



REMUNERATION REPORT (AUDITED)

The Company has applied the exemption under Corporation Regulation 2M.6.04 which exempts listed companies from providing remuneration disclosures in relation to their key management personnel in their annual financial reports by Accounting Standard AASB 124 Related Party Disclosures. These remuneration disclosures are provided in pages 27 to 35 of the Directors' Report designated as audited. For these disclosures the five most highly remunerated executives are the same as the key management personnel.

This report outlines the remuneration arrangements in place for the directors and executives of the Company.

Remuneration Philosophy

The performance of the company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value and company profits;
- Significant portion of executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- Establish appropriate and demanding performance hurdles in relation to variable executive remuneration

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Managing Director and the executive team.

The Remuneration Committee assess the appropriateness of the nature and amount of remuneration of senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality executive team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and senior manager remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee is also paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub committees.

The remuneration of non-executive directors is detailed in Tables 9 and 10 on pages 31 and 32 of this report. Fees for the non-executive directors' are determined within an aggregate directors' fee pool limit of \$400,000, which was last approved by shareholders on 30 November 2006.

Senior Manager and Executive Director Remuneration

Objective

The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company so as to:

- reward executives for Company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and the performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee take due consideration of the current market levels of remuneration for comparable executive roles.

It is the Remuneration Committee's policy that employment contracts are entered into with the Managing Director and other senior executives. Details of these contracts are provided on pages 29 to 31.

Remuneration consists of the following key elements:

- Fixed Remuneration;
- Variable Remuneration
 - Short Term Incentive ('STI'); and
 - Long Term Incentive ('LTI').

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each senior manager by the Remuneration Committee. Tables 9 and 10 on pages 31 and 32 detail the variable component (%) of the Group's Key Management Personnel which includes the five most highly remunerated senior executives.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of Company wide, business unit and individual performance, relevant comparative remuneration in the market and internal and, when appropriate, external advice on policies and practices. As noted above, the Committee has access to external advice independent of management.

Structure

Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the Group's Key Management Personnel which includes the five highly remunerated senior executives is detailed in tables 9 and 10 on pages 31 and 32.





Variable Remuneration – Short Term Incentive (STI)

Objective

The objective of the STI programme is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure

Actual STI payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the calendar year are met. The operational targets consists of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to net profit after tax, production and cost targets, safety performance, environmental compliance, risk management, and leadership/team contribution. The Company has predetermined benchmarks which must be met in order to trigger payments under the short term incentive scheme.

On an annual basis, after consideration of performance against KPIs and profitability, an overall performance rating for the Company and each individual business unit is approved by the Remuneration Committee. The individual performance of each executive is also rated and all the ratings are taken into account when determining the amount, if any, of the short term incentive pool is allocated to each executive.

The aggregate of annual STI payments available for executives across the Company is subject to the approval of the Remuneration Committee. Payments made are usually delivered as a cash bonus with 60% of the annual bonus being paid in November with the remaining 40% paid in the following April.

Variable Remuneration – Long Term Incentive (LTI)

Objective

The objective of the LTI programme is to reward and incentivise senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth. The Company's performance over the past four years and its impact on shareholder wealth has been summarised within the Operating and Financial review section of the Directors' Report.

Structure

LTI grants to executives are delivered in the form of unlisted share options. In addition, a separate LTI has been granted to the Managing Director, Peter Harold, through the shareholder approved Managing Director's Long Term Share Plan (LTSP).

Table 11 on page 33 and Table 12 on page 34, provides details of options granted, the value of options, vesting periods and lapsed options under the unlisted share option LTI. Details of the LTSP are provided under the terms of Peter Harold's employment contract on page 30.

Employment Contracts

The Non-Executive Chairman, Christopher de Guingand, commenced in his role on 8 July 2005 under the following terms:

- Christopher de Guingand may resign from his position and thus terminate his directorship on written notice.
- The Company must provide 6 months' written notice or provide payment in lieu of the notice period (\$50,000, based on the fixed component of Christopher de Guingand's remuneration) if termination is initiated by the Company, except where termination is from serious misconduct.
- The Company may terminate his directorship at any time without notice if serious misconduct has occurred. In this situation, the Non-Executive Chairman is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

All other directors conduct their duties under the following terms:

- A non-executive director may resign from his position and thus terminate this contract on written notice.
- The Company may terminate a directorship by providing 6 months' written notice or provide payment in lieu of the notice period (based on the fixed component of the non-executive director's remuneration) if termination is initiated by the Company, except where termination is from serious misconduct. The fixed components of the non-executive director's remuneration are:

