

**VALDERA RESOURCES LIMITED**

**ABN 34 090 074 785**

**FINANCIAL STATEMENTS**

**HALF YEAR ENDED**

**31 DECEMBER 2002**

The Directors of Valdera Resources Limited present their report for the half-year ended 31 December 2002.

## **DIRECTORS**

The Directors of the Company during the year or since the end of the half-year are:

### **Name**

Mr Craig Burton	(appointed 15 September 2000)
Mr Charles Morgan (Chairman)	(appointed 13 April 2001)
Mr Tim Wise	(appointed 14 February 2002)
Mr Donal Windrim	(appointed 9 July 2002)

## **REVIEW OF OPERATIONS**

The principal activity of the consolidated entity during the period was exploration and evaluation of mineral interests. The loss for the consolidated entity for the period was \$2,412,218 (2002: profit \$81,564).

Valdera listed in May last year with a commitment to complete drilling programs on all five of its base metal projects. All such drilling programs were completed, and an additional program was conducted on the Corkwood nickel project. Mineralisation was encountered in every program, however it was only at Corkwood that the results provided evidence of a significant mineral resource.

### **Merger with Golden Gate Resources Limited**

On 10 February 2003, Valdera entered into an agreement with Golden Gate Resources Limited, a company listed on the TSX Venture Exchange (Code: GGS), to effect a merger pursuant to which Golden Gate will become a wholly owned subsidiary of Valdera.

The Directors believe that the opportunity to merge with Golden Gate will produce a better outcome for shareholders, with more certainty, than a continuation of the base metal exploration activities. Valdera has commenced a sale and farm-out process that is designed to achieve the best possible commercial return for the mineral assets of the Company.

Following the completion of the merger, Valdera will be a focussed petroleum exploration and production company with a portfolio of Gulf of Mexico exploration acreage containing world class prospects. Valdera will remain listed on the ASX and Golden Gate will de-list from the TSX Venture Exchange.

The merger is subject to Valdera shareholders approval. A Notice of Meeting and Explanatory Memorandum is expected to be dispatched to shareholders within 4 weeks.

### *Golden Gate Resources Limited*

Golden Gate is an oil and gas company incorporated in Canada. The principal asset of Golden Gate, and the reason for the merger, is a 10% participating interest in the Padre Island Joint Venture. Padre Island, located in Texas on the Gulf of Mexico coastline, is a proven hydrocarbon producing area. The JV consists of operator, BNP Petroleum, a private Texas corporation (30%), Novus Petroleum, an ASX listed company (40%), Mitsui Oil, a subsidiary of the giant Mitsui Corporation (20%), and Golden Gate (10%).

### *Padre Island Joint Venture*

The Padre Island Joint Venture has acquired 142 drilling leases to date, covering an area of 25,000 hectares (equivalent to approximately 55 offshore blocks) along Padre Island, through 3 phases of acquisition activity, with an option to acquire a further 12,000 hectares (see the map in attachment 4). These drilling leases are located within a JV project area that is 130 kilometres long by 10 km wide. The JV has acquired and is interpreting 124,000 hectares of 3D seismic data within the project area.

Golden Gate has spent over A\$10 million in acquiring and participating in its 10% JV interest. A premium of 3.33% remains payable by Golden Gate on the drilling costs of the next 7 exploration wells (but not completion costs or appraisal and development wells), i.e. 13.33% of drilling expenditure for a 10% participating interest.

The Joint Venture's neighbours around Padre Island include industry majors Exxon/Mobil, Shell, Woodside, El Paso, Houston Oil, Santos and Spinnaker Oil.

### *3D Seismic*

The Joint Venture's principal target is new, previously unexplored prospects within the project area with the potential for significant additional reserves and early cash flow. The new 3D seismic data invariably images the reservoir section much better than when the fields were first exploited. Experience elsewhere in Texas indicates that modern technology, such as 3D seismic, directional drilling and stratigraphic techniques, can substantially increase the original reserves of undrilled fault blocks, attic gas and other previously unrecognised development prospects.

The project area has historically produced 1.7 tcf (cumulative) of gas from the development of more than 21 fields. The gas is connected into the gas grid of Southern Texas through a working gas-gathering pipeline system on Padre Island, which is accessible throughout the project area. The pipeline system is a common carrier available to all gas producers and has significant unused capacity.

