

CONQUEST MINING LIMITED
ACN 009 232 277
And Its Controlled Entities

HALF-YEAR FINANCIAL REPORT

31st DECEMBER 2002

Your directors submit their report together with the consolidated financial report for the half-year ended 31st December 2002 and the review report thereon.

Directors

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

Name	Period of directorship
Ross Kestel	Chairman since 1999
John Terpu	Managing Director since 1999
Michael Povey	Director since 1999, resigned 29 November 2002
Ian Mulholland	Technical Director, appointed 29 November 2002

Review of Operations

HIGHLIGHTS

- Conquest acquired a 40% interest in the Crush Creek gold project in North Queensland, with transfer of Conquest's interest in the tenements officially registered by the Queensland Department of Natural Resources and Mines in October 2002.
- A scoping study was in preparation on the Crush Creek gold project, for presentation to potential investors, to support the Company's fund raising efforts. Initial results demonstrate an economically robust project.
- Total resources for Crush Creek of 370,000 tonnes grading 5.5 g/t Au (65,200 oz, uncut) or 4.4 g/t Au (52,600 oz, cut at 30 g/t Au), comprising an Indicated resource of 174,000 tonnes at 4.9g/t Au (27,570 oz, uncut), or 4.1g/t Au (23,070 oz, cut) at BV7 and an Indicated resource of 195,000 tonnes at 6.0 g/t Au (37,600 oz, uncut), or 4.7 g/t Au (29,500 oz, cut at 30 g/t Au) at Herbert Creek East.
- An agreement signed with MIM subsidiary Carpentaria Gold Pty Ltd, on the Mount Carlton gold project in North Queensland, adjacent to the Crush Creek tenements.
- A review of the Kimberley diamond projects led to a tenement rationalization plan and development of a work programme for 2003.
- Dissolution of the Joint Venture with Astro Mining NL at Lower Smoke Creek in October 2002, allowing the Company to re-commence exploration in its own right.
- A review of the Ellendale 17 diamond project highlighted the potential of that deposit, with a previous drill intercept of 33 carats per 100 tonnes being noted.

INTRODUCTION

Share Placement

During the half-year the Company issued a Short Form Prospectus for a share placement to raise funds for ongoing exploration. The initial offer on 25 July 2002 was for 25,000,000 shares at \$0.07 each, plus 25,000,000 options at \$0.01 each. A Supplementary Prospectus was issued on 14 August 2002 to clarify some of the terms and conditions of the Short Form Prospectus.

Due to market conditions the offer price for the shares was reduced to \$0.05 each on 13 September 2002 (with options remaining at \$0.01 each). A total of \$258,500 (before placement expenses of about \$30,000) was raised from the 13 September 2002 Supplementary Prospectus issue. A further Supplementary Prospectus was issued on 22 October 2002 at \$0.03 per share, and this offer raised an additional \$328,000.

Details of financing activities are included in the attached accounts. The response to these activities was not as favourable as expected, and the results did not significantly improve the Company's ability to undertake the exploration programmes planned.

Exploration and Development

Work continued on Conquest's two major exploration projects, the Crush Creek gold project in North Queensland, and the Bow River diamond project in the East Kimberley of Western Australia. In addition progress was made with regard to tenements in the Ellendale and Napier Range area in the West Kimberley.

Conquest acquired the Crush Creek project from Gold Fields of Australasia P/L in April 2002. A payment of \$200,000 to complete Conquest's purchase of a 40% interest in the project was made on 30 August 2002. In addition, Conquest must expend \$1.4 million over 2 years (from 30 August 2002) to earn a further 40% interest. Transfers of the tenements to legally register Conquest's interest were completed in October 2002.

In October 2002, Astro Mining NL advised that it did not wish to continue with the Joint Venture on the Lower Smoke Creek tenement (E80/2511), which is part of the Bow River diamond project.

