

Zinifex UK Limited

Report and Financial Statements

30 June 2005



Zinifex UK Limited

Registered No: 2981235

Directors

A H Barnes
A J Giles
S H Hall

Secretary

A J Giles

Auditors

Ernst & Young LLP
One Bridewell Street
Bristol
BS1 2AA

Registered Office

12 Plumtree Court
London
EC4A 4HT

Directors' report

The directors submit their report and accounts for the year ended 30 June 2005.

Results and dividends

The company did not trade during the year.

Directors and their interests

The directors who served during the year were as follows:

A H Barnes

A J Giles

S H Hall

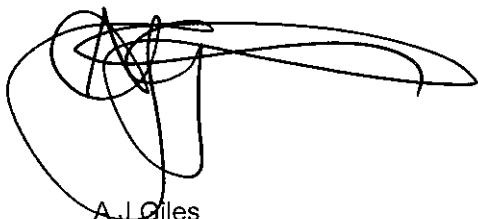
S H Hall retired as a director on 31 December 2005.

There are no directors' interests requiring disclosure under the Companies Act 1985.

Auditors

Ernst & Young LLP will be replaced as auditors by KPMG for the year ended 30 June 2006.

By order of the Board

A handwritten signature in black ink, appearing to be 'A. J. Giles', written over a circular stamp or seal.

A. J. Giles

Director

Date: 7th February 2006

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Zinifex UK Limited

We have audited the company's financial statements for the year ended 30 June 2005, which comprise the Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

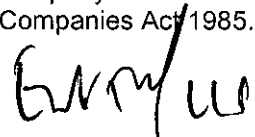
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2005 and have been properly prepared in accordance with the Companies Act 1985.

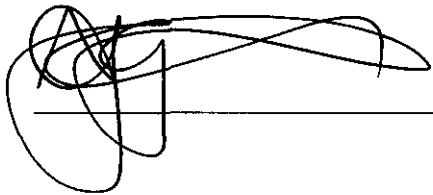

Registered Auditor
Bristol

7th February 2006

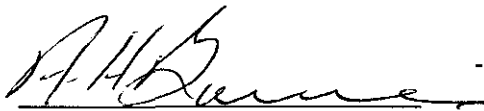
Balance sheet

at 30 June 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Investment in associated undertaking	2	8	8
Creditors: amounts falling due within one year	3	(2)	(2)
Net current liabilities		(2)	(2)
Total assets less current liabilities		6	6
Capital and reserves			
Called up share capital	4	6	6
		6	6



- A J Giles, Director



- A H Barnes, Director

Date: 7th February 2006

Notes to the accounts

at 30 June 2005

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Investments in associated undertaking

The company's investment in its associated undertaking represents the cost of acquisition of 38.2% of the ordinary share capital of Zinifex Netherlands (Holdings) BV, a company incorporated in the Netherlands. The remaining 61.8% investment is held by an intermediate parent undertaking of the company. The associated undertaking does not trade.

As at 30 June 2005, the company's share of the aggregate amount of the consolidated share capital and reserves of Zinifex Netherlands (Holdings) BV GROUP amounted to €22,600,000.

The investment is reviewed for impairment annually. No provision for impairment has been made as at 30 June 2005.

3. Creditors: amounts falling due within one year

	2005 £000's	2004 £000's
Amount due to other group undertaking	2	2

4. Share capital

	2005 No	2005 £	2004 No	2004 £
Authorised: Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u>2005</u> <u>No</u>	<u>2005</u> <u>£</u>	<u>2004</u> <u>No</u>	<u>2004</u> <u>£</u>
Allotted, called up and fully paid: Ordinary shares of £1 each	6,000	6,000	6,000	6,000

5. Related party transactions

The company has taken advantage of the exemption given by FRS 8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

6. Contingent liability

On 8 April 2004 the company created a fixed charge over the assets of the company to act as security in respect of loans provided to the Zinifex Limited group under a Facility Agreement of that date. The company was released from all other charges on that date.

Notes to the accounts

at 30 June 2005

7. Ultimate parent undertaking

The immediate parent undertaking is Zinifex UK (Holdings) Limited a company incorporated in the United Kingdom.

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the company is a member, is Zinifex Limited, incorporated in Victoria, Australia.