





CORPORATE DIRECTORY

DIRECTORS:

Ian Keith Warner, Chairman
 Anthony James Grist, Chief Executive
 Clive Raymond Hartz
 Peter John Clifton
 Alastair Hugh Walker (alternate to Clive Hartz)

REGISTERED OFFICE:

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SHARE REGISTRY:

National Registry Services
 Level 17, 152 St George's Terrace
 Perth WA, AUSTRALIA 6000
 Telephone: 61 (08) 9365 7010

SECRETARY:

Alastair Hugh Walker

AUDITORS:

Deloitte Touche Tohmatsu
 Level 16, 152 St George's Terrace
 Perth WA, AUSTRALIA 6000

HOME STOCK EXCHANGE:

PERTH
 Exchange Plaza, 2 The Esplanade
 Perth WA, AUSTRALIA 6000

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DIRECTORS' REPORT

The directors of International Mineral Resources N.L. submit herewith the balance sheet as at 30 June 1999, the profit and loss statement and statement of cash flows for the financial year then ended. In order to comply with the provisions of the Corporations Law, the directors report as follows:

The names and particulars of the directors of the company in office during or since the end of the financial year:

WARNER, IAN KEITH

Non-executive Chairman, lawyer, joined the Board in 1994 and has practised as a commercial lawyer for over 25 years. He is also a Director of Western Power, the Western Australian state-owned power utility, and a Director of Cape Bouvard Investments Pty Ltd.

GRIST, ANTHONY JAMES

Managing Director, joined the board in October 1997. After managing the corporate underwriting division of a Corporate Member of the Australian Stock Exchange until 1991, he formed a private investment group based in Perth, Western Australia. This led to his gaining international experience in the management of public companies.

HARTZ, CLIVE RAYMOND

Non-Executive Director, businessman, joined the board in October 1997. Heads a diverse private investment group based in Perth, Western Australia, established since 1976 and has considerable experience in real estate development, construction, mining and exploration, and financial services.

CLIFTON, PETER JOHN

Non-Executive Director appointed to the board 7th September 1999. Mr Clifton is a consultant with particular expertise in strategic and operational reviews of telecommunications businesses. He has over 25 years experience in telecommunications and extensive international business experience. For 10 years Peter had responsibility within Telstra establishing and managing businesses in South Asia, the Middle East and Europe.

LEE, CHRISTOPHER BRIAN

Non-Executive Director, resigned June 1999.

DIRECTORS MEETINGS

The number of directors' meetings (including meetings of committees of the Board) and the numbers of meetings attended by each of the directors during the financial year were:

	MEETINGS	ATTENDED
Warner I.K.	14	14
Grist A.J.	14	13
Hartz C.R.	14	14
Lee C.B.	14	13

No meetings of the audit or remuneration committee were held during the financial year.

PRINCIPAL ACTIVITIES

During the financial year the Company was focused on mining exploration however just prior to the year end the Company changed direction and is now a focussed telecommunications investment company.

RESULTS

The net amount of the company's loss for the financial year after income tax expense, was \$1,291,074 (1998: \$201,431)

DIVIDENDS

No dividends have been paid or declared since the start of the financial year.

The directors do not recommend the payment of a dividend in respect of the year ended 30 June 1999.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Despite encouraging drill results from the Company's wholly-owned Badgebup Gold project in early calendar 1999, a deteriorating gold price lead to the decision to seek a diversification of the Company's activities away from the gold industry.

In early May 1999 the Company announced that it intended to acquire 10 per cent of Amcom Telecommunications Pty Ltd, a holder of a telecommunications carrier license.

In June 1999 the Company acquired the right to increase its shareholding to 50 per cent by undertaking to inject further capital into Amcom, subject to the approval of shareholders. \$10 million was raised through a placement to institutional clients of Burdett Buckenridge Young Limited. The Amcom acquisition and placement were approved by shareholders along with a name change to FiberTel Limited at a meeting held on the 7th of September 1999.