CRUSH CREEK GOLD PROJECT

Field review, geological mapping, prospecting and review of the extensive Crush Creek database was carried out with the aim of identifying new targets and prioritizing existing targets for exploration. A project model was developed to guide activities as follows.

Project Model

- Total minimum minable reserve of 1,000,000 tonnes grading 4.5 g/t Au for about 150,000 ounces in several deposits of 30,000 – 50,000 ozs each. (Present resources are 370,000 tonnes grading 4.4 g/t Au).
- Proposed production of 25,000 - 30,000 ozs of gold per year for 5 years.
- Treatment either at a central plant owned by Conquest, a mobile plant brought in specifically for the project, or toll milling at one of the treatment plants in the Charters Towers region.

Scoping Study

A Scoping Study to determine whether such a project could economically succeed was commenced. Preliminary estimates of >\$150/oz profit show the project would return around \$4 million per year.

The likely resources available to the project are:

<i>BV7:</i>	Resource of 175,000 tonnes at 4.9g/t Au (27,570 oz, uncut), or 4.1g/t Au (23,070 oz, cut at 30 g/t Au);
<i>Herbert Creek East:</i>	Resource of 195,000 tonnes at 6.0g/t Au (37,600 oz, uncut), or 4.7 g/t Au (29,500 oz, cut at 30 g/t Au);
<i>Glenking:</i>	High grade rock chips and favourable geological setting;
<i>Boundary:</i>	High grade rock chips, untested soil anomalies, favourable geological setting, and drill targets;
<i>Ortiz:</i>	High grade rock chips, untested soil anomalies, favourable geological setting, and targets with only limited drilling (including 4m @ 15g/tAu);
<i>Urannah:</i>	High grade rock chips, favourable geological setting, and limited drilling.

An exploration and development programme to progress the project to full feasibility is estimated to cost about \$2,000,000 over 2 years as follows, and will be progressed as funds become available.

1. RC drilling to Indicated resource status (40 x 20m) of selected deposits, 7,200 metres, cost ~ \$500,000;
2. Mining engineering and resource study, \$200,000;
3. Plant and infrastructure study, \$400,000;
4. Land access costs (Native Title and Pastoral), \$200,000;
5. Other exploration costs, \$200,000;
6. RC drilling to measured resource status (20 x20m) for ore reserve estimation, 6,000 metres, cost ~ \$400,000
7. Project financing costs and other incidentals, \$100,000.

New targets within the CCK corridor (south from BV7 and north from BV7 to Ortiz) have been identified from recent field mapping, which is now being extended south into the Mt Poole corridor (see attached map).

A new tenement application was lodged to cover extensions to the Boundary mineralized system.

The scoping study will be finalised in the first half of 2003 and be presented to potential investors to support the Company's fund raising efforts. Confirmation of the project resources, operating and capital costs by independent experts/consultants would occur as part of the next planned stage pre-feasibility study.

Transfer of Conquest's 40% interest in the Crush Creek gold project tenements in North Queensland was officially registered by the Queensland Department of Natural Resources and Mines and various tenement renewals were submitted.

An agreement was signed with MIM subsidiary Carpentaria Gold Pty Ltd, on the Mount Carlton gold tenements in North Queensland, adjacent to the Crush Creek tenements. These tenements were originally part of the agreement with Gold Fields, but because Gold Fields had not exercised their Option, a new separate agreement between Conquest and Carpentaria was necessary. The tenements offer potential to increase project resources towards the target of 1,000,000 tonnes grading 4.5 g/t Au.

Subject to fund-raising results from the Rights Issue, an exploration programme is planned for the 2003 field season to prove up the resource potential of the area by RC drilling, to investigate and develop new targets, and to complete a pre-feasibility study.

KIMBERLEY DIAMOND PROJECTS

A review of the Kimberley diamond projects was conducted, and a tenement rationalization plan was implemented, resulting in a significant decrease in tenement holding costs without compromising the prospectivity of Conquest's land holdings.