Non Executive Director	Termination Payment
Christopher Langdon	\$35,000
John Rowe	\$35,000
Brian Phillips	\$35,000

- The Company may terminate a directorship at any time without notice if serious misconduct has occurred. Where termination with such cause occurs the non-executive director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

The Managing Director, Peter Harold, is employed under a four year contract and under the terms of this contract that commenced on 1 January 2006:

- Peter Harold may resign from his position and thus terminate this contract by giving 3 months written notice. Any vested options not exercised will be forfeited 4 weeks after notice of resignation.
- If there is a change of control of the Company or the Company is taken over then Peter Harold is entitled to a redundancy of 12 months remuneration at his election (\$550,000 based on the fixed component of Peter Harold's remuneration). LTI unlisted options that have not yet vested will vest immediately.

- The Company may make a STI cash bonus to Peter Harold up to a maximum of 100% of his base salary measured against the achievement of agreed performance indicators as set by the Remuneration Committee from time to time;
- Under the Managing Director's Long Term Share Plan (LTSP), Peter Harold will be entitled to be issued a maximum of 1,000,000 shares in the Company at the conclusion of his four year contract (31 December 2009), dependent upon the performance of the Company relative to a group of selected peers over a three and a half year period commencing on 1 July 2006 and ending on 31 December 2009 (Performance Period). The peer group comprises those companies within the S&P / ASX 300 Metals & Mining Index. The peer group is to be ranked in terms of total shareholder return (TSR), which is the percentage increase in each Company's share price plus reinvested dividends over the Performance Period adjusted for bonus issues, subdivisions and consolidations of capital. Shares under the LTSP will be allotted to Peter Harold provided that the TSR ranking of the Company at the end of the Performance Period is at or above the 50th percentile of the peer group and further provided that the Company's TSR over that period exceeds a rate of 5% per annum compounded. At the 50th percentile, Peter Harold will be entitled to 50% of the LTSP shares, increasing proportionately to 100% at the 65th percentile;
- The Company may terminate this employment agreement by providing 6 months' written notice or provide payment in lieu of the combined notice and payment periods (\$275,000 based on the fixed component of Peter Harold's remuneration). On termination on notice by the Company, any LTI options that have vested, or will vest during the notice period will be able to be exercised until the expiry date. LTI options that have not yet vested will vest immediately upon notice of termination unless termination is from serious misconduct in which case the options not yet vested will be forfeited.

The Chief Financial Officer, Trevor Eton, is employed under an open contract and under the terms if this contract that commenced on 12 March 2003:

- Trevor Eton may resign from his position and thus terminate this contract by giving 4 weeks written notice. Any vested options not exercised will be forfeited 4 weeks after notice of resignation.
- The Company may terminate this employment agreement by providing 4 months' written notice or provide payment in lieu of the notice (\$95,000 based on the fixed component of Trevor Eton's remuneration). On termination on notice by the Company, any LTI options that have vested, or will vest during the notice period will be able to be exercised until the expiry date. LTI options that have not yet vested will vest immediately upon notice of termination unless termination is from serious misconduct in which case the options not yet vested will be forfeited.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with such cause occurs, the Chief Financial Officer is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with such cause, any unvested options will immediately be forfeited. Any vested options not exercised within 4 weeks of such notice of termination will be forfeited.

The General Manager - Mining, Christopher Williams, is employed under an open contract and under the terms of this contract that commenced on 16 July 2003:

- Christopher Williams may resign from his position and thus terminate this contract by giving 4 weeks written notice. Any vested options not exercised will be forfeited 4 weeks after notice of resignation.
- The Company may terminate this employment agreement by providing 4 weeks' written notice or provide payment in lieu of the notice period (\$23,750 based on the fixed component of Christopher Williams's remuneration). On termination on notice by the Company, any LTI options that have vested, or will vest during the notice period will be able to be exercised until the expiry date. LTI options that have not yet vested will vest immediately upon notice of termination unless

termination is from serious misconduct in which case the options not yet vested will be forfeited.

- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with such cause occurs, the General Manager Mining is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with such cause, any unvested options will immediately be forfeited. Any unvested options not exercised within 4 weeks of such notice of termination will be forfeited.

