

VALDERA RESOURCES
LIMITED (ACN 34 090 074 785)

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11 February 2003

Australian Stock Exchange
Company Announcements
20 Bridge Street
Sydney NSW 2000

Via electronic lodgement

Annual Report for Golden Gate Resources Ltd

Further to our announcement on 10 February 2003 please find attached the Annual Report for Golden Gate Resources Ltd for the year ended 31 August 2002.

If you have any further queries in relation to the above please do not hesitate to contact me.

Yours faithfully,



Craig Burton
Executive Director

QUARTERLY AND YEAR END REPORT

BC FORM 51-901F (previously Form 61)

ISSUER DETAILS Name of Issuer		<i>For Quarter Ended</i>		<i>Date of Report</i> YY/MM/DD	
Golden Gate Resources Ltd.		August 31, 2002		03/01/18	
<i>Issuer Address</i>					
225 Kindee Road					
<i>City</i>	<i>Province</i>	<i>Postal Code</i>	<i>Issuer Fax No.</i>	<i>Issuer Telephone No.</i>	
Long Flat, New South Wales	Australia	2446	011-61-2-6587-4477	011-61-2-6587-4348	
<i>Contact Name</i>		<i>Contact Position</i>		<i>Contact Telephone No.</i>	
Sam Russotti		President & Director		011-61-2-6587-4348	
<i>Contact E-mail Address</i>			<i>Website Address</i>		
samr@ozemail.com.au			www.ggri.com.au		

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholders who request it.

<i>DIRECTOR'S SIGNATURE</i>	<i>PRINT FULL NAME</i>	<i>DATE SIGNED</i> YY/MM/DD
"Sam Russotti"	Sam Russotti	03/01/18
<i>DIRECTOR'S SIGNATURE</i>	<i>PRINT FULL NAME</i>	<i>DATE SIGNED</i> YY/MM/DD
"Frank Petruzzelli"	Frank Petruzzelli	03/01/18

Incorporated as part of:

 X Schedule A

Schedules B & C

Auditors' Report and Consolidated Financial Statements of

GOLDEN GATE RESOURCES LTD.

August 31, 2002 and 2001

Auditors' Report

To the Shareholders of
Golden Gate Resources Ltd.

We have audited the consolidated balance sheets of Golden Gate Resources Ltd. as at August 31, 2002 and 2001 and the consolidated statements of loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles applied on a consistent basis.

"Deloitte Touche Tohmatsu"

DELOITTE TOUCHE TOHMATSU

"JA Leotta"

JA Leotta
Partner
Chartered Accountants

Sydney, 16 January 2003

GOLDEN GATE RESOURCES LTD.
(Incorporated under the Company Act of British Columbia)
Consolidated Balance Sheets
August 31, 2002 and 2001

	2002	2001
	\$	\$
ASSETS		
CURRENT		
Cash	821,237	2,728,086
Accounts receivable	40,007	7,709
	861,244	2,735,795
CAPITAL ASSETS (Note 4)	5,772	2,852
RESOURCE PROPERTIES (Note 5)	9,631,228	3,485,992
	10,498,244	6,224,639
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	61,482	157,565
Loan payable (Note 8)	1,154,970	14,269
	1,216,452	171,834
SHAREHOLDERS' EQUITY		
Capital stock (Note 6)		
Authorized		
Unlimited common shares without par value		
Issued		
Subscriptions received	-	11,250
56,224,965 common shares (2001 - 48,699,965)	16,611,265	13,126,570
Deficit	(7,329,473)	(7,085,015)
	9,281,792	6,052,805
	10,498,244	6,224,639

CONTINUING OPERATIONS (Note 1)

Approved by the Directors

"Sam Russotti"

Salvatore Russotti, Director

"Frank Petruzzelli"

Frank Petruzzelli, Director

See accompanying notes to the consolidated financial statements.

GOLDEN GATE RESOURCES LTD
Consolidated Statements of Loss and Deficit
For the years ended August 31, 2002 and 2001

	2002	2001
	\$	\$
REVENUE		
Sales	79,967	-
Cost of Sales/amortization	(74,884)	-
Gross Profit	5,083	-
EXPENSES		
Accounting and audit	37,892	11,468
Administration	46,913	24,771
Depreciation	1,141	5,621
Filing fees	10,175	18,676
Foreign exchange (gain)/expense	(205,127)	82,130
Legal	105,773	4,821
Office and printing	3,014	9,790
Rent	387	289
Insurance	18,900	-
Shareholder information	15,466	5,575
Transfer agent fees	7,832	4,213
Interest	(56,274)	(26,694)
Travel and promotion	20,411	6,227
Other expenses	15,129	-
	21,633	146,887
LOSS BEFORE UNDERNOTED ITEMS	(16,550)	(146,887)
WRITE-OFF OF RESOURCE PROPERTIES	(227,908)	-
NET LOSS FOR THE YEAR	(244,458)	(146,887)
DEFICIT AT BEGINNING OF YEAR	(7,085,015)	(6,938,128)
DEFICIT AT END OF YEAR	(7,329,473)	(7,085,015)
LOSS PER SHARE	(0)	(0)
WEIGHTED AVERAGE NUMBER OF SHARES	52,462,465	18,659,415

Supplimental Disclosure of Interest Income and Expense

During the year ended August 31, 2002 the Company earned \$83,951 interest on its cash deposits and incurred \$27,677 interest expense on its loans.