Astro Mining NL advised that it did not wish to continue with the Joint Venture on the Lower Smoke Creek tenement (E80/2511), which was part of the Bow River diamond project, and by mutual agreement the JV was dissolved on 28 October 2002. This now allows Conquest to re-commence exploration in the area in the 2003 field season.

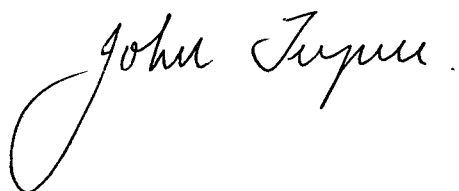
Work programmes for the 2003 field season have been prepared and will be implemented subject to funds being available. This work programme will involve RC drill testing of magnetic targets for primary diamond pipes, at Bow River, Ellendale 17 and Napier Range. In addition, some further bulk sampling at Bow River and Ellendale 17 is planned.

At Napier Range and Ellendale 17 in the West Kimberley, Conquest has prospective ground for both diamonds and base-metals (Pb-Zn). The Napier Range area lies along a structure parallel to that which controlled the emplacement of the Ellendale diamondiferous lamproite field, with magnetic targets interpreted for both diamond and Pb-Zn mineralisation. At Ellendale 17 the Company has one of the largest known lamproites in the Ellendale field, which has returned results from drilling of up to 33 carats per 100 tonnes. Given the recent success by Kimberley Diamond Company in commencing mining at Ellendale 9 and soon at Ellendale 4 at a grade of 10 carats per 100 tonnes, the grades and value of diamonds likely from Ellendale 17 would compare favourably.

Subsequent Event

On 23 December 2002 the Company issued a Short Form Prospectus for a one for one non-renounceable pro-rata Rights Issue to raise funds for ongoing exploration. The issue was at a price of one cent per share held at the record date of 6 January 2003 and closed on 7 February 2003. The offer, which was made to all shareholders on a pro-rata basis, sought to raise up to \$1,307,705 with a minimum subscription level of \$150,000. The directors reserved the right to place any shortfall in share applications at their discretion. A Supplementary Prospectus was issued on 9 January 2003 to clarify some of the terms and conditions of the Short Form Prospectus, as required by the ASIC. As of the date of this report, the Company has received cash funds accompanying applications for shares to the value of \$360,739. In addition, the Company has a written commitment from an investor group for placement of shortfall shares to the value of \$750,000 by 31 March 2003. Negotiations for placement of the balance of shortfall shares (value of \$196,966) are in progress and the Company is confident these shares will be allotted within 3 months of the close of the offer. Total costs of raising funds under this Short Form Prospectus are expected to be approximately \$182,000 based on all shares under the Short Form Prospectus being issued.

Signed in accordance with a resolution of Directors.



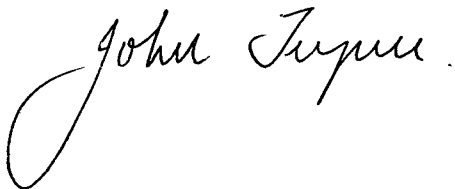
J TERPU
Managing Director

Dated at Perth this Fourteenth day of March 2003

The directors of Conquest Mining Limited declare that:

- (a) the financial statements and notes, set out on pages 6 to 14, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2002 and of its performance, as represented by the results of its operations and cash flows 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) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



J TERPU
Managing Director

Dated at Perth this Fourteenth day of March 2003

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
for the half-year ended 31 December 2002

Conquest Mining Limited and Controlled Entities

	Note	2002	Consolidated	2001
		\$		\$
Other revenues from ordinary activities		<u>49,550</u>		<u>119,556</u>
Total Revenue		49,550		119,556
Expenses from ordinary activities				
Exploration and evaluation expenditure written off		372,548		168,675
Borrowing costs		299		8,864
Administration expenses		558,235		1,001,221
Other expenses from ordinary activities		<u>48,617</u>		<u>64,036</u>
Total Expenses		979,699		1,242,796
Loss from ordinary activities before related income tax expense	2	(930,149)		(1,123,240)
Income tax benefit relating to ordinary activities		<u>-</u>		<u>-</u>
Net Loss	5	<u><u>(930,149)</u></u>		<u><u>(1,123,240)</u></u>
Earnings per share				
Basic loss per share (cents per share)		0.794		1.431