### *US Gas Producer Benefits*

Gas producers in the US enjoy high prices (currently around US\$6 per mcf), modest corporate tax rates, wide-ranging exploration allowances and comparatively low drilling and other onshore services costs. Onshore completion and production costs, at locations like Padre Island, are substantially lower than offshore. In addition, discoveries can usually be brought on line quickly.

The United States is the biggest gas market in the world, larger than the next eight biggest gas consuming nations combined. Consumption in the US is forecast to increase to over 30tcf pa by 2015, equivalent to over 1.5 bcf a day growth in annual consumption. The Gulf of Mexico currently contributes about 24% of the US supply.

The long-term supply-demand gap cannot be met through storage reductions and new natural gas projects will take several years to develop. Substantial brownfield discoveries are required in the US to achieve the necessary increase in domestic production.

### *Successful drilling and production*

Since inception the Joint Venture has drilled three exploration wells. All three wells encountered producible gas. LaPlayer#1 is currently producing at 2.4 mmcf per day, West Bird#1 is just being completed and expected to produce at approximately 2.0 mmcf per day, and Dunn-Murdock#1 has depleted its original zone of production; however plans are being made to restore production by re-completing the well in a different zone. Golden Gate's share of the combined revenue from these wells is expected to exceed A\$1,000,000 pa.

### *Coming work programs*

Golden Gate will participate in the drilling of a further three exploration wells in the first half of 2003: Jack Frost (estimated pre-drill potential reserves of 5-10bcf), Dancer (5-10bcf) and HomeRun (50-200+bcf). Golden Gate's share of the cost of drilling these wells will be approximately A\$1,200,000.

The 3D seismic and interpretation work undertaken by the JV to date has identified 33 prospects that have been matured to the drilling stage:

18 with estimated pre-drill reserve potential of 3-25 bcf  
5 with estimated pre-drill reserve potential of 30-250 bcf  
8 with estimated pre-drill reserve potential of 200-800 bcf  
2 with estimated pre-drill reserve potential of 900+ bcf

There are also at least 18 leads in the process of being analysed that are likely to result in further drillable prospects.

Golden Gate intends to continue to participate in the drilling of a combination of smaller, lower cost, lower risk prospects and larger, deeper prospects. In addition to the three wells committed for the first half of 2003, the JV is likely to approve a further three prospects for drilling in the second half. This rate of exploration can be expected to continue for many years.

Given the production history of the project area, the quality of the 3D seismic data, and the recent success rates in the region (Spinnaker's Stirrup discovery is located just a few kilometres east of the JV's acreage), the Padre Island prospects are considered likely to generate relatively high success rates. The JV's success rate to date stands at 2 out of 3, with the third well failing to hit the primary target zone due to drilling problems, but encountering two small shallower gas zones.

#### *Possible farm out of Ultra-Deeps*

Not included in the above summary of prospects are further large-scale opportunities at greater depths (below 15,000 feet). Following receipt of strong interest from major oil and gas companies on the potential of the Padre Island area, the JV is considering the possibility of farming-out these ultra deep opportunities that are not included in the above prospects.

This might involve an arrangement similar to the US\$55 million farm-in announced by Woodside Petroleum (24 January 2003) over adjacent (albeit smaller, offshore) acreage held by Pioneer Natural Resources Company.

#### *Merger Terms*

The merger will be effected by Golden Gate obtaining shareholder and court approval for a Plan of Arrangement under Canadian law.

Under the terms of the merger:

- (a) The issued capital of Valdera will be consolidated on a 2.6 to 1 basis.
- (b) The shareholders of Golden Gate will receive 1.6 shares in Valdera (post consolidation) for each 1 common share in Golden Gate held by them.
- (c) Valdera will issue various unlisted options to the holders of various stock options and warrants in Golden Gate.