See accompanying notes to the consolidated financial statements.

GOLDEN GATE RESOURCES LTD.
Consolidated Statements of Cash Flows
For the years ended August 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(244,458)	(146,887)
Items not involving cash		
Depreciation/Amortisation	76,025	5,621
Write-off of resource properties	227,908	-
	<u>59,475</u>	<u>(141,266)</u>
Change in non-cash operating working capital:		
Accounts receivable	(32,298)	(4,736)
Accounts payable	(96,083)	113,093
	<u>(68,906)</u>	<u>(32,909)</u>
FINANCING ACTIVITIES		
Capital stock issued for cash	3,473,445	5,437,667
Subscriptions received	-	11,250
Proceeds from external loans	1,489,431	
Loan repayment	(348,730)	14,269
	<u>4,614,146</u>	<u>5,463,186</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(4,061)	(2,914)
Resource properties expenditures	(6,448,028)	(2,721,622)
	<u>(6,452,089)</u>	<u>(2,724,536)</u>
INCREASE IN CASH DURING THE YEAR	(1,906,849)	2,705,741
CASH AT BEGINNING OF YEAR	2,728,086	22,345
CASH AT END OF YEAR	821,237	2,728,086
Supplemental Information:		
Interests paid	27,677	-

Supplemental Disclosure of Non-cash Investing and Financing Activities:

During the year ended August 31, 2002 there were no non-cash investing and financing activities.

During the year ended August 31, 2001 the Company granted 2,000,000 Warrants at an exercise price of \$0.45 per share, 7,000,000 Warrants at an exercise price of \$0.30 per share and 4,530,000 warrants at an exercise price of \$0.15 in connection with the Padre Island acquisition. (Notes: 5 (a) & 6 (e))

See accompanying notes to the consolidated financial statements.

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

1. CONTINUING OPERATIONS

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business.

During the year ended August 31, 2002 the Company incurred a net loss of \$244,458 (2001 - \$146,887) and at August 31, 2002 has a working capital deficit of \$355,208. Continuation of the Company as a going concern is dependent upon its ability to raise additional funds to continue the exploitation of its exploration acreage and to repay its loans.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. NATURE OF OPERATIONS

The Company is in the process of exploring its resource properties and has not determined whether these properties contain substantial reserves which are economically recoverable.

The recoverability of amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and future profitable production from the properties or proceeds from disposition.

The acquisition and verification of title to properties is a very time consuming process. As common with all resource companies, there can be no assurance that title to the properties will ultimately be secured and will not be challenged.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Frontier Bonaparte Pty Ltd. Frontier Bonaparte Pty Ltd. was acquired during 2000. All intercompany balances and transactions have been eliminated.

(b) Financial instruments

The fair values of the Company's cash, accounts receivable, accounts and loans payable and accrued liability, were estimated to approximate their carrying values.

(c) Cash

Cash consists of cash on hand, deposits in banks and highly liquid investments with an original maturity of ninety days or less.

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Capital assets

Capital assets are recorded at cost and amortized on a declining balance basis at the following annual rates:

Furniture and fixtures	20%
Computer hardware	30%

(e) Resource properties

Acquisition costs of resource properties together with direct exploration and development expenditures thereon are deferred in the accounts. When production is attained these costs are amortized on a cost per unit of production basis. The cost per unit of production is obtained by dividing the deferred expenditure for a property by management's best estimate of the reserves reasonably expected to be recovered from the property. When deferred expenditures on individual producing properties exceed the estimated net realizable value, the properties are written down to the estimated value. Costs relating to properties abandoned are written-off when the decision to abandon is made.

(f) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results may differ from those estimates.

(g) Foreign Currency Translation

The Company uses the temporal method to translate transactions and balances denominated in foreign currencies. Under this method, monetary items are translated at the rate of exchange in effect at the balance sheet date and non-monetary items are translated at historical exchange rates. Revenue and expense items are translated at exchange rates on the day they occurred except for depletion, depreciation and amortization of assets which are translated using the same rates as the related assets. Gains and losses on translation are recorded in the statement of income except for exchange gains and losses on long-term monetary items which are deferred and amortized over the remaining life of the monetary item.

(h) Revenue Recognition

The Company receives its revenue from the sale of natural gas and condensate. Revenue from sales is recognised when the product is delivered to the point of sale. The point of sale for gas is the entry point into the pipeline at the relevant producing wellsite and for condensate a sale is recognised when the condensate is loaded onto the customer's truck from the storage tanks at the wellsite.

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) *Future Income Taxes*

The Company accounts for income taxes using the asset and liability method whereby future income tax assets and liabilities are recorded based on temporary differences between the carrying amounts of balance sheet items and their corresponding tax bases. In addition the future benefits of income tax assets including unused tax losses are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such losses will be ultimately utilized. Future income tax assets and liabilities are measured using enacted tax rates and laws that are expected to apply when the tax assets or liabilities are to be either settled or realized.

(j) *Loss per Share*

In the year ended August 31, 2002, the Company retroactively adopted the treasury stock method for the calculation of fully diluted earnings per share in accordance with the new accounting recommendations issued by the Canadian Institute of Chartered Accountants ("CICA"). As a result of this change, fully diluted earnings per share is computed using the weighted average number of common and common equivalent shares outstanding during the year. Common equivalent shares consist of the incremental common shares exercisable upon the exercise of stock options and are excluded from the computation if their effect is anti-dilutive. The adoption of this policy has no impact on the Company's current or previously stated diluted earnings per share.

