

APPENDIX 3

Preliminary Announcement

Half yearly/Preliminary Final report

Name of *issuer*

HERITAGE GOLD NZ LIMITED

ACN or ARBN

009 474 702

Half yearly
(tick)

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Preliminary
final (tick)

✓

Half year/financial year ended
(‘Current period’)

31 MARCH 2005

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

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					\$A,000 \$NZ 41,013
Sales (or equivalent) operating revenue (item 1.1)	up/down	56%	to		
Operating profit (loss) before abnormal items and tax (item 1.4)	up/down	3%	to		(365,189)
Abnormal items before tax (item 1.5)		gain (loss) of	to		
Operating profit (loss) after tax but before outside equity interests (item 1.8)	up/down	3%	to		(365,189)
Extraordinary items after tax attributable to members (item 1.13)		gain (loss) of	to		Nil
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up/down	N/a	to		(365,189)
Exploration and evaluation expenditure incurred (item 5.2)	up/down	95%	to		1,686,157
Exploration and evaluation expenditure written off (item 5.3)	up/down	0%	to		NIL
Dividends	Franking rate applicable				
Current period	NIL¢	NIL¢	NIL¢	NIL¢	NIL¢
Previous corresponding period	NIL¢	NIL¢	NIL¢	NIL¢	NIL¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution) (see item 15.2)			N/A		
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:					

Consolidated profit and loss account

(The figures are not equity accounted)

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
1.1	Sales (or equivalent operating) revenue	-	1,000
1.2	Other revenue	41,013	93,262
1.3	Total revenue	41,013	94,262
1.4	Operating profit (loss) before abnormal items and tax	(372,576)	(445,131)
1.5	Abnormal items before tax (detail in item 2.1)	-	-
1.6	Operating profit (loss) before tax (items 1.4 + 1.5)	(331,563)	(350,869)
1.7	Less tax	-	-
1.8	Operating profit (loss) after tax but before outside equity interests	(331,563)	(350,869)
1.9	Less outside equity interests	(33,626)	(3,793)
1.10	Operating profit (loss) after tax attributable to members	(365,189)	(354,662)
1.11	Extraordinary items after tax (detail in item 2.3)	-	-
1.12	Less outside equity interests	-	-
1.13	Extraordinary items after tax attributable to members	-	-
1.14	Total operating profit (loss) and extraordinary items after tax (items 1.8 1.11)	(365,189)	(354,662)
1.15	Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 .112)	-	-
1.16	Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 +1.13)	(365,189)	(354,662)
1.17	Retained profits (accumulated losses) at beginning of financial period	(5,730,931)	(5,376,269)
1.18	Aggregate of amounts transferred from reserves	-	-
1.19	Total available for appropriation (carried forward)	(6,096,120)	(5,730,931)
1.20	Total available for appropriation (brought forward)	(6,096,120)	(5,730,931)

Consolidated profit and loss account continued

1.21	Dividends provided for or paid	-	-
1.22	Aggregate or amounts transferred to reserves	-	-
1.23	Retained profits (accumulated losses) at end of financial period	(6,096,120)	(5,730,931)

Abnormal and extraordinary items

		Consolidated - current period			
		Before tax \$A'000 \$NZ		Related tax \$A'000- \$NZ	
				After tax \$A'000 \$NZ	
2.1	Abnormal items	-		-	
2.2	Total abnormal items	NIL		NIL	
2.3	Extraordinary items	NIL		NIL	
2.4	Total extraordinary items	NIL		NIL	

Comparison of half year profits*(Preliminary final statement only)*

		Current year - \$A'000 \$NZ	Previous year - \$A'000 \$NZ
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	(229,610)	(226,503)
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	(135,579)	(128,159)

Consolidated balance sheet
(See note 5)