The resulting post merger Valdera capital structure will be as follows:

**Post Merger Capital Structure**

	<b>Pre consolidation</b>	<b>Post consolidation and merger</b>
<b>Shares</b>		
Current Valdera shareholders	48,761,221	18,754,315
Golden Gate shareholders		96,007,944
Placement (to raise at least \$500,000)		2,500,000
<b>Total Shares</b>		<b>117,262,259</b>
<b>Listed Options</b>		
Current Valdera optionholders	48,000,000	18,461,538
<b>Unlisted Options</b>		
To current Golden Gate option or warrant holders:		
Exercisable at 30c by 30 June 2006		8,000,000
Exercisable at 20c by 31 May 2003		600,000
Exercisable at 20c by 31 May 2006		960,000
Exercisable at 44c by 18 February 2007		800,000

Post consolidation of the Valdera options will be exercisable at 65c on or before 30 June 2005. Valdera intends to apply to ASX for a waiver of the Listing Rules to permit the term of the options to be extended to 31 December 2006.

To ensure the merged entity is focussed on Golden Gate's Padre Island project, it is a term of the merger that the existing assets of Valdera are transferred out of the Company. Accordingly, Valdera will restructure its existing assets and liabilities as follows:

- (i) Valdera will retain \$1,900,000 in cash on deposit.
- (ii) All other assets and liabilities of Valdera will be transferred to its wholly owned subsidiary Southdale Holdings Pty Ltd ("Southdale") and Southdale will owe Valdera \$250,000.
- (iii) Argonaut Capital Limited, an independent corporate consultancy firm, will be appointed to oversee an orderly disposal of the resource assets of Valdera. The aim will be to achieve the best possible price for the assets through sale for cash, listed securities, or on such other terms as are considered appropriate. As required by the Golden Gate merger agreement, a minimum cumulative sale price of \$250,000 after costs is to be achieved. The sale of key assets may be conditional upon the merger proceeding.

Following the above restructure, Valdera's only assets will be \$1.9 million in cash and \$250,000 owed by Southdale with no liabilities other than ongoing compliance and merger obligations.

Upon completion of the merger, Valdera will undertake a capital raising at an issue price of 20 cents per post consolidation share to raise between \$500,000 (minimum) and \$2,000,000.

The merger is subject to the following conditions:

- (a) Valdera and Golden Gate completing a due diligence review of each other by 28 February 2003 to their respective satisfaction.
- (b) Valdera and Golden Gate obtaining all necessary regulatory and shareholder approvals. Valdera's shareholder approval will include approvals pursuant to Listing Rules 7.1, 10.11, 11 and sections 254H and 208 of the Corporations Act.
- (c) Golden Gate obtaining approval from the Supreme Court of the Yukon Territory.
- (d) Golden Gate obtaining all necessary consents of the holders of Golden Gate stock options and warrants.
- (e) Valdera completing its capital raising.
- (f) No material adverse change occurring in the financial position of Golden Gate, excluding the results of any planned exploration wells.
- (g) The post restructure financial position of Valdera not being materially different from as referred to above.

The above conditions are to be satisfied or waived on or before 31 May 2003.

In the event the merger fails to proceed because a party fails to obtain the necessary shareholder, optionholder or court approval that party must pay the other party Cdn\$200,000. This may be satisfied either in cash or, at the election of the paying party, shares based upon the weighted average trading price over the 20 trading days prior to termination of the merger agreement.

#### **Review of Existing Base Metals Projects (to be sold or farmed-out if Golden Gate merger proceeds)**

##### *Corkwood Nickel Project*

An initial program of reverse circulation drilling was undertaken in the September quarter to test the overall continuity and down-dip extent of the mineralised zone mapped by an electromagnetic survey. Drillhole CWRC003 intersected massive sulphides that yielded the following assay results:

CWRC003: 14m @ 1.08% Ni, 0.23% Cu, 0.06% Co from 28 metres.

A follow-up drilling program consisting of 18 RC holes (totalling 1,024 metres) was completed in November with the objective of defining additional near-surface mineralisation and assessing the potential for a nickel resource. This programme confirmed a high degree of continuity of near surface nickel sulphide mineralisation over at least 250 metres of strike. Mineralisation remains open to the north and on some sections where mineralisation appears to occur as discrete higher grade shoots. The known mineralised zone lies within 50m of surface, with down-hole widths averaging 6m. The average grade is approximately 1.0% Ni equivalent (Ni+0.2Cu+1.6Co).

Valdera plans to calculate a preliminary geological resource estimate and will undertake an initial metallurgical testwork program in the next quarter.