Amcom is based in Perth, Western Australia, and was founded in 1988. Until 1998, when it was granted its carrier's licence, its core business was the provision of cabling services to corporations and institutions.

Amcom has recently completed the first stage of the roll-out of a fibre optic network in the Perth CBD and Fremantle. The Company is now in the process of extending it to commercial businesses in satellite areas.

Specifics of the operation include:

- installation of conduit and associated pit systems;
- installation and commissioning of optical fibre networks;
- backbone cabling within buildings;
- local area network cabling; and
- installation and commissioning of a high bandwidth switched network.

Amcom intends to grow its business by forming relationships and alliances with other carriers and service providers. It is extending its network to regional business centres and to other capital cities (excluding Sydney, Melbourne and Brisbane) and will provide a range of services to corporate and institutional clients.

THE MARKET FOR AMCOM'S SERVICES

The arrival of the "Information Age" has created new opportunities that cross traditional industry boundaries. New generation companies, without aging telecommunications networks and business models, are able to focus on the new high value revenue sectors using the latest technologies.

Using advanced intelligent packet switches over an optical fibre infrastructure, Amcom will focus on two of the key high value opportunities:

- end user high bandwidth connections - the scarcest and most defensible link in the chain - creating a gatekeeper control premium;
- participating in value added services such as systems integration/outourcing, e-commerce and ISP/portal businesses and thus extracting transaction commissions.

According to market analyst Paul Budde Communication Pty Ltd, the Australian market for data and value added telecommunications services in 1998 was estimated to be around \$5.6 billion with an annual growth rate in excess of 20 per cent.

The CEO of Telstra, the incumbent Australian telecommunications company with a market capitalisation of over \$100 billion, recently stated that its growth rate in data traffic was running at 14 per cent per month with an expectation that in three years' time data traffic will be 100 times what it is today and 15 times the level of voice traffic today.

DIRECTORS' REPORT

AMCOM'S COMPETITIVE POSITION

In an industry experiencing rapid growth, Amcom is in a unique position of providing a leading edge technological solution coupled with flexibility and proven experience. Amcom has a number of competitive advantages that strongly position the company, including:

- (a) implementation of an IP infrastructure;
- (b) implementation of strategic alliances and partnerships;
- (c) ten years experience in the telecommunications infrastructure business in Western Australia;
- (d) focus on markets outside the highly contested Sydney, Melbourne, Brisbane CBD markets; and
- (e) focused range of products and services.

AMCOM'S BUSINESS STRATEGY

Amcom's strategy is to initially focus on a defined market being the provision of a broadband network to provide integrated telecommunications and data services and high speed internet services to medium to large corporate and government clients with initial focus on CBD based enterprises. Amcom's network will enable data transmission at significantly higher speeds than many of its competitors. Current customers include, amongst others, the University of Western Australia, Ozemail (now part of MCI/Worldcom), Woodside Energy Limited and the Health Department of Western Australia.

Amcom's potential service offerings will include:

- High speed/bandwidth data transmission.
- Offsite data backup/disaster recovery.
- High speed internet access.
- Video conferencing.
- Internet Protocol (IP) telephone services.

BADGEBUP GOLD PROJECT (100%)

Due to the change in the Company's direction, the director's have resolved to divest or joint venture the Badgebup Gold project on the most advantageous terms as soon as practicable. Discussions with several interested parties are ongoing at present.

ENVIRONMENTAL REGULATIONS

The Company's environmental obligations are regulated under both State and Federal law. The Company has a policy of exceeding or at least complying with its environmental performance obligations. No environmental breaches have been notified by any Government agency to the date of this report.

CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Company that occurred during the financial year, and which are reported in the financial statements, were:

- The issue of 121,336,004 options via an entitlements issue to raise \$606,680 before expenses;
- The issue of 22,500,000 shares to raise \$562,500;
- The agreement to acquire a 10 per cent interest in Amcom Telecommunications Pty Ltd for the amount of \$2,000,000. \$1,000,000 of this amount was settled in the financial year.