(k) *Stock Options*

The Company provides options to directors, officers, employees and others to buy shares of the Company, thereby allowing them the opportunity to participate in the progress of the Company. No compensation expense is recognized when the stock options are granted or exercised. Any consideration received by the Company on the exercise of stock options is credited to share capital.

(l) *Measurement base*

The reporting currency is Australian dollars.

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

4. CAPITAL ASSETS

	2002			2001		
	Cost	Accumulated depreciation	Net Book Value	Cost	Accumulated depreciation	Net Book Value
Computer hardware	6,913	1,141	5,772	2,852	-	2,852
	\$ 6,913	\$ 1,141	\$ 5,772	\$ 2,852	\$ -	\$ 2,852

5. RESOURCE PROPERTIES

Resource properties consist of:

	2002	2001
Padre Island Project (a)		
Acquisition costs	\$ 3,876,406	\$ 1,265,045
Administration/Legal costs	7,620	-
Siesmic and lease costs	2,552,491	1,395,761
Drilling costs	2,197,629	-
Completion costs	354,606	-
Consultants	47,026	-
Travel costs	23,000	-
Amortization	(74,884)	-
	8,983,893	2,660,806
Malta Oil and Gas Project (b)		
Administration costs	\$ 8,558	\$ 8,558
Geological study costs	23,291	7,394
Management costs	39,950	39,950
Rental costs	27,409	27,409
Training costs	12,141	12,141
Travel costs	8,244	8,244
Write offs	(119,592)	-
	(0)	103,696
Australian Oil and Gas Properties (c)		
Acquisition costs	563,550	563,550
Other deferred costs	192,101	157,940
Write offs	(108,316)	-
	647,335	721,490
Total resource properties	\$ 9,631,228	\$ 3,485,992

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

5. RESOURCE PROPERTIES (Continued)

(a) *Padre Island Project, South West Texas*

During the year ended August 31, 2002, the Company exercised its option whereby it had up to August 31, 2002 to elect to become a full member of the Padre Island Joint venture by paying a 10% share of past seismic, land and joint venture overhead costs (calculated at US\$1,531,598 or C\$2,387,608). After monies already paid towards those costs (C\$2,552,491) in relation to specific prospects were credited towards the total cost. The exercise of the option was financed by a 12 month line of credit of US\$1,531,598 (C\$2,387,608) provided by BNP Petroleum Corporation, the operator of the Padre Island Joint Venture. As at the date of this report the Company had drawn down US\$731,598 (C\$1,140,488). Interest on the drawn amount is payable monthly in arrears at an interest rate of the US prime rate (currently 4.25%) plus 2%. This agreement replaces the previous participation agreement described in the next paragraph.

During the year ended August 31, 2001, the Company acquired the right to elect to participate at a 10% working interest level in any future prospects pursued by the Joint Venture (which consists of BNP Petroleum, Novus Petroleum and Mitsui) within the Padre Island Project area. This right expires on December 31, 2004.

To finance the acquisition, the Company, on June 1, 2001, issued, 530,000 units consisting of 530,000 shares at a price of \$0.15 per share and 530,000 warrants at an exercise price of \$0.15 per share. The warrants are exercisable for a period expiring on May 31, 2003. To fund the exercise of the option and provide working capital, the Company, on June 1, 2001, issued by way of a private placement, 36 million shares at a price of \$0.15 per share.

Consideration for a finders fee was satisfied by the granting on June 1, 2001, 4,000,000 share warrants to unrelated parties. The warrants are exercisable at \$0.15 per share, until May 31, 2003.

(b) *Malta oil and gas property, Malta*

During the year ended August 31, 2002, the Study Group elected to withdraw from Malta blocks 4 & 5. Although drillable prospects existed they were considered to be too high risk for the Study Group to finance 100% and as farmout efforts had been unsuccessful the Study Group has withdrawn from the blocks. As a result of its withdrawal the Company has written off from its balance sheet the deferred expenditure (\$119,592) associated with those blocks.

(c) *Australian Oil and Gas Projects*

During the year ended August 31, 2002 no wells were drilled in these Projects. Work continues on seismic reprocessing and reinterpretation, geological and petrophysical studies, reservoir simulation, market studies and permit maintenance.

During the year ended August 31, 2002, the operator of ATP598P and EP66 (Amity Oil) concluded that those permits had low prospectivity and no suitable drilling prospects had been found and recommended that the Joint Venture withdraw from both permits. The Joint Venture unanimously agreed to withdraw from the permits. As a result of the decision to withdraw the company has written off the deferred expenditure (\$108,316) related to those permits from its balance sheet.

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

6. CAPITAL STOCK

(a) Changes in issued capital stock during the years ended August 31, 2002 are as follows:

	2002		2001	
	Number of common shares	Amount	Number of common shares	Amount
Issued at beginning of year	48,624,965	\$ 13,126,570	10,736,090	\$ 7,638,903
Acquisition of Padre Island Project (Note 5(a))	-	-	530,000	77,351
Private placement (b)	7,000,000	3,389,695	36,500,000	5,275,066
Exercise of warrants (c) & (e)	375,000	56,250	745,000	104,000
Exercise of stock options (d)	150,000	27,500	113,875	31,250
Issue of escrow shares (f)	-	-	-	-
Issue on subscriptions received	75,000	11,250	-	-
Issued at end of year	56,224,965	\$ 16,611,265	48,624,965	\$ 13,126,570
Subscriptions received (c)	-	\$ -	75,000	\$ 11,250

(b) During the year ended August 31, 2002 the Company issued, pursuant to a private placement, 7,000,000 shares at a price of \$0.51 per share. Share issue costs of \$180,305 have been deducted from the issued capital. During the year ended August 31, 2002 the Company issued 525,000 shares pursuant to the exercise of options and warrants and 75,000 shares pursuant to the exercise of options for which subscriptions were received during the year ended August 31, 2001.