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2002

Conquest Mining Limited and Controlled Entities

	Note	31 st December 2002 \$	Consolidated 30 th June 2002 \$
Current Assets			
Cash Assets		182,181	176,083
Receivables		9,916	439,217
Other Financial Assets		400	400
Other		<u>17,128</u>	<u>2,389</u>
Total Current Assets		<u>209,625</u>	<u>618,089</u>
Non-Current Assets			
Other Financial Assets		71,417	160,000
Property, Plant & Equipment		233,118	288,160
Exploration Expenditure		<u>7,103,877</u>	<u>6,623,658</u>
Total Non-Current Assets		<u>7,408,412</u>	<u>7,071,818</u>
Total Assets		<u>7,618,037</u>	<u>7,689,907</u>
Current Liabilities			
Payables		256,012	572,900
Provisions		44,797	35,197
Interest Bearing Liabilities		<u>-</u>	<u>14,789</u>
Total Current Liabilities		<u>300,809</u>	<u>622,886</u>
Non-Current Liabilities			
Interest Bearing Liabilities		<u>-</u>	<u>18,444</u>
Total Non-Current Liabilities		<u>-</u>	<u>18,444</u>
Total Liabilities		<u>300,809</u>	<u>641,330</u>
Net Assets		<u>7,317,228</u>	<u>7,048,577</u>
Equity			
Contributed Equity	4	18,386,854	17,188,054
Accumulated Losses	5	<u>(11,069,626)</u>	<u>(10,139,477)</u>
Total Equity		<u>7,317,228</u>	<u>7,048,577</u>

The 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 2002

Conquest Mining Limited and Controlled Entities

	Note	2002 \$	Consolidated 2001 \$
Cash flows from operating activities			
Receipts in course of operations		1,414	1,511
Payments in course of operations		(671,039)	(357,686)
Interest received		2,324	4,469
		<u>(667,301)</u>	<u>(351,706)</u>
Cash flows from investing activities			
Proceeds from loan repayments		331,830	200,000
Loans provided		-	(258,850)
Proceeds from the sale of investments		7,875	76,321
Payments for property, plant and equipment		(16,871)	(22,259)
Proceeds from sale of property, plant and equipment		37,386	35,455
Payments for exploration and evaluation		(407,767)	(242,623)
		<u>(47,547)</u>	<u>(211,956)</u>
Net cash (used) in investing activities			
Cash flows from financing activities			
Proceeds from issue of equity securities	7	830,467	184,236
Costs of share issues		(76,667)	-
Hire purchase payments		(27,209)	(43,882)
		<u>726,591</u>	<u>140,354</u>
Net cash provided by financing activities			
Net increase/(decrease) in cash held		11,743	(423,308)
Cash at beginning of half-year	9	<u>170,438</u>	<u>667,293</u>
Cash At End Of Half-Year	9	<u><u>182,181</u></u>	<u><u>243,985</u></u>

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

Note 1: Statement of Significant Accounting Policies

(a) Basis of Preparation.

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, the recognition and measurement requirements of applicable AASB standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group consensus views. This half-year financial report is to be read in conjunction with the 30 June 2002 Annual Financial Report and any public announcements by Conquest Mining Limited and its Controlled Entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the economic entity and are consistent with those applied in the 30 June 2002 Annual Financial Report.

The half-year report does not include full note disclosures of the type normally included in an annual financial report.

(b) Going Concern

The consolidated entity incurred losses of \$930,149 during the half-year ended 31 December 2002 and \$1,368,933 for the financial year ending 30 June 2002 and had a deficiency of working capital of \$91,184 as at 31 December 2002. The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. The consolidated entities tenement expenditure commitments can be varied by relinquishing tenements or obtaining exemptions.