DIRECTORS' REPORT

SUBSEQUENT EVENTS

At an extraordinary meeting on the 7th of July 1999 the Company obtained shareholders' approval to, amongst other things, issue 20,000,000 shares at an issue price of \$0.10 to raise \$2,000,000. These shares were allotted on the 19th of July, 1999.

A further \$1,000,000 was paid in July 1999 to complete the acquisition of the 10 per cent interest in Amcom Telecommunications Pty Ltd.

At an extraordinary meeting on the 7th September 1999 the Company obtained shareholders' approval to, amongst other things:

- undergo a 1 for 4 consolidation of its share capital;
- raise \$10 million to institutional clients via the issue of approximately 16.66 million shares at a price of \$0.60 each. This placement has been made;
- acquire a further up to 40 per cent of Amcom Telecommunications Pty Ltd by the payment of a further \$ 8 million;
- change the status of the Company from a no liability company to limited liability company; and
- change the name of the Company to FiberTel Limited.

FUTURE DEVELOPMENTS

The future of the Company undoubtedly will be profoundly influenced by the Amcom acquisition. Having completed the raising of \$10 million via the placement of new shares in early September, the Company is now investing these funds into Amcom. Amcom will in turn be using the funds substantially to continue the roll out of their fibre optic network in Perth and other regional financial centers in Australia to build an integrated infrastructure-based telecommunications company. In the financial year to 30th June 2000, it is likely that the Amcom investment will be the predominant balance sheet item of the Company.

INDEMNIFICATION OF OFFICERS AND AUDITORS

The company has not, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

SHARE OPTIONS

As at the date of this report there are no options granted to directors or relevant officers as part of their remuneration for the financial year. A list of existing options held by directors is included in the following paragraph.

DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each director in the share capital of the Company in the Register of Director's Shareholdings as at the date of this report is:

	ORDINARY SHARES	OPTIONS
Mr IK Warner	225,000	162,500
Mr P Clifton	-	-
Mr AJ Grist	4,054,375	244,343
Mr CR Hartz	4,200,375	-
Mr AH Walker	60,000	-

The shares and options referred to are on a post 1:4 consolidation basis. The options are exercisable at \$0.80 any time up until 30th June 2001.

Since the end of the previous financial year, no director of the company has received or become entitled to receive a benefit (other than a fixed salary of a full-time employee of the company or the aggregate amount of emoluments paid and payable to the directors or related party transactions shown in note 17 & 22) because of a contract the director or a firm of which the director is a member or an entity in which the director has a substantial financial interest made with the company or an entity that the company controlled, or a body corporate that was related to the company, when a contract was made or when the director received, or became entitled to receive the benefit.

DIRECTORS' REPORT

**DIRECTORS AND EXECUTIVES
REMUNERATION**

The board reviews the remuneration packages of all directors and executive officers on an annual basis and makes recommendations to the board. Remuneration packages are reviewed with due regard to performance and other relevant factors.

In order to retain and attract executives of sufficient calibre to facilitate the efficient and effective management of the Company's operations, the board seeks the advice of external advisers in connection with the structure of remuneration packages.

Remuneration packages contain the following key elements:

- a) Salary and fees;
- b) Benefits - including the provision of motor vehicles, superannuation and health benefits

The following table discloses the remuneration of the directors of the Company and the highest remunerated executives of the Company (including executive directors).

NAME/OFFICE	SALARY/FEES	BENEFITS	TOTAL
I.K. Warner Non-Executive Director	12,000	1,320	\$13,320
A.J. Grist Executive Director	121,248	360	\$121,608
C.R. Hartz Non-Executive Director	34,149	360	\$34,509
C.B. Lee Non-Executive Director	15,984	200	\$16,184

Other than disclosed above there were no executive officers employed by the Company during the financial year.

CORPORATE GOVERNANCE STATEMENT**THE BOARD OF DIRECTORS**

The board of directors consists of a non-executive chairman, two non-executive directors and one executive director. Given the current size of the company a board of four is considered an appropriate size and given its composition most issues can be decided at board level without the need for separate committees.