##### *Currans Well Nickel-PGM Project*

The Currans Well Project is a nickel sulphide prospect with elevated levels of platinum group metals, located approximately 500km northeast of Perth. The prospect comprises portion of a mafic-ultramafic

intrusion in the Youanmi Greenstone Belt.

Valdera's objective at Currans Well was to evaluate the potential for large tonnage, relatively low grade Ni-Cu±PGM deposits, in addition to assessing the potential for small to medium tonnage massive sulphide Ni-Cu-Co deposits.

A ground electromagnetic ('EM') survey over the southern half of the project area highlighted a number of conductor targets in prospective geological settings. Many of these anomalies remain open to the north where the survey has not yet been completed. Two targets were partially tested with a limited drilling programme at the end of the period. A total of four RC holes were completed for 805m. Drilling results were disappointing, however the targets were not adequately tested and further assessment is required.

The eastern target was tested with two drill holes, both of which intersected steeply dipping massive sulphides at the base of a komatiite flow. Nickel tenor in the sulphides is low. Further assessment is required of the potential for nickel tenor to increase along strike in the sulphide body.

A single drill hole at the western target failed to test the interpreted sulphide location and the conductor remains untested. A number of other strong bedrock conductors also warrant initial drilling.

#### *Freddie Well Zn-Cu Project*

The Freddie Well Zn-Cu Project is a volcanic-hosted massive sulphide deposit similar in style and geological setting to the Zn-Cu deposits currently being mined at Golden Grove in the Murchison region of WA. The Project is located approximately 500km northeast of Perth.

Valdera completed an RC drilling programme to test several zones of EM targets that had previously been only sparsely drilled along strike from the existing resource areas. A total of seven RC drill holes were completed for 1,565m. Results have been disappointing with conductors being largely associated with pyrrhotite, pyrite and magnetite bodies.

Drilling at Freddie Well did not identify any new zones of zinc mineralisation, however several combined geophysical/geochemical targets remain to be tested.

#### *Hermit Hill Ni-Cu Project*

Hermit Hill is located 150km south-southwest of Darwin in the Daly River area of the Northern Territory. Mafic and ultramafic rocks at Hermit Hill are interpreted to be equivalent to those in the East Kimberley, and hence are regarded as having potential for massive sulphide Ni-Cu-Co deposits.

Land access discussions continued during the period and the National Native Title Tribunal confirmed that processing of the tenement application will follow the Expedited Procedure. Review of available data was sufficiently encouraging for Valdera to lodge applications for a further three exploration licences in neighbouring areas.

#### *Cane River Cu-Au Project*

Review of historical data further highlighted the potential of this area to host iron-oxide Cu-Au ("IOCG") deposits such as Olympic Dam and Ernest Henry. An additional three exploration licence applications were lodged over prospective aeromagnetic and gravity targets.

An MMI geochemical survey was conducted in order to confirm a soil geochemical anomaly generated by a previous explorer. The MMI technique has been successful in further defining this target as a high order anomaly.

### *Bangemall Basin*

Review of Valdera's regional target database identified two poorly tested magnetic targets within prospective rocks of the Bangemall Basin in central WA. The target is copper, zinc and silver in sedimentary rocks. Two tenement applications were lodged to cover these features. Both targets are bullseye magnetic highs situated on interpreted major fault structures. These anomalies have a clear affinity with the large Abra deposit (200mt @ 1.89% Pb, 6g/t Ag, 0.18% Cu, 6% Ba) located some tens of kms to the east within the Bangemall Basin.

### *Ord Basin Copper Project*

The Ord Basin Project is located approximately 200km south of Kununurra in the East Kimberley. The project is targeted on the Nelson Shale sedimentary unit that has characteristics similar to the large sedimentary copper deposits in Africa and Europe.

Drilling during the period under review intersected weakly disseminated copper sulphide mineralisation with a thickness of 1-5m over a distance over 2.5km. The copper minerals include the sulphides chalcocite and chalcopyrite.

The presence of primary copper sulphides and elevated silver contents (for example 0.13% Cu, 0.8g/t Ag over 4m) provides a good fit with the stratiform sediment-hosted category of copper deposits, and this is also suggested by the large extent of the mineralisation (at least 3km x 2km).