Current assets		At end of current period \$A'000- \$NZ	As shown in last annual report \$A'000- \$NZ	As in last half yearly statement \$A'000- \$NZ
4.1	Cash	6,945	5,223	9,675
4.2	Receivable	84,471	32,086	33,751
4.3	Investments	780,399	649,783	837,801
4.4	Inventories	-	-	-
4.5	Other – Intercompany loan	73,108	-	31,972
	Prepayments	-	838	2,398
4.6	Total current assets	944,923	687,930	915,597
Non-current assets				
4.7	Receivables	-	-	-
4.8	Investments – Equity accounted	53,688	35,445	56,621
4.9	Inventories	-	-	-
4.10	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	7,397,449	5,711,292	6,171,689
4.11	Developmnt properties (mining ent)	-	-	-
4.12	Other property, plant and equipment (net)	46,179	52,199	49,326
4.13	Intangibles (net)	-	-	-
4.14	Other (provide details if material) Investments (Equity Accounted)	1,032,977	1,066,602	1,050,132
4.15	Total non-current assets	8,530,293	6,865,538	7,327,768
4.16	Total assets	9,475,216	7,553,468	8,243,365
Current liabilities				
4.17	Accounts payable	371,899	209,776	148,678
4.18	Borrowings	-	-	-
4.19	Provisions	-	-	-
4.20	Other (provide details if material)	-	-	-
4.21	Total current liabilities	371,899	209,776	148,678
Non-current liabilities				
4.22	Accounts payable	-	-	-
4.23	Borrowings	-	-	-
4.24	Provisions	-	-	-
4.25	Other (provide details if material)	-	-	-
4.26	Total non-current liabilities)	NIL	NIL	NIL
4.27	Total liabilities	371,899	209,776	148,678
4.28	Net assets	9,103,317	7,343,692	8,094,687

Consolidated balance sheet continued

Equity				
4.29	Capital	14,862,291	12,755,721	13,715,150
4.30	Reserves	337,146	318,902	340,078
4.31	Retained profits (accumulated losses)	(6,096,120)	(5,730,931)	(5,960,541)
4.32	Equity attributable to members of the parent entity	9,103,317	7,343,692	8,094,687
4.33	Outside equity interests in controlled entities	-	-	-
4.34	Total equity	9,103,317	7,343,692	8,094,687
4.35	Preference capital and related premium included as part of 4.31	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
5.1	Opening balance	5,711,292	4,845,076
5.2	Expenditure incurred during current period	1,686,157	866,216
5.3	Expenditure written off during current period	-	-
5.4	Acquisitions, disposals, revaluation increments, etc.	-	-
5.5	Expenditure transferred to Development Properties	-	-
5.6	Closing balance as shown in the consolidated balance sheet (item 4.9)	7,397,449	5,711,292

Development properties

(To be completed only by issuers with mining interests if amounts are material)

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
6.1	Opening balance	N/A	
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisitions, disposals, revaluation increments, etc.		
6.6	Expenditure transferred to mine properties		
6.7	Closing balance as shown in the consolidated balance sheet (item 4.10)		

Consolidated statement of cash flows

(See note 6)

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
Cash flows related to operating activities			
7.1	Receipts from customers	-	1,000
7.2	Payments to suppliers and employees	(388,905)	(409,884)
7.3	Dividends received	-	-
7.4	Interest and other items of similar nature received	37,016	46,284
7.5	Interest and other costs of finance paid	(408)	(543)
7.6	Income taxes paid	-	-
7.7	Other (provide details if material)	-	-
7.8	Net operating cash flows	(352,297)	(363,143)
Cash flows related to investing activities			
7.9	Payments for purchases of property, plant and equipment	(7,635)	(52,472)
7.10	Proceeds from sale of property, plant and equipment	-	500
7.11	Payment for purchases of equity investments	(69,285)	(1,115)
7.12	Proceeds from sale of equity investments	13,370	46,161
7.13	Loans to other entities	-	-
7.14	Loans repaid by other entities	-	-
7.15	Other (provide details if material) Prospecting expenditure	(1,556,920)	(702,324)
7.16	Net investing cash flows	(1,620,470)	(709,250)
Cash flows related to financing activities			
7.17	Proceeds from issues of securities (shares, options, etc.)	2,106,570	586,442
7.18	Proceeds from borrowings	-	-
7.19	Repayment of borrowings	(1,464)	(1,981)
7.20	Dividends paid	-	-
7.21	Other (provide details if material)	-	-
7.22	Net financing cash flows	2,105,106	584,461
Net increase (decrease) in cash held		132,339	(487,932)
7.23	Cash at beginning of period (see Reconciliations of cash)	655,006	1,142,328
7.24	Exchange rate adjustments to item 7.23	(1)	610
7.25	Cash at end of period (see Reconciliation of cash)	787,344	655,006