The board's composition is based on the following principles:

- The chairman should be a non-executive director elected by the full board.
- The majority of directors should be non-executive.
- The board should consist of directors with a broad range of skills and experience that will benefit the company.

Directors are initially appointed by the full board subject to election by shareholders at the next annual general meeting. One third of all directors are considered for re-election each year.

The board as a whole, serves as the nomination committee. When a vacancy exists or it is considered that the services of a new director with particular skills would benefit the board, the board as the nomination committee selects a number of candidates with appropriate expertise and experience. The board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

The performance of executive directors is reviewed by the nomination committee on an ongoing basis. The performance of non-executive directors is reviewed by the chairman on an on-going basis. Any director's whose performance is considered unsatisfactory is asked to resign.

DIRECTORS' REPORT

REMUNERATION COMMITTEE

The board as a whole serves as the remuneration committee and reviews the performance, remuneration and terms and conditions of employment of both non-executive and executive directors. The executive director does not participate in the discussion relating to his own remuneration.

As well as the base salary remuneration includes superannuation, retirement and termination entitlements, performance-related bonuses and fringe benefits. Further information on directors and executive's remuneration is set out in Notes 17 and 22 to the financial statements.

AUDIT COMMITTEE

The audit committee is comprised of two non-executive directors. The external auditors, the executive director and company secretary are invited to audit committee meetings at the discretion of the committee.

The responsibilities of the audit committee include:

- reviewing financial statements and other information distributed externally;
- reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified appropriate and prompt action is taken;
- liaising with external auditors and ensuring that the annual and half-year statutory audits are conducted in an effective manner;
- monitoring the procedures in place to ensure compliance with the Corporations Law, Stock Exchange Listing Rules and any matters outstanding with auditors, Australian Taxation Office, Australian Securities Commission, Australian Stock Exchange and financial institutions.

The committee is also charged with the responsibilities of recommending to the board the appointment, removal and remuneration of the external auditors and reviewing the terms of their engagement and the scope and quality of the audit. The committee reports to the full board after each committee meeting and relevant papers and minutes are provided to all directors.

INDEPENDENT PROFESSIONAL ADVICE

Each director has the right, in connection with their duties and responsibilities as directors, to seek independent professional advice at the company's expense. However prior approval of the chairman is required, which will not be unreasonably withheld.

INTERNAL CONTROL FRAMEWORK

The board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. The system is based upon procedures, policies and guidelines, organisational structures that provide an appropriate division of responsibility and careful selection and training of qualified personnel.

RISK ASSESSMENT AND MANAGEMENT

The Board as a whole works towards identifying significant areas of risk. Where it is practically possible and financially cost effective action is taken as soon as practicable once a risk is identified.

ETHICAL STANDARDS

The company has in place a code of professional conduct which applies to all directors and employees. All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the company.

The code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of integrity and professionalism.

Signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the Corporations Law.

On behalf of the directors



Ian K. Warner
Director



Anthony J. Grist
Director

INDEPENDENT AUDIT REPORT

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF INTERNATIONAL MINERAL RESOURCES N.L.****SCOPE**

We have audited the financial statements of International Mineral Resources N.L. for the year ended 30 June 1999 as set out on pages 9 to 25. The Company's directors are responsible for the financial statement. We have conducted an independent audit of the financial statement in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of International Mineral Resources N.L. is in accordance with:

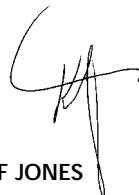
- a) the Corporations Law, including:
 - i) giving a true and fair view of the Company's financial position as at 30 June 1999 and performance for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations; and
- b) other mandatory professional reporting requirements.

INHERENT UNCERTAINTY REGARDING THE RECOVERABILITY OF ASSETS

Without qualification to the opinion expressed above, attention is drawn to the following matters. As described in Note 1(o) to the financial statements, there is an inherent uncertainty as to the recoverability of the Company's investment in Amcom Telecommunications Pty Ltd. As described in Note 1 (g) to the financial statements there is an inherent uncertainty as to the recoverability of the company's carried forward costs in relation to Mining Assets and therefore whether it will be able to realise this expenditure at its current recorded value.