During the year ended August 31, 2001, the Company issued, pursuant to a private placement, 36,000,000 shares at a price of \$0.15 per share. During the year ended August 31, 2001, the Company, pursuant to a private placement for which subscriptions were received in the year ended August 31, 2000, issued 500,000 units. Each unit consisted of one share at \$0.15 and one share purchase Warrant entitling the subscriber to purchase one additional share at \$0.11 for two years. Share issue costs of \$199,934 were deducted from the issued capital.

(c) During the year ended August 31, 2002, the Company received \$ 56,250 pursuant to the exercise of 375,000 warrants.

During the year ended August 31, 2001, the Company received \$104,000 pursuant to the exercise of 745,000 Warrants. During the year ended August 31, 2001, the Company issued 7,000,000 share purchase Warrants at an exercise price of \$0.30 expiring on May 31, 2003 and 2,000,000 share purchase Warrants at an exercise price of \$0.45 per share also expiring

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

6. CAPITAL STOCK (Continued)

on May 31, 2003. During the year ended August 31, 2001, a total of 540,000 Warrants with an exercise price of \$0.20 per share were cancelled. During the year ended August 31, 2001 the Company received subscriptions of \$11,250 for the exercise of 75,000 options at \$0.15 per share, these shares were issued after August 31, 2001.

A summary of Warrant activity and information concerning currently outstanding and exercisable warrants is as follows:

	Number of Common Shares	Weighted Average Exercise Price Per Share
	<u> </u>	<u> </u>
Balance, August 31, 1998	Nil	\$ -
Warrants granted	1,583,334	0.16
Warrants exercised	(400,003)	0.15
Balance, August 31, 1999	1,183,331	0.20
Warrants granted	1,585,000	0.15
Warrants cancelled/expired	(733,331)	0.20
Balance, August 31, 2000	2,035,000	\$ 0.17
Warrants granted	500,000	0.11
Warrants granted	7,000,000	0.30
Warrants granted	2,000,000	0.45
Warrants granted	4,530,000	0.15
Warrants granted	(375,000)	0.15
Warrants exercised	(745,000)	0.14
Warrants cancelled/expired	(990,000)	0.20
Balance, August 31, 2001	13,955,000	\$ 0.32
Warrants cancelled/expired	(800,000)	0.11
Balance, August 31, 2002	13,155,000	\$ 0.28

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

6. CAPITAL STOCK (Continued)

The following table summarizes information concerning outstanding and exercisable Warrants at August 31, 2002:

Warrants Outstanding and Exercisable			
Number Outstanding		Average Remaining Contractual Life (in years)	Weighted Average Exercise Price Per Share
4,155,000	Note (e)	0.75	\$ 0.15
2,000,000		0.75	0.45
7,000,000		0.75	0.30
13,155,000		0.75	\$ 0.28

Each warrant entitles the holder to purchase one fully paid share at the exercise price at any time during the life of the warrant.

- (d) The Board of Directors of the Company adopted an Incentive Stock Option Plan (the "Plan") on June 8, 1998, which was approved by the Shareholders of the Company on August 5, 1998 and by the Canadian Venture Exchange on December 1, 1998.

The purpose of the Plan was to allow the Company to grant options to directors, officers, employees and service providers, as additional compensation and as an opportunity to participate in the profitability of the Company by granting to such individuals options exercisable over periods of up to five years as determined by the Board of Directors. The granting of such options aligns the interests of such person with that of the Company. Options are required to have an exercise price no less than the market price prevailing on the day that the option is granted. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees, and service providers of the Company and its subsidiaries.

The Plan provides that number of Common Shares that may be issued to any one optionee under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements may not exceed 20% of the total number of issued and outstanding Common Shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% on a yearly basis.

The Plan provides that if a change of control, as defined herein, occurs, all shares subject to options shall immediately become vested and thereupon may be exercised in whole or in part by the option holder.

As at August 31, 2002, the Company had granted a total of 2,834,800 Incentive Stock Options under the Plan. As at August 31, 2002, 363,875 had been exercised and 1,570,925 had been cancelled leaving 900,000 Incentive Plan Stock Options current and outstanding.

As at August 31, 2002, the Company had granted 469,800 Incentive Stock Options at one exercise price of \$0.10 per share, 869,800 Incentive Stock Options at an exercise price of \$0.15 per share,

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

6. CAPITAL STOCK (Continued)

860,000 Incentive Stock Options at an exercise price of \$0.20 per share and 500,000 Incentive Stock Options at an exercise price of \$0.63 per share. As at August 31, 2002, 183,375 Incentive Stock Options at \$0.20 per share and 180,500 Incentive Stock Options at \$0.15 per share had been exercised. During the year ended August 31, 2001, a total of 1,570,925 Incentive Stock Options with an average exercise price of \$0.16 per share were cancelled.