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

NIL

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
8.1	Cash on hand and at bank	6,945	5,223
8.2	Deposits at call	74,399	52,283
8.3	Bank overdraft	-	-
8.4	Other (provide details)Bond and term deposits	706,000	597,500
8.5	Total cash at end of period (item 7.25)	787,344	655,006

Ratios

		Current period	Previous corresponding period
	Profit before abnormals and tax/sales		
9.1	Consolidated operating profit (loss) before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	(890)%	(376)%
	Profit after tax/equity interests		
9.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.31)	(4)%	(4.82)%

Earnings per security (EPS)

10.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a)	Basic EPS	(0.38) NZ CENTS	(0.45) NZ CENTS
(b)	Diluted EPS (if materially different from (a))		

NTA backing

(see note 7)

		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	N/A	N/A

Details of specific receipts/outlays, revenues/expenses

		Current period A\$'000 \$NZ	Previous corresponding period A\$'000 \$NZ
12.1	Interest revenue included in determining items 1.4	38,268	49,092
12.2	Interest revenue included in item 12.1 but not yet received (if material)	1,985	741
12.3	Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)		
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5	Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	(1,686,157)	(866,216)
12.6	Depreciation (excluding amortisation of intangibles)	(4,827)	(4,041)
12.7	Amortisation of intangibles	-	-

Control gained over entities having material effect

(See note 8)

13.1	Name of <i>issuer</i> (or <i>group</i>)	N/A
13.2	Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired	\$
13.3	Date from which such profit has been calculated	
13.4	Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	\$

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or <i>group</i>)	N/A
14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i>) for the current period to the date of loss of control	\$
14.3	Date from which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i>) while controlled during the whole of the previous corresponding period	\$

14.5 Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control

\$

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 1005 and indicates which amount should agree with items included elsewhere in this statement.

Segments N/A

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue (consolidated total equal to item 1.3)

Segment result (including abnormal items where relevant)

Unallocated expenses

Consolidated operating profit after tax (before equity accounting) (equal to item 1.8)

Segment assets	)	Comparative data for segment assets should be as at the
Unallocated assets	)	end of the previous corresponding period
Total assets (equal to item 4.15)	)	

Dividends

15.1 Date the dividend is payable

N/A

15.2 Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

N/A

18.3 Amount per security

		Franking rate applicable	39%	36%	33%
	<i>(Preliminary final statement only)</i>				
15.4	Final dividend:	Current year	N/A	N/A	N/A
15.5		Previous year	N/A	N/A	N/A
	<i>(Half yearly and preliminary final statements)</i>				
15.6	Interim dividend:	Current year	N/A	N/A	N/A
15.7		Previous year	N/A	N/A	N/A

Total annual dividend (distribution) per security*(Preliminary final statement only)*

	Current year	Previous year
15.8 Ordinary securities	NIL¢	NIL¢
15.9 Preference securities	NIL¢	NIL¢

Total dividend (distribution)

	Current period \$A'000 \$NZ	Previous corresponding period —\$A'000 \$NZ
15.10 Ordinary securities	\$NIL	\$NIL
15.11 Preference securities	\$NIL	\$NIL
15.12 Total	\$NIL	\$NIL

The *dividend or distribution plans* shown below are in operation.

N/A

The last date(s) for receipt of election notices to the <i>dividend or distribution plans</i>	N/A
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Any other disclosures in relation to dividends (distributions)

NIL

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period A\$'000 \$NZ	Previous corresponding period A\$'000 \$NZ
16.1	Statutory carrying value of investments in associated entities (SCV)	1,066,602	1,070,395
16.2	Share of associated entities' retained profits and reserves not included in SCV:	(33,626)	(3,793)
	Retained profits	-	-
	Reserves	-	-
16.3	Equity carrying value of investments	1,032,976	1,066,602

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period	Previous corresponding period
	Broken Hill Cobalt Limited	33%	33%	<i>Equity accounted</i>	
				(33,626)	(3,793)
17.2	Other material interests	N/A		<i>Not equity accounted (ie part of item 1.14)</i>	

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and rates.