DELOITTE TOUCHE TOHMATSU



K F JONES

Partner
Chartered Accountants

* The liability of Deloitte Touche Tohmatsu is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW)*

DIRECTORS' DECLARATION FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

The directors' declare that:

- a) The attached financial statements and notes thereto comply with accounting standards;
- b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company;
- c) In the director's opinion, the attached financial statements and notes thereto are in accordance with the Corporations Law; and
- d) In the director's opinion, 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 directors pursuant to Section 295 (5) of the Corporations Law.

On behalf of the directors



Ian K. Warner
Director



Anthony J. Grist
Director

DIRECTORS' DECLARATION

PROFIT AND LOSS STATEMENT

PROFIT AND LOSS STATEMENT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	Note	1999 \$	1998 \$
Operating loss before abnormal items	2	(1,291,074)	(756,563)
Abnormal items before income tax	3	-	555,132
OPERATING LOSS		(1,291,074)	(201,431)
Income tax (expense) attributable to operating loss	5	-	-
OPERATING LOSS AFTER INCOME TAX		(1,291,074)	(201,431)
ACCUMULATED LOSSES AT 1 JULY 1998		(11,457,261)	(11,255,830)
ACCUMULATED LOSSES AT 30 JUNE 1999		(12,748,335)	(11,457,261)

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT ARE INCLUDED ON PAGES 13 TO 25

BALANCE SHEETS AS AT 30 JUNE 1999

	Note	1999 \$	1998 \$
CURRENT ASSETS			
Cash		21,299	395,370
Receivables	6	3,397	8,556
Inventories	7	-	262,121
Other	8	-	130,001
TOTAL CURRENT ASSETS		24,696	796,048
NON CURRENT ASSETS			
Investments	9	1,000,000	-
Property, plant and equipment	10	667,391	675,554
Exploration, evaluation and development expenditure	11	779,889	777,817
TOTAL NON-CURRENT ASSETS		2,447,280	1,453,371
TOTAL ASSETS		2,471,976	2,249,419
CURRENT LIABILITIES			
Accounts payable	12	60,729	16,279
Borrowings	13	300,000	-
TOTAL CURRENT LIABILITIES		360,729	16,279
TOTAL LIABILITIES		360,929	16,279
NET ASSETS		2,111,247	2,233,140
SHAREHOLDERS' EQUITY			
Share capital	14	14,859,582	13,690,401
Accumulated losses		(12,748,335)	(11,457,261)
SHAREHOLDERS' EQUITY		2,111,247	2,233,140

BALANCE SHEET

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT ARE INCLUDED ON PAGES 13 TO 25

STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	Note	1999 \$ Inflows (Outflows)	1998 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	455,796
Payments to suppliers and employees		(986,097)	(1,892,746)
Interest received		12,649	18,819
Refund of Bond		5,000	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	24(c)	(968,448)	(1,418,131)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(3,632)	(1,510)
Payments for exploration, evaluation and development expenditure		(2,072)	-
Payments for investments		(1,000,000)	-
Proceeds from sale of investment		-	-
Proceeds from sale of plant and equipment		131,100	23,250
Other		-	(2,272)
NET CASH USED IN INVESTING ACTIVITIES		(874,604)	19,468
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan made		(200)	-
Proceeds from borrowings		300,000	-
Repayment of borrowings		-	(1,000,000)
Proceeds from issue of shares and Options		1,169,181	2,500,000
NET CASH FROM FINANCING ACTIVITIES		1,468,981	1,500,000
NET INCREASE/(DECREASE) IN CASH HELD		(374,071)	101,337
CASH AT BEGINNING OF THE FINANCIAL YEAR		395,370	294,033
CASH AT THE END OF THE FINANCIAL YEAR	24(a)	21,299	395,370

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT ARE INCLUDED ON PAGES 13 TO 25

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

1. SUMMARY OF ACCOUNTING POLICIES**FINANCIAL REPORTING FRAMEWORK**

The financial report is a general-purpose financial report which has been prepared in accordance with the Corporations Law, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported.