A summary of Incentive Plan Stock Option activity and information concerning currently outstanding and exercisable Stock Options is as follows:

	<u>Options Outstanding</u>	
	<u>Number of Common Shares</u>	<u>Weighted Average Exercise Price Per Share</u>
Balance, August 31, 1998	Nil	\$ -
Incentive Options granted	860,000	0.20
Incentive Options exercised	(25,000)	0.20
Balance, August 31, 1999	835,000	0.20
Incentive Options granted	605,000	0.15
Balance, August 31, 2000	1,440,000	\$ 0.18
Incentive Options granted	869,800	0.15
Incentive Options exercised	(130,000)	0.15
Incentive Options exercised	(58,875)	0.20
Incentive Options cancelled	(469,800)	0.10
Incentive Options cancelled	(424,500)	0.15
Incentive Options cancelled	(676,625)	0.20
Balance, August 31, 2001	550,000	0.28
Incentive Options granted	500,000	0.63
Incentive Options exercised	(50,000)	0.15
Incentive Options exercised	(100,000)	0.20
Balance, August 31, 2002	900,000	0.42

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

6. CAPITAL STOCK (Continued)

The following table summarizes information concerning outstanding and exercisable Incentive Options as at August 31, 2002:

Incentive Options Outstanding and Exercisable				
Number Outstanding	Average Remaining Contractual Life (in years)	Weighted Average Exercise Price Per Share	Number Exercisable	Weighted Average Exercise Price Per Share
400,000	3.75	0.15	350,000	\$ 0.15
500,000	4.50	0.63	250,000	0.63
900,000	4.17	0.42	600,000	\$ 0.35

- (e) During the year ended August 31, 2001 the Company granted 4,000,000 and 530,000 warrants to unrelated parties as a finders fee and consideration for the acquisition of the interest in the Padre Island Project (refer to note 5(a)). These share warrants are exercisable at a rate of \$0.15 per share until May 31, 2003.

During the year ended August 31, 2002, 375,000 of these warrants were exercised leaving a balance of 4,155,000 outstanding which expire on May 31, 2003.

- (f) At August 31, 2002 there are 612,915 shares held in escrow (2001 – 612,915).

7. RELATED PARTY TRANSACTIONS

During the year ended August 31, 2002 the company incurred administration fees of \$33,300 (2001 – \$24,771) with a current director and directors fees of \$13,612 (2001 - \$4,700) for its non executive directors. Of these amounts \$4,284 (2001 -\$36,750) has been included in accounts payable as being owed to the current directors.

During the year ended August 31, 2002 the Company paid \$26,039 (2001 -\$59,712) to a company affiliated to a director for services performed on behalf of the Company.

8. LOAN PAYABLE

During the year ended August 31, 2002 the Company, as a result of its acquisition of a full 10% working interest in the Padre Island Project (note 5(a)), drew down \$1,140,488 from its credit facility with BNP Petroleum Corporation. The \$1,140,488 is to be repaid to the Lender on August 31, 2003. During the year ended August 31, 2002 the Company fully repaid a short term loan of \$348,730 due to third party lenders.

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

9. SUBSEQUENT EVENTS

Subsequent to the year ended August 31, 2002, two more wells in the Padre Island Project drilling programme, Dunn-Murdock – 1 and West Bird – 1 were drilled and completed as gas producers. Dunn-Murdock – 1 commenced production of sales gas in October 2002. West Bird – 1 is expected to commence production of sales gas during January 2003. During December 2002 adverse mechanical problems within the well caused production from LaPlaya – 1 to cease. The Operator has embarked on a re-completion programme with the aim of re-establishing production from a shallower zone in the well.

Subsequent to the year ended August 31, 2002 the Company completed the formation of a wholly owned USA subsidiary (GGR Petroleum LLC incorporated in the state of Delaware) and a Texas limited company (Long Flat Ltd incorporated in the state of Texas). The Company's interests in Padre Island will be transferred to and held in these companies.

10. SEGMENTED INFORMATION

The Company operates in one industry segment, the oil and gas industry. The Company's resource properties are in the following geographic locations with all other assets held in Australia:

	<u>2002</u>	<u>2001</u>
USA	\$ 8,983,893	\$ 2,660,807
Malta	0	103,695
Australia	647,335	721,490
	<u>\$ 9,631,228</u>	<u>\$ 3,485,992</u>

During the year ended August 31, 2002 all of the Company's Sales Revenue from gas and condensate sales (\$79,967) was earned in the USA.

11. INCOME TAXES

The Company's actual income tax recovery differs from the income tax recovery which would result from applying the statutory tax rate to loss before income taxes primarily as a result of not recording the potential tax recovery of operating losses and other non-taxable items and the statutory rate differences between Canada and foreign jurisdictions.

GOLDEN GATE RESOURCES LTD.
Notes to the Consolidated Financial Statements
August 31, 2002 and 2001

The approximate tax effect of each type of temporary difference at August 31, 2002 that gives rise to the Company's future income tax assets are as follows:

	<u>2002</u>	<u>2001</u>
Future tax assets		
Non-capital loss carryforwards	\$ 1,294,083	\$ 1,331,222
Deferred financing costs	108,881	63,979
Other	2,297	1,536
	<u>1,405,261</u>	<u>1,396,737</u>
Less: Valuation allowance	<u>(1,405,261)</u>	<u>(1,396,737)</u>
Net future tax assets	<u>\$ -</u>	<u>\$ -</u>

The Company has estimated non-capital loss carry forwards in Canada of approximately \$925,000 which can be applied to reduce future Canadian income taxes payable and will expire in 2003 through 2009. In addition, the Company has estimated tax loss carry forwards in Australia of approximately \$2.3 million which can be applied to reduce future Australian taxable income. The potential future tax benefit of all of these loss carry forwards has not been recognized in these financial statements.