All other named executives are employed under an open contract, these executives and the commencement date of their contracts are as follows:

Named Executive	Date of Commencement	Position
Terry Strong	1 April 2005	Operations Manager - Sally Malay Project
Stephen Kelleher	5 April 2004	Group Process Manager & Alternate Operations Manager - Sally Malay Project
Simon Jessop	22 Nov 2004	Operations Manager - Lanfranchi

The above named executives' employment contracts are under the following terms:

- Each may resign from his position and thus terminate this contract by giving 4 weeks written notice. Any vested options not exercised will be forfeited 4 weeks after notice of resignation.
- The Company may terminate their employment agreements by providing 4 weeks written notice, with no payment in lieu of the notice period. On termination on notice by the Company, any LTI options that have vested, or will vest during the notice period will be able to be exercised until the expiry date. LTI options that have not yet vested will vest immediately upon notice of termination unless termination is from serious misconduct in which case the options not yet vested will be forfeited.

Remuneration of Directors and Executive Officers 2007 Table 9

2007	Short-term incentive benefits			Post-employment benefits		Long-term incentive Plans			Total	Performance related
	Name	Cash salary & fees	Cash bonus	Non-monetary benefits	Super-annuation	Retirement benefits	Executive Options	Employee Share Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Executive Director										
P J Harold	432,840	215,000	12,904	40,459	-	-	-	312,165	1,013,368	52
Non-Executive Directors										
C J G de Guingand	95,000	50,000	4,904	-	-	-	-	-	149,904	33
C D J Langdon	99,869	50,000	4,904	-	-	-	-	-	154,773	32
J Rowe (appointed 5.12.06)	34,790	-	4,904	-	-	-	-	-	39,694	-
B M Phillips (appointed 27.03.07)	16,935	-	4,904	-	-	-	-	-	21,839	-
Executives										
T R Eton	231,000	75,000	12,904	22,500	-	-	326,486	-	667,890	60
R Jordinson	264,950	100,000	10,237	18,826	180,000	-	-	-	574,013	17
S G Kelleher	228,528	16,000	4,904	20,637	-	-	65,297	-	335,367	24
C J Williams	221,471	40,000	12,904	20,112	-	-	86,750	-	381,237	33
S A Jessop	198,239	16,000	4,904	17,742	-	-	48,793	-	285,678	23
T J Strong	228,620	40,000	4,904	23,123	-	-	91,606	-	388,254	34
	2,052,241	602,000	83,277	163,400	180,000	-	618,934	312,165	4,012,017	38

- The Company may terminate the contract at any time without notice if serious misconduct has occurred. When termination with such cause occurs, the named executive is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with such cause, any unvested options will immediately be forfeited. Any vested options not exercised within 4 weeks of such notice of termination will be forfeited.

Remuneration of Directors and Executive Officers 2006 Table 10

2006	Short-term incentive benefits			Post-employment benefits		Long-term incentive Plans			Total	Performance related
	Name	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Retirement benefits	Executive Options	Employee Share Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Executive Directors										
P J Harold	359,748	102,000	10,267	32,377	-	-	77,052	-	581,444	31
K S Liddell (resigned 05.07.05)	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors										
C J G de Guingand	74,500	-	3,267	-	-	-	-	-	77,767	-
C D J Langdon	58,000	-	3,267	-	-	-	-	-	61,267	-
E G Jewell-Tait (appointed 30.09.05, resigned 30.06.06)	41,000	-	3,267	-	-	-	-	-	44,267	-
R A Logan (resigned 30.09.05)	-	-	-	-	-	-	-	-	-	-
A C Cooke (resigned 18.11.05)	38,000	-	-	-	-	-	-	-	38,000	-
Executives										
T R Eton	219,266	55,000	10,267	19,734	-	16,346	-	-	320,613	22
R Jordinson	288,991	85,000	10,267	23,945	-	-	140,970	-	549,173	41
S G Kelleher	205,833	56,666	3,267	18,525	-	-	45,935	-	330,226	31
C J Williams	184,500	30,000	3,267	16,605	-	-	34,844	-	269,216	24
T J Strong	191,666	55,000	3,267	17,250	-	-	32,404	-	299,587	29
	1,661,504	383,666	50,403	128,436	-	16,346	331,205	-	2,571,560	28