In addition to the accounting policies prescribed by applicable Accounting Standards and Urgent Issues Group Consensus Views, the following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(A) Foreign Currency

All foreign currency transactions during the year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate existing at that date.

(B) Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation on mining plant and equipment is calculated on a unit of production basis over the life of the economically recoverable reserves. Depreciation on the remaining plant and equipment is depreciated on a diminishing value method at 24%.

(C) Income Tax

Tax effect accounting principles have been adopted whereby income tax expense has been calculated on pre-tax accounting profits after adjustment for permanent differences. The tax effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in provision for deferred income tax and future income tax benefit, as applicable.

(D) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current assets exceeds recoverable amount. In determining the recoverable amount of non-current assets the expected net cash flows have not been discounted to their present value.

(E) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory on-hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out or average cost basis.

(F) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(G) Mining Assets, Exploration, Evaluation and Development Expenditure

Since the end of the financial year the Company has refocussed it's direction and consequently has announced that it will be disposing of it's mining assets. These assets are currently recorded at cost and until the sale process has been completed the recoverability of the carrying values of these assets is uncertain. These assets are disclosed in Note 10 of the financial statements. Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. These costs are carried

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

(g) Mining Assets, Exploration, Evaluation and Development Expenditure (continued)

forward where they are expected to be recouped through sale or successful development and exploitation of the area of interest or where activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the year the decision is made. Each area of interest is reviewed annually and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, exploration, evaluation and development costs carried forward are amortised on a unit of production basis over the life of the economically recoverable reserves. Until the sale process has been completed the ultimate recoverability of these assets is uncertain. These assets are disclosed in note 11 of the financial statements.

(h) Accounts Payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Borrowings

Bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

(j) Provision for Rehabilitation

Provision is made for mine site rehabilitation costs to meet requirements of the mining leases as notified by the relevant statutory authorities. These costs are provided for over the life of the mine on the basis of current costs.

(k) Joint Ventures

Interests in joint ventures have been reported in the accounts by including the entity's share of assets employed in the joint ventures, the share of liabilities incurred in relation to joint ventures and the share of any expenses incurred in relation to joint ventures in their respective classification categories.

(l) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current financial year.

(m) Debt and Equities Instruments

Debt and Equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

(n) Interest and Dividends

Interest and dividends are classified as expenses or as distributions or profits consistent with the balance sheet classifications of the related debt or equity instruments.

(o) Investment in Amcom Telecommunications Pty Ltd

Prior to purchasing shares in Amcom Telecommunications Pty Ltd the directors of the Company completed a due diligence process to establish whether it was an appropriate investment. Expert opinion was sought which supported the director's decision to invest in Amcom Telecommunications Pty Ltd.

The Directors of the Company, recognising that Amcom Telecommunications Pty Ltd is at an early stage in the development of its network infrastructure and in the marketing of its services, have recorded this investment at cost. To the best of their knowledge and belief this investment is recoverable and is not required to be written down however the ultimate outcome of this investment is not certain. This asset is disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
2. OPERATING LOSS		
The operating loss before income tax includes the following items of revenue and expense:		
OPERATING REVENUE		
Sales revenue	-	455,650
Other operating revenue Interest:		
Other entities	12,649	17,819
	12,649	473,469
NON OPERATING REVENUE		
Proceeds from sale of non-current assets (Note 4):		
Property, plant and equipment	131,100	23,250
	131,300	23,250
TOTAL REVENUE	143,479	496,719
EXPENSES		
Decrements arising from the revaluation of assets:		
Property, plant and equipment	-	110,000
Exploration, evaluation and development expenditure	-	25,000
Inventory	262,122	-
Interest:		
Other persons	7	4
Depreciation of non-current assets:		
Property, plant and equipment	4,127	9,487