**QUARTERLY AND YEAR END REPORT
BC FORM 51-901F
(previously Form 61)**

ISSUER DETAILS			
Name of Issuer Golden Gate Resources Ltd.		For Quarter Ended August 31, 2002	Date of Report YY/MM/DD 03/01/18
Issuer Address 225 Kindee Road			
City Long Flat, New South Wales	Province Australia	Postal Code 2446	Issuer Telephone No. 011-61-2-6587-4348
		Issuer Fax No. 011-61-2-6587-4477	
Contact Name Sam Russotti	Contact Position President & Director		Contact Telephone No. 011-61-2-6587-4348
Contact E-mail Address samr@ozemail.com.au		Website Address www.ggrl.com.au	

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholders who request it.

<i>DIRECTOR'S SIGNATURE</i>	<i>PRINT FULL NAME</i>	<i>DATE SIGNED</i>
<i>"Sam Russotti"</i>	Sam Russotti	03/01/18
<i>DIRECTOR'S SIGNATURE</i>	<i>PRINT FULL NAME</i>	<i>DATE SIGNED</i>
<i>"Frank Petruzzelli"</i>	Frank Petruzzelli	03/01/18

Incorporated as part of:

	Schedule A
X	Schedules B & C

GOLDEN GATE RESOURCES LTD.

AUGUST 31, 2002

**SCHEDULE B
SUPPLEMENTARY INFORMATION**

GOLDEN GATE RESOURCES LTD.
("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

SCHEDULE B1

Supplemental information required in this schedule has been provided in the audited consolidated financial statements appended hereto as Schedule A.

SCHEDULE B2

Related party transaction disclosure is set out in the audited consolidated financial statements appended hereto as Schedule A.

SCHEDULE B3

Securities Issued During the 12 Month Period Ended August 31, 2002

Date of Issue	Type of Security	Type of Issue	Number of Shares	Price	Total proceeds	Type of consideration	Fees
March 2002	Common Shares	Private Placement	7,000,000	\$0.51	\$3,570,000	Cash	\$180,305
February 2002	Common Shares	Exercise Of warrants	375,000	\$0.15	\$56,250	Cash	Nil
December 2001	Common Shares	Exercise Of Options	100,000	\$0.20	\$20,000	Cash	Nil
December 2001	Common Shares	Exercise Of Options	50,000	\$0.15	\$7,500	Cash	Nil

Options Granted to Directors During the 12 Month Period Ended August 31, 2002

Date of Issue	Number of Options	Exercise Price	Expiry date
February 18, 2002	500,000	\$0.63	February 18, 2007

GOLDEN GATE RESOURCES LTD.
("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

SCHEDULE B4

Authorized and Issued Share Capital as at August 31, 2002

Class	Par Value	Authorized	Issued	
			Number	Amount
Common	N.P.V.	Unlimited	56,224,965	\$16,611,265

Options and Warrants Outstanding as at August 31, 2002

Expiry Date	Exercise Price	Number	Type
May 31, 2003	\$0.45	2,000,000	Warrants
May 31, 2003	\$0.30	7,000,000	Warrants
May 31, 2003	\$0.15	4,155,000	Stock Options(warrants)
May 23, 2006	\$0.15	400,000	Incentive Stock Options
February 18, 2007	\$0.63	500,000	Incentive Stock Options

Shares in Escrow or Subject to Pooling Restrictions as at August 31, 2002

	Number of shares
Escrow	<u>612,915</u>

List of Directors and officers as at August 31, 2002

Salvatore (Sam) Russotti (appointed May 15, 2001)
Francesco (Frank) Petruzzelli (appointed May 15, 2001)
Frank Brophy (appointed November 19, 2001)

GOLDEN GATE RESOURCES LTD.
("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

GOLDEN GATE RESOURCES LTD.

AUGUST 31, 2002

SCHEDULE C

MANAGEMENT DISCUSSION

GOLDEN GATE RESOURCES LTD.

("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

SCHEDULE C - MANAGEMENT DISCUSSION

Review of operations for the 12 month period ended August 31, 2002 and incorporating activities up to January 10, 2003.

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion of the financial condition, changes in financial position and results of operations of the Company for the 12 month period ended August 31, 2002, and to the date of this report December 5, 2002 should be read in conjunction with the audited financial statements and related notes thereto. Unless expressly stated otherwise, all references to dollar amounts in this section are to Canadian dollars.

Overview

The Company is an oil and gas exploration company. The majority of the properties in which the Company has an interest are currently in the exploration stage.

Liquidity and Capital Resources

To date, virtually all funding for the Company's acquisition, exploration and ongoing exploration operations have come from equity financing and loans. The Company is in the exploration stage and therefore has no guaranteed regular cash flow. The Company's activities in oil and gas exploration have been funded principally through sales of equity securities and this source of financing is anticipated to continue until the Company develops a significant regular cash flow from operations. The ability of the Company to continue operations is dependent on the ability of the Company to continue to obtain financing. There can be no assurance the Company will be successful in raising the required financing.