Category of securities		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.1	Preference securities (description)	NIL			
18.2	Issued during current period	NIL			
18.3	Ordinary securities	38,623,000	38,623,000	25	25
		10,000,000	10,000,000	3.8	3.8
		20,000,000	20,000,000	5.9	5.9
		5,000,000	5,000,000	10	10
		186,400	186,400	25	25
		1,000,000	1,000,000	5.5	5.5
		7,200,000	7,200,000	5	5
		12,000,000	12,000,000	AU 8	AU 8
		14,000,000	14,000,000	AU 8	AU 8
18.4	Issued during current period	12,000,000	12,000,000	AU 8	AU 8
		14,000,000	14,000,000	AU 8	AU 8
18.5	Convertible debt securities (description and conversion factor)	NIL			
18.6	issued during current period	NIL			
18.7	Options (description and conversion factor)			Exercise price	Expiry date
	Non-transferrable, not quoted, special conditions apply	3,600,000		8 cents	20/11/2007
		3,600,000		12 cents	20/11/2008
	Warrants	22,662,680	22,662,680	7cents to convert	27/6/2007
18.8	Issued during current perio	NIL			
18.9	Exercised during current period	NIL			
18.10	Expired during current period	NIL			
18.11	Debentures (totals only)	NIL			
18.12	Unsecured Notes (totals only)	NIL			

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. [Delete if in applicable.]

Material factors affecting the revenues and expenses of the *issuer* for the current period

NIL

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

NIL

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

NIL

Changes in accounting policies since the last annual report are disclosed as follows.
(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)

NIL

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place	545 Parnell Rd, Parnell, Auckland, New Zealand
Date	11 th August 2005
Time	11.00 am
Approximate date the annual report will be available	30 th June 2005

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Law* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

New Zealand reporting standards – Financial Reporting Act 1993 and Companies Act 1993

2. This statement, and the financial statements under the *Corporations Law* (if separate), use the same accounting policies.

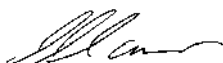
3. This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

- | | |
|--|---|
| ☐ The financial statements have been audited. | ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| ☒ The financial statements are in the process of being audited or subject to review. | ☐ The financial statements have <i>not</i> yet been audited or reviewed. |

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications ~~are attached~~ will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Law.*)

6. The *issuer* has/~~does not have~~* (*delete one*) a formally constituted audit committee.



Sign here:

.....Date:.....31/05/2005.....
 (~~Director~~/Company secretary)

Print name: ...Susan Lee Sangster.....

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated profit and loss account**
 - Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.
 - Item 1.2 "other revenue" includes abnormal items, but excludes extraordinary revenue items.
 - Item 1.4 "operating profit (loss) before abnormal items and tax" is calculated before dealing with outside equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.
 - Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.
5. **Consolidated balance sheet**

Format The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029*. Banking institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 19-21 of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030*.
6. **Statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 1026: Statement of Cash Flows*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. Mining exploration *issuers* may use the form of cashflow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under an *ASIC* Class Order dated 17 August 1994, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are normally the unadjusted figures from the previous corresponding period. However, if the previously reported figures are adjusted to achieve greater comparability, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the list rules for an *issuer* to complete this statement does not prevent the *issuer* issuing reports more frequently. Additional material lodged with the *ASIC* under the *Corporations Law* must also be given to the Exchange. For example, a *directors'* report and statement, if lodged with the *ASIC*, must be given to the Exchange.
13. **Accounting Standards** the Exchange will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Borrowing corporations** As at 1/7/96, this statement may be able to be used by an *issuer* required to comply with the *Corporations Law* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards. However, borrowing corporations must comply with Schedule 5 of the Corporations Regulations. See regulation 3.6.02(4).