On 23 December 2002 the Company issued a Short Form Prospectus for a one for one non-renounceable pro-rata Rights Issue to raise funds for ongoing exploration. The issue was at a price of one cent per share held at the record date of 6 January 2003 and closed on 7 February 2003. The offer, which was made to all shareholders on a pro-rata basis, sought to raise up to \$1,307,705 with a minimum subscription level of \$150,000. The directors reserved the right to place any shortfall in share applications at their discretion. A Supplementary Prospectus was issued on 9 January 2003 to clarify some of the terms and conditions of the Short Form Prospectus, as required by the ASIC. As of the date of this report, the Company has received cash funds accompanying applications for shares to the value of \$360,739. In addition, the Company has a written commitment from an investor group for placement of shortfall shares to the value of \$750,000 by 31 March 2003. Negotiations for placement of the balance of shortfall shares (value of \$196,966) are in progress and the Company is confident these shares will be allotted within 3 months of the close of the offer. Total costs of raising funds under this Short Form Prospectus are expected to be approximately \$182,000 based on all shares under the Short Form Prospectus being issued.

The Directors are confident that the Company is able to meet its funding requirements for the foreseeable future with the cash raised by share issues referred to above, significant budgeted reductions in operating expenses and other cash outgoings and the Directors' belief that the Company's projects have sufficient merit that upon the commencement of a new exploration field season and results therefrom, that further equity raisings can be made later in the financial year.

Note 2: Individually Significant Items

Loss from operating activities before income tax has been arrived at after charging/(crediting) the following individually significant items:

	2002 \$	Consolidated	2001 \$
Exploration expenditure written off	372,548		168,675
Net expense in movements in provision for:			
Provision for doubtful debt	-		207,436
Provision for diminution in investments	76,343		47,098

Note 3: Subsequent Events

On 23 December 2002 the Company issued a Short Form Prospectus for a one for one non-renounceable pro-rata Rights Issue to raise funds for ongoing exploration. The issue was at a price of one cent per share held at the record date of 6 January 2003 and closed on 7 February 2003. The offer, which was made to all shareholders on a pro-rata basis, sought to raise up to \$1,307,705 with a minimum subscription level of \$150,000. The directors reserved the right to place any shortfall in share applications at their discretion. A Supplementary Prospectus was issued on 9 January 2003 to clarify some of the terms and conditions of the Short Form Prospectus, as required by the ASIC. As of the date of this report, the Company has received cash funds accompanying applications for shares to the value of \$360,739. In addition, the Company has a written commitment from an investor group for placement of shortfall shares to the value of \$750,000 by 31 March 2003. Negotiations for placement of the balance of shortfall shares (value of \$196,966) are in progress and the Company is confident these shares will be allotted within 3 months of the close of the offer. Total costs of raising funds under this Short Form Prospectus are expected to be approximately \$182,000 based on all shares under the Short Form Prospectus being issued.

Except for the events noted above, there has not arisen in the interval between the end of the financial half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in subsequent financial periods.

Note 4: Contributed Equity

(a) Ordinary Shares

Movements during the half year:

	Notes	Consolidated	
		31 December 2002 \$	30 June 2002 \$
Balance at beginning of period		15,169,714	13,602,056
Shares issued for consultancy fees payable 6,500,000 (30 June 2002: 3,008,269)	(i)	400,000	355,414
Shares issued from non-renounceable entitlements issue Nil (30 June 2002: 3,429,705)		-	171,485
Share placements totalling 5,500,000 shares during the period (30 June 2002: 12,908,320)	(ii)	217,000	665,624
Options exercised during the year Nil (30 June 2002: 675)		-	135
Shares issued as part of acquisition costs Nil (30 June 2002: 6,000,000)		-	380,000
Shares issued from Prospectuses 15,390,335 (30 June 2002: Nil)	(ii)	550,850	-
Transaction costs of issuing shares		<u>(76,667)</u>	<u>(5,000)</u>
Balance at end of period 130,770,516 (30 June 2002: 103,380,181) fully paid ordinary shares		<u>16,260,897</u>	<u>15,169,714</u>

(i) Conversion of debt for equity in accordance with appropriate resolutions;

(ii) Funds raised for working capital purposes.