Twelve Month Period Ended August 31, 2002

For the 12 month period ended August 31, 2002, the Company's loss totaled \$244,458 or \$0.005 per share compared with a loss of \$146,887 or \$0.01 per share for the corresponding prior year.

GOLDEN GATE RESOURCES LTD.
("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

SCHEDULE C - MANAGEMENT DISCUSSION (continued)

Expenses

General and administrative expenses decreased during the 12 month period ended August 31, 2002 to \$137,661 down 21% from \$173,581 for the corresponding prior year. The decrease was primarily due to a foreign exchange gain of \$205,127 compared to a foreign exchange loss of \$82,676 for the corresponding prior year. During the 12 month period ended August 31, 2002 the Company expensed \$74,884 (compared to Nil for the corresponding prior year) of its deferred resource property expenditure as a result of amortization due to production and sales from La Playa – 1. Details of expenses are set out in the audited accounts attached as Schedule A hereto.

Income

During the year ended August 31, 2002 the Company earned Gross income of \$79,967 from gas and condensate production from the LaPlaya – 1 well located on Padre Island in SE Texas. The Company's share of production for the period was 16.2 million cubic feet of gas and 41.2 barrels of condensate.

Investing activities

Cash expenditure on account of investing activities for the 12 month period ended August 31, 2002 amounted to \$6,448,028 for resource properties.

Financing activities

Financing for the 12 month period ended August 31, 2002 was provided through the exercise of options and warrants of \$56,250 compared to \$146,500 for the prior period, private placements of \$3,570,000 compared to \$5,529,500 for the prior period and loan funds of \$1,154,970 compared to \$51,069 for the prior period. The Company received gross proceeds of \$3,626,250 from the issue of 7,525,000 shares. The Company paid \$180,305 agents fees in connection with a private placement of 7,000,000 shares.

Outlook for fiscal year ending August 31, 2003

Annual losses are expected to continue while the Company conducts oil and gas exploration. As at August 31, 2002 the Company had a working capital deficit of \$355,208. The Company anticipates expending approximately \$4.0 million on exploration acreage during the next fiscal year. While the Company has been relatively successful in raising the necessary funds in the past, there can be no

GOLDEN GATE RESOURCES LTD.

("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

assurance it can continue to do so. If such funds cannot be secured, the Company will be forced to curtail its exploration efforts to a level for which funding can be secured through new investment or joint venturing. If the Company cannot raise or arrange the cash requirements necessary to meet minimum obligations on its properties, these properties may be forfeited. The Company believes it will raise adequate funds for its planned programs during 2003.

SCHEDULE C - MANAGEMENT DISCUSSION (continued)

Forward Looking Statements

The forward looking information in the Management's Discussion and Analysis section is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's interests in oil and gas exploration properties, actual events may differ from current expectations due to exploration results, new exploration opportunities, changing budget priorities of the Company and other factors.

ACQUISITION OF RESOURCE PROPERTIES

The Property

During the year ended August 31, 2001, the Company exercised its option to acquire a full 10% working interest in the Padre Island Project Area in SE Texas by paying its 10% share of seismic, lease and overhead back costs.

The Cost of Acquisition

The payment required to acquire a full 10% working interest in the Padre Island Project was US\$1,531,598 (after crediting monies already paid for specific projects).

Funding and terms of the Acquisition

The acquisition of the full 10% working interest in the Padre Island was funded by a line of credit of US\$1,531,598 provided by BNP Corporation. To reduce interest cost the Company repaid US\$800,000 of the credit line leaving an amount of US\$731,598 drawn down. The drawn down amount incurs interest at an annual rate of the US prime rate (currently 4.25%) plus 2%. The US\$800,000 cash paid may be redrawn by the Company for the purpose of paying its share of drilling costs for wells to be drilled in the Padre Island Project Area. The credit line is secured by a deed of trust which grants BNP Petroleum Corporation security over thirty percent of the Company's 10% working interest in the Padre Island Project. These financing arrangements mature at the close of business on August 31, 2003.

GOLDEN GATE RESOURCES LTD.

("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

Reasons for the Acquisition

The previous Participation Agreement had a number of disadvantages which have been corrected by this acquisition. Previously the Company was required to pay 13.33% of drilling costs for each initial well drilled on any prospect and 70% of the seismic costs for seismic covering each prospect area. With more than fifty prospects and leads already identified these promote costs would have been prohibitively expensive and restricted the Company's

SCHEDULE C - MANAGEMENT DISCUSSION (continued)

participation to only a few prospects, which in the managements and board's opinion would be an insufficient number to maximize the Company's statistical chance of success.

Under the new arrangements the Company is only required to pay 13.33% of drilling costs for the initial well on the first 10 prospects (of which three have been drilled to date). It is not required to pay any promote on seismic or lease costs (past or future). It is however required to pay its 10% share of Joint Venture overheads from July 1, 2002 which are estimated to be between US\$20 and US\$30 thousand per month.

ABANDONMENT OF RESOURCE PROPERTIES

During the year ended August 31, 2002 the Company wrote off a total of \$227,908 of deferred resource property expenditure as a result of its decision to withdraw from Blocks 4 and 5 in Malta, EP66 in the onshore Bonaparte Basin and ATP598P in the onshore Bonaparte Basin.