Copper and silver grades encountered to date are low, however the presence in one drill hole (CFRC014) of the secondary copper mineral malachite, associated with high water inflows, suggests the possibility that higher grades may be present along faults and other structures.

The Sugar Springs tenement E80/2100 was relinquished. In addition, 28 Prospecting Licence applications were withdrawn. Valdera plans to look for a suitable partner to participate in the further exploration of this large regional copper project.

### *Turkey Creek Ni-Cu Project*

Reconnaissance mapping data downgraded the potential of this property to host significant volumes of nickel sulphides. It was decided not to proceed with acquisition of the project.

### *Bow River*

The Bow River project is situated in the East Kimberley and comprises a nickel-copper-cobalt prospect similar in style and setting to the nearby Sally Malay deposit.

An airborne electromagnetic survey conducted in the previous period outlined a strongly conductive zone coincident with a 900m x 300m soil geochemical anomaly defined by previous explorers. Follow up of the airborne survey anomalies with a ground-based EM system led to the recognition of six discrete conductors, several of which had not been tested by previous drilling.

Drill testing of the conductor targets was undertaken with eight holes completed for a total of 1,285 metres. The drilling confirmed the conductors correspond to semi-massive to massive sulphide zones, up to 20m thick. Metal tenor is generally low, with typical intersections and some of the better results over 1-metre intervals including:

BRR002      12m @ 0.45% Cu, 0.12% Ni, from 84-96m,  
**including      4m @ 0.77% Cu, 0.12% Ni, from 84-88m;**

BRR003      8m @ 0.26% Cu, 0.37% Ni, from 116-124m;

- BRRRC002      1 m at 2.20% Cu from 86 m;
- BRRRC003      1 m at 1.26% Ni, 0.13% Co from 9 m;  
                  **1 m at 1.37% Cu from 130 m;**
- BRRRC004      2 m at 1.43% Cu from 73 m;
- BRRRC007      1 m at 1.21% Ni, 0.11% Co from 157 m.

A large low grade nickel sulphide system has been confirmed by drilling at Bow River. Narrow intersections of higher grade mineralisation suggest additional exploration is warranted, however this would probably involve deeper drilling.

Signed in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'C Burton', is positioned above the printed name and title.

C Burton  
Director

Perth,          14 March 2003

**VALDERA RESOURCES LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**HALF-YEAR ENDED 31 DECEMBER 2002**

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	Notes	Consolidated	
		Half-Year Ended 31 December 2002 \$	Half-Year Ended 31 December 2001 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>		29,723	6,992
Share of net profits of associates accounted for using the equity method		-	115,139
Deferred exploration expenditure written off		(2,280,337)	-
Other expenses from ordinary activities		(162,604)	(40,567)
<b>PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>	2	(2,412,218)	81,564
<b>INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES</b>		-	-
<b>NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF VALDERA RESOURCES LIMITED</b>		(2,412,218)	81,564
Basic earnings/(loss) per share (cents per share)		(5.0)	0.003
Diluted earnings/(loss) per shares (cents per share)		(5.0)	0.003

**VALDERA RESOURCES LIMITED  
STATEMENT OF FINANCIAL POSITION  
HALF-YEAR ENDED 31 DECEMBER 2002**

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	<b>Consolidated</b>	
	<b>A at 31 December 2002 \$</b>	<b>As at 30 June 2002 \$</b>
<b>CURRENT ASSETS</b>		
Cash Assets	2,188,247	3,069,353
Receivables	100,226	69,587
<b>TOTAL CURRENT ASSETS</b>	<b>2,288,473</b>	<b>3,138,940</b>
<b>NON-CURRENT ASSETS</b>		
Deferred exploration, development and evaluation expenditure	213,293	1,490,309
<b>TOTAL NON-CURRENT ASSETS</b>	<b>213,293</b>	<b>1,490,309</b>
<b>TOTAL ASSETS</b>	<b>2,501,766</b>	<b>4,629,249</b>
<b>CURRENT LIABILITIES</b>		
Payables	415,837	131,102
<b>TOTAL CURRENT LIABILITIES</b>	<b>415,837</b>	<b>131,102</b>
<b>TOTAL LIABILITIES</b>	<b>415,837</b>	<b>131,102</b>
<b>NET ASSETS</b>	<b>2,085,929</b>	<b>4,498,147</b>
<b>EQUITY</b>		
Contributed equity	5,825,641	5,825,641
Option premium reserve	480,000	480,000
Accumulated losses	(4,219,712)	(1,807,494)
<b>TOTAL EQUITY</b>	<b>2,085,929</b>	<b>4,498,147</b>