Contributed Equity (Continued)

(b) Options to take up Ordinary Shares in the Company

Movements during the half year:

	Notes	Consolidated	
		31 December 2002 \$	30 June 2002 \$
Balance at beginning of period		2,018,340	1,869,840
Options issued for consultancy fees payable 6,500,000 (30 June 2002: 3,058,269)	(i)	45,000	28,500
Options issued from non-renounceable entitlements issue Nil (30 June 2002: 3,429,705)		-	-
Option placements of 4,696,666 options during the half year (30 June 2002: 12,908,320)	(ii)	26,967	-
Options exercised during the half year Nil (30 June 2002: 675)		-	-
Options issued as part of acquisition costs Nil (30 June 2002: 6,000,000)		-	120,000
Options issued from prospectuses 3,565,000 (30 June 2002: Nil)	(ii)	35,650	-
Balance at end of period		<u>2,125,957</u>	<u>2,018,340</u>
Total Contributed Equity		<u>18,386,854</u>	<u>17,188,054</u>

Notes

(i) Conversion of debt for equity in accordance with appropriate resolutions;

(ii) Funds raised for working capital purposes.

(a) Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

(b) There also existed at 31 December 2002 9,000,000 unlisted options exercisable at \$0.20 each with an expiry date of 30 June 2005 issued to Directors as per the EGM dated 15 June 2001.

Note 5: Accumulated Losses

	2002	Consolidated	2001
	\$		\$
Accumulated losses at beginning of half-year	10,139,477		8,770,544
Net losses attributable to members of the parent entity	930,149		1,123,240
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Accumulated losses at the end of the half-year	<u>11,069,626</u>		<u>9,893,784</u>

Note 6: Segment Reporting

The Company is a junior explorer and operates predominantly in the industry of mineral exploration and one geographical segment being Australia.

Notes 7: Non - cash Financing and Investing Activities

During the period the company issued 6,500,000 fully paid ordinary shares and 6,500,000 options exercisable at \$0.20 each with an expiry date of 30 June 2005 in consideration of \$445,000 in consultancy services and assignment fees. These transactions are not reflected in the statement of cashflows.

Note 8: Disposal of controlled entities

The following controlled entities were disposed of (by way of deregistration) during the period:

2002

Name	Date of disposal	Consolidated	Consideration	Contribution to consolidated net Profit	
		entity's interest		2002	2001
		2002	2002	2002	2001
		%	\$'000	\$'000	\$'000
Conquest Exploration Pty Ltd	10 October 2002	100	-	-	-
Whitechurch Developments Pty Ltd	10 October 2002	100	-	-	-
Bow River Diamond Corporation NL	10 October 2002	100	-	-	-

2001

The consolidated entity did not lose control over any entities during the corresponding prior half-year period.

Note 9: Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

Reconciliation of Cash

	Consolidated	
	31 December 2002	30 June 2002
Cash at bank	182,181	176,083
Bank overdraft	-	(5,645)
	<u>182,181</u>	<u>170,438</u>



Independent review report to the members of Conquest Mining Limited

Scope

We have reviewed the financial report of Conquest Mining Limited (“the Company”) for the half-year ended 31 December 2002, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 9 and the directors’ declaration. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company 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 performed an independent review of the financial report in order to state whether, on basis of 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 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 and in order for the Company to lodge the financial report with the Australian Securities and Investment Commission.

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. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than 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 half-year financial report of Conquest Mining 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 of its performance for the half-year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 1029 “Interim Financial Reporting” and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

KPMG

T R HART
Partner

Perth
14 March 2003