Exploration Twelve Month Period Ended August 31, 2002

Oil Exploration – Australia

Onshore Bonaparte Basin

RL/1 the Weber gas field is a retention lease with no firm work obligations. The joint Venture continues to monitor market and economic conditions with the view of progressing a development should those conditions improve sufficiently to make a development economic. To date this has not occurred, and work will continue to be focused on reservoir simulations, market studies and different development scenarios.

EP386 is an exploration permit. Drilling on this permit has been delayed pending the outcome of a native title claim.

EP66 is an exploration permit. Technical work by the Operator did not result in any viable drilling prospects and the Joint Venture elected to withdraw from the permit.

GOLDEN GATE RESOURCES LTD.

("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

Onshore the Eromanga Basin

ATP598P is an exploration permit. Technical work by the Operator did not result in any suitable drilling prospects and the Joint Venture elected to withdraw from the permit.

Offshore the Bonaparte Basin

NT/RL3 and WA-13-R are retention leases in the offshore Bonaparte Basin. These leases contain the Turtle and Barnett oil discoveries and are being treated as one area for the purposes of exploration and development. Over the past year the Operator (OMV Australia) has been conducting a review of reserves, a study of possible development scenarios and the

SCHEDULE C - MANAGEMENT DISCUSSION (continued)

interpretation of seismic in order to identify any other drilling, prospects which if successful, would make a significant addition to the reserve base. It is anticipated that this work will be completed during 2003.

Oil Exploration – Malta

On December 20, 2000 the Company announced that a seismic acquisition program to acquire 900 km on new 2D seismic over blocks 4 and 5, offshore Malta had been completed. Processing has been done by TGS-NOPEC data Processing in Bedford, England and is expected was completed in May 2001. The Company has a 4.4 % interest in the project and was free carried through this seismic acquisition and processing. The exploration study agreement was extended to October 5, 2001 and the Company elected to convert its 9.5% working interest to a 4.4 % free carried interest. As a result of this reduction in interest the Company did not incur any further expenditure during that period. Subsequently the exploration study agreement was further extended to April 5, 2002. It was further extended to October 5, 2002 in order to give the Study Group time to find a farminee to drill the required well.

The Study Group was unsuccessful in its efforts to find a farminee and consequently decided to withdraw from Blocks 4 and 5. As a result of this withdrawal the Company has no interests left in Malta and accordingly has written off the investment carried in its accounts during the year ended August 31, 2002.

Gas Exploration – Padre Island, SE Texas

During the year ended August 31, 2002, the first well, La Playa – 1, was drilled and completed as a gas producer. This well has been on production since late April 2002 at rates between 1.5 and 1.8 million cubic feet of gas per day. At the time of writing the well had ceased production due to adverse hole conditions that rendered the completed zone non productive. The Operator plans to restore production by re-completing the well in a shallower gas zone.

Subsequent to the year ended August 31, 2002 a further two wells were drilled. These were Dunn-Murdock – 1 and West Bird – 1. Both wells intersected producible sales gas with Dunn-Murdock – 1 being completed

GOLDEN GATE RESOURCES LTD.

("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

and hooked up to the gas sales line in October, 2002. Fabrication of the production facilities for West Bird – 1 have been completed and work is now being carried out on the flow lines. It is anticipated that West Bird – 1 will commence production of sales gas during January 2003.

Drilling results to date have been highly encouraging resulting in three gas producers from three wells. Seismic interpretation has delineated a large number of drillable prospects each ranging in potential size from a few billion cubic feet of gas in the shallow prospects to several hundreds of billion cubic feet of gas in the deeper prospects. The Joint Venture is currently considering which of these prospects are the most suitable for inclusion in the 2003 drilling programme.

SCHEDULE C - MANAGEMENT DISCUSSION (continued)

ACQUISITION OF FIXED ASSETS

Computer equipment was acquired at a cost of \$4,061.

INVESTOR RELATIONS

The Company does not have any investor relation's contract with an outside party and all investor relations activities currently being conducted are being performed by the Company. There have been no major investor relation's activities during the quarter.

INTERNET WEBSITE

The Company has a website at www.ggrr.com.au

FINANCINGS AND USE OF PROCEEDS

Financing for the 12 month period ended August 31, 2002 was provided through the exercise of options and warrants of \$56,250 compared to \$146,500 for the prior period, private placements of \$3,570,000 compared to \$5,529,500 for the prior period and loan funds of \$1,154,970 compared to \$51,069 for the prior corresponding period. The Company received gross proceeds of \$3,626,250 from the issue of 7,525,000 shares. The Company paid \$180,305 agents fees in connection with a private placement of 7,000,000 shares.

These proceeds were used to meet the Company's share of commitments in the Padre Island Project.

MATERIAL CONTRACTS

Refer to acquisition of resource properties above. Material contracts consist of the Option Exercise Agreement, the Letter of Credit and the Deed of Trust between the Company and BNP Petroleum Corporation.

GOLDEN GATE RESOURCES LTD.
("the Company")

FOR THE YEAR ENDED AUGUST 31, 2002

LEGAL PROCEEDINGS

None

MANAGEMENT CHANGES

None

CONTINGENT LIABILITIES

None

SCHEDULE C - MANAGEMENT DISCUSSION (continued)

DEFAULT UNDER DEBT OR OTHER CONTRACTUAL OBLIGATIONS

None

SPECIAL RESOLUTIONS PASSED BY SHAREHOLDERS

None