**VALDERA RESOURCES LIMITED  
STATEMENT OF CASH FLOWS  
HALF-YEAR ENDED 31 DECEMBER 2002**

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	<b>Consolidated</b>	
	<b>Half-Year Ended</b>	<b>Half-Year Ended</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2002</b>	<b>2001</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	29,687	6,992
Payment to suppliers	(182,394)	(44,143)
Payments for exploration and evaluation	(701,399)	(30,775)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(854,106)</b>	<b>(67,926)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances to associates	-	(75,991)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>(75,991)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of ordinary shares	-	10,000
Payment of share issue expense	(27,000)	-
Repay loan from related parties	-	(15,000)
Repay loan from unrelated parties	-	(20,000)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(27,000)</b>	<b>(25,000)</b>
<b>NET DECREASE IN CASH HELD</b>	<b>(881,106)</b>	<b>(168,517)</b>
Add opening cash brought forward	3,069,353	334,160
<b>CLOSING CASH CARRIED FORWARD</b>	<b>2,188,247</b>	<b>165,243</b>

## 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Valdera Resources Limited as at 30 June 2002. It is also recommended that the half-year financial report be considered together with any public announcements made by Valdera Resources Limited and its controlled entities during the half-year ended 31 December 2002 in accordance with the continuous disclosure obligations arising under the Corporations Act 2002.

### a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2002, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year report has been prepared in accordance with the historical cost convention.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

### (b) Changes in accounting policies

The accounting policies adopted are consistent with those applied in the 30 June 2002 annual financial report.

Half-Year Ended 31 December 2002	Half-Year Ended 31 December 2001
\$	\$

## 2. OPERATING PROFIT

### (a) Significant Items

Profit from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

#### (i) Expenses

Deferred exploration expenditure written off	2,280,337	-
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**3. CONTINGENT ASSETS AND LIABILITIES**

Since last annual reporting date, there has been no change in any contingent liabilities or contingent assets.

**4. SEGMENT INFORMATION**

Valdera Resources Limited operates in only one segment being the mining industry in Australia.

**5. SUBSEQUENT EVENTS**

1. Valdera entered into an agreement with Golden Gate Resources Limited on 10 February 2002, a company listed on the TSX Venture Exchange (Code: GGS), to effect a merger pursuant to which Golden Gate will become a wholly owned subsidiary of Valdera (refer to Review of Operations above).
2. Valdera issued 600,000 shares to Castek Pty Ltd on 4 March 2003 in consideration of the acquisition of the Corkwood tenement.

In accordance with a resolution of the directors of Valdera Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity:
  - (i) give a true and fair view of the financial position as at 31 December 2002 and the performance for the half-year ended on that date of the consolidated entity; and
  - (ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'C Burton', written in a cursive style.

C Burton  
Director

Perth, 14 March 2003

## INDEPENDENT REVIEW REPORT

To the members of Valdera Resources Limited

### Scope

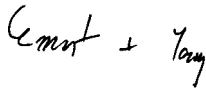
We have reviewed the financial report of Valdera Resources Limited for the half-year ended 31 December 2002, set out on pages 9 to 14, including the Directors' Declaration. The financial report includes the consolidated financial statements of the consolidated entity comprising Valdera Resources Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have conducted an independent review of the financial report 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" and other mandatory professional reporting requirements in Australia and statutory requirements and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries of the disclosing entity's personnel and analytical review procedures applied to 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.

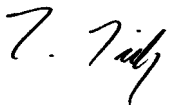
### Review Statement

As a result of our review, we have not become aware of any matter that makes us believe that the half-year financial report of Valdera Resources Limited 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 2002 and 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;
- (b) other mandatory professional reporting requirements in Australia.



Ernst & Young



V W Tidy

Partner

Perth

Date: 14 March 2003