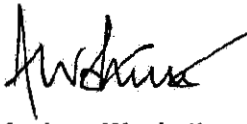
## Directors' Declaration

The directors declare that the financial statements and notes set out on pages 4 to 9:

- (a) Comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (b) Give a true and fair view of the consolidated entity's financial position as at 31 December 2001 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion, having considered the matters detailed in note 1(a) to the financial statements, there are reasonable grounds to believe that Ballarat Goldfields NL 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 directors.



**Andrew Woskett**  
Managing Director

Ballarat  
27 June 2002

## Independent review report to the Members of Ballarat Goldfields NL

**PricewaterhouseCoopers**  
ABN 52 780 433 757

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MELBOURNE VIC 3001  
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### Scope

We have reviewed the financial report of Ballarat Goldfields NL (the Company) for the half-year ended 31 December 2001 as set out on pages 4 to 10. The Company's directors are responsible for the financial report which includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of, or during, the half-year. We have performed an independent review of the financial report in order for the Company to lodge the financial report with the Australian Securities & Investments Commission. This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements and the Corporations Act 2001 in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows.

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

### Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the Company is not in accordance with:

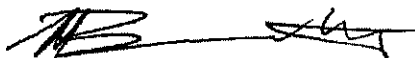
- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2001 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

### Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the review report expressed above, attention is drawn to the following matters. As a result of the matters described by the directors in Note 1(a) to this financial report for the half year ended 31 December 2001, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



PricewaterhouseCoopers  
Chartered Accountants



S C Bannatyne

Partner

Melbourne

27 June 2002

Liability is limited by the Accountant's Scheme under the Professional Standards Act 1994 (NSW)

## Corporate Directory

### Directors

- John B. Roberts B Sc., FAusIMM (*Chairman*)
- Andrew A. Woskett B Eng., FAusIMM (*Managing Director*)
- Kerry G. Penna B Sc., ASMB (Geol, Met), MAdmin, MAIM, MIMC, MAICD

### Secretary

- Andrew A. Woskett

### Registered Office

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### Share Registry

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Victoria 3000  
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Tel: 03 9611 5711  
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### Auditor

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Australia

### Bankers

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Victoria 3350  
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### Lawyers

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### Baker & McKenzie Solicitors

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