Securities granted as part of remuneration Table 11

	Grant Date	Grant Number	Vest	Securities Vested during period	Value per security at grant date	Value of securities granted during the year	Amortisation of granted securities during the year	Exercised Number	Exercise Price	Expiry date	Value at date securities lapsed	% of remuneration
					\$	\$	\$		\$		\$	
2007												
(i) Options												
T R Eton	22/01/07	375,000	30/11/07	-	1.17	437,175	222,791	-	2.20	30/11/10	-	33.48
T R Eton	22/01/07	375,000	30/11/08	-	1.17	437,175	102,523	-	2.20	30/11/10	-	15.41
Total		750,000		-	1.17	874,350	325,314	-	2.20		-	48.88
C J Williams	22/01/07	50,000	30/11/07	-	1.17	58,290	29,705	-	2.20	30/11/10	-	7.82
C J Williams	22/01/07	50,000	30/11/08	-	1.17	58,290	13,670	-	2.20	30/11/10	-	3.60
Total		100,000		-	1.17	116,580	43,375	-	2.20		-	11.42
S A Jessop	22/01/07	50,000	30/11/07	-	1.17	58,290	29,705	-	2.20	30/11/10	-	10.44
S A Jessop	22/01/07	50,000	30/11/08	-	1.17	58,290	13,670	-	2.20	30/11/10	-	4.80
Total		100,000		-	1.17	116,580	43,375	-	2.20		-	15.24
S G Kelleher	22/01/07	75,000	30/11/07	-	1.17	87,435	44,558	-	2.20	30/11/10	-	13.33
S G Kelleher	22/01/07	75,000	30/11/08	-	1.17	87,435	20,505	-	2.20	30/11/10	-	6.14
Total		150,000		-	1.17	174,870	65,063	-	2.20		-	19.47
T J Strong	22/01/07	75,000	30/11/07	-	1.17	87,435	26,309	-	2.20	30/11/10	-	6.78
T J Strong	22/01/07	75,000	30/11/08	-	1.17	87,435	44,558	-	2.20	30/11/10	-	11.52
Total		150,000		-	1.17	174,870	70,867	-	2.20		-	18.29
Total		1,250,000		-	1.17	1,457,250	547,995	-	2.20		-	-
(ii) Performance Shares												
PJ Harold	30/11/06	1,000,000	31/12/09	-	1.65	1,650,000	312,165	-	-	31/12/09	-	30.80
Total		1,000,000		-	1.65	1,650,000	312,165	-	-		-	-
2006												
(i) Options												
T J Strong	08/05/06	50,000	20/09/06	-	0.72	36,000	36,040	-	0.85	20/09/08	-	12.03
T J Strong	08/05/06	50,000	20/09/07	-	0.72	36,000	3,820	-	0.85	20/09/08	-	1.28
Total		100,000	-	-	0.72	72,000	39,860	-	0.85		-	13.31
(ii) Performance Shares												

No Performance Shares had been issued as of 30 June 2006

No amount was paid or payable by the recipient for those securities granted during the period.

All securities granted during the period can be exercised after the vesting date and prior to the expiry date.

Options granted as a part of senior management remuneration have been valued using a Black Scholes option pricing model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk free rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option.

Performance shares granted as a part of the Managing Director's remuneration have been valued using a Monte-Carlo simulation model, which takes account of factors including the current level and volatility of the underlying share price, the risk free rate, expected dividends on the underlying share, the current market price of the underlying share and Total Shareholder Return (TSR) hurdles that must be met before the Share Based Payment vest to the holder.

There have been no options granted over unissued ordinary shares to key management personnel since 30 June 2007.

Security holdings of Directors and Specified Executives Table 12

	Balance at beginning of period 1 July 2006	Granted as Remuneration	Securities Exercised	Net Change Other	Balance at end of period 30 June 2007	Vested at 30 June 2007		
						Total	Not Exercisable	Exercisable
(i) Options								
Directors								
C J G de Guingand	-	-	-	-	-	-	-	-
P J Harold	2,000,000	-	(2,000,000)	-	-	-	-	-
C D J Langdon	-	-	-	-	-	-	-	-
J Rowe	-	-	-	-	-	-	-	-
B M Phillips	-	-	-	-	-	-	-	-
Executives								
T R Eton	700,000	750,000	(500,000)	-	950,000	200,000	-	200,000
R Jordinson	725,000	-	(525,000)	(200,000)	-	-	-	-
C J Williams	100,000	100,000	(100,000)	-	100,000	-	-	-
S A Jessop	45,000	100,000	(35,000)	-	110,000	-	-	-
S G Kelleher	200,000	150,000	(200,000)	-	150,000	-	-	-
T J Strong	200,000	150,000	(150,000)	-	200,000	-	-	-
Total	3,970,000	1,250,000	(3,510,000)	(200,000)	1,510,000	200,000	-	200,000
(ii) Performance Shares								
Directors								
P J Harold	-	1,000,000	-	-	1,000,000	-	-	-
Total	-	1,000,000	-	-	1,000,000	-	-	-

	Balance at beginning of period 1 July 2005	Granted as Remuneration	Securities Exercised	Net Change Other	Balance at end of period 30 June 2006	Vested at 30 June 2006		
						Total	Not Exercisable	Exercisable
(i) Options								
Directors								
K S Liddell	350,000	-	(350,000)	-	-	-	-	-
A C Cooke	-	-	-	-	-	-	-	-
P J Harold	2,000,000	-	-	-	2,000,000	2,000,000	-	2,000,000
C D J Langdon	-	-	-	-	-	-	-	-
E G Jewell-Tait	-	-	-	-	-	-	-	-
M A Bohm	-	-	-	-	-	-	-	-
R A Logan	-	-	-	-	-	-	-	-
Executives								
T R Eton	1,200,000	-	(500,000)	-	700,000	700,000	-	700,000
R Jordinson	1,050,000	-	(325,000)	-	725,000	400,000	-	400,000
C J Williams	200,000	-	(100,000)	-	100,000	-	-	-
S G Kelleher	200,000	-	-	-	200,000	100,000	-	100,000
J A Maslen	100,000	100,000	-	-	200,000	50,000	-	50,000
Total	5,100,000	100,000	(1,275,000)	-	3,925,000	3,250,000	-	3,250,000

(ii) Performance Shares : No Performance Shares had been issued as of 30 June 2006



Fair Value of Options

The fair value of each option is estimated on the date of grant using a Black-Scholes option-pricing model with the following assumptions used for grants made on the following dates:

	2004		2005		2006		2007
	24/08	02/12	28/01	16/06	08/05	12/07	22/01
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	46%	46%	46%	46%	49%	42%	47%
Historical volatility	46%	46%	46%	46%	49%	42%	47%
Risk free rate	5.59%	5.25%	5.40%	5.28%	5.70%	5.88%	6.55%
Expected life (Years)	3.45	2.76	3.08	3.26	2.37	2.19	3.86

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases. The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not be the actual outcome.

The resulting fair values per option for those options on issue at 30 June 2007 are:

Grant Date	Vested Date	Fair Value/option \$	Share Price on Grant Date \$	Options	Fair Value \$
24 Aug 2004	31 Dec 2004	0.31	0.73	100,000	31,000
24 Aug 2004	31 Dec 2005	0.31	0.73	100,000	31,000
2 Dec 2004	20 Sep 2006	0.46	0.94	55,000	25,300
28 Jan 2005	20 Sep 2005	0.40	0.87	28,750	11,457
28 Jan 2005	20 Sep 2006	0.40	0.87	21,250	8,468
16 Jun 2005	20 Sep 2005	0.34	0.82	15,000	5,100
8 May 2006	20 Sep 2006	0.72	1.39	162,500	117,130
8 May 2006	20 Sep 2007	0.72	1.39	162,500	117,130
12 July 2006	20 Sep 2006	0.66	1.35	206,625	136,373
12 July 2006	20 Sep 2007	0.66	1.35	206,625	136,373
22 Jan 2007	30 Nov 2007	1.17	2.46	1,112,500	1,301,625
22 Jan 2007	30 Nov 2008	1.17	2.46	1,112,500	1,301,625

Fair Value of Performance Shares

The fair value of each performance share is estimated on the grant date utilising the assumptions underlying the Black-Scholes methodology to produce a Monte-Carlo simulation model which allows for the incorporation of the Total Shareholder Return (TSR) hurdles that must be met before the Share Based Payment vest in the holder. The following assumptions were used for grants made on the following dates:

	30/11/06
Dividend yield	0.00%
Expected volatility	47%
Historical volatility	46%
Risk free rate	5.80%

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not be the actual outcome.

The resulting fair values per performance share for those on issue at 30 June 2007 are:

Grant Date	Vested Date	Fair Value/Share (\$)	Share Price on Grant Date (\$)	Shares	Fair Value \$
30 Nov 2006	31 Dec 2009	1.65	2.00	1,000,000	1,650,000

These values are held in reserve and the value is amortised over the vesting period. For the 2007 financial year the employee benefit expense was \$312,165 (2006: nil).