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
3. ABNORMAL ITEMS		
ABNORMAL REVENUES		
Surplus on Discharge of Administrator	-	690,132
Applicable income tax	-	248,448
	-	441,684
ABNORMAL EXPENSES		
Writedown value of mine equipment	-	135,000
	-	135,000
Applicable income tax	-	48,600
	-	86,400
Total abnormal items before income tax	-	555,132
Applicable income tax	-	199,847
	-	355,285
4. SALES OF NON-CURRENT ASSETS		
Sales of non-current assets in the ordinary course of business have given rise to the following profits and losses:		
Profits (Losses) :		
Property, plant and equipment	(6,569)	(12,777)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
5. INCOME TAX		
(A) The prima facie income tax benefit on pre-tax accounting income reconciles to the income tax (benefit) expense in the accounts as follows:		
OPERATING LOSS	1,291,074	756,563
Income tax (benefit) calculated at 36% of operating loss add/(Less):	(464,787)	(272,363)
Tax effect of permanent differences:		
Non-allowable amortization	-	-
Non-allowable expenses	22,635	-
Timing differences and tax losses not brought to account as future income tax benefits	442,152	272,363
Future income tax benefit previously recognised written back	-	-
Income tax attributable to the operating loss	-	-
(B) Income tax (benefit) expense comprises:		
Future income tax benefit	-	-
Provision for deferred income tax	-	-
	-	-
Attributable to:		
OPERATING LOSS	-	-
(C) Future income tax benefits not brought to account as assets:		
Tax losses - revenue	2,855,407	2,413,255
Tax losses - capital	1,088,117	1,088,117
	3,943,524	3,501,372

The taxation benefits of tax losses and timing differences not brought to account will only be obtained if:

- (i) the company derives assessable income of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- (ii) the conditions for deductibility imposed by the law are complied with; and
- (iii) no changes in tax legislation adversely affect the company in realising the benefit from the deductions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
6. CURRENT RECEIVABLES		
Sundry debtors	3,397	8,556
	3,397	8,556
7. CURRENT INVENTORIES		
At Cost	-	-
Raw materials and stores	-	-
Work in progress	-	262,121
	-	262,121
During the financial year the value of the stockpiled ore on site at Badgebup was reduced to nil.		
8. OTHER CURRENT ASSETS		
Property, plant and equipment	-	130,000
Exploration, evaluation and development expenditure		
At directors' valuation	-	25,001
Less: Accumulated amortisation	-	(25,000)
	-	130,001
During the financial year the Plant and Equipment on site at St Arnaud was sold for \$130,000.		
9. NON CURRENT INVESTMENTS		
At cost		
Shares in Amcom	1,000,000	-

The company holds 5% of the ordinary shares in Amcom Pty Ltd, a company involved in the fibre optics industry.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
10. PROPERTY, PLANT AND EQUIPMENT		
Mining plant and machinery, at cost	3,813,003	3,813,003
Less: Accumulated depreciation	3,162,164	3,162,164
	650,839	650,839
Plant and equipment, at cost	47,235	59,653
Less: Accumulated depreciation	30,683	34,938
	16,552	24,715
	667,391	675,554
11. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE		
Costs carried forward in respect of areas of interest in:		
Exploration and/or evaluation phase	179,889	177,817
Development and production phase	1,666,406	1,666,406
Less: Accumulated amortisation	1,066,406	1,066,406
	600,000	600,000
	779,889	777,817
<p>The recovery of book value relating to areas of interest is dependent upon the commercial success of future exploration and development or realisation by disposition of the interest therein at an amount at least equal to book value.</p> <p>There may exist, on the company's exploration properties, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration and mining restrictions.</p>		
12. CURRENT ACCOUNTS PAYABLE		
Trade payables	-	-
Sundry creditors and accruals	60,729	16,279
	60,729	16,279

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
13. CURRENT CREDITORS AND BORROWING'S		
Secured:		
Loans - other	300,000	-
These loans were secured against shares the company owns in Amcom Pty Ltd. No interest is payable on the loans and they have been repaid in full since the end of the financial year.		
14. SHARE CAPITAL		
(A) Issued Share Capital		
174,170,005 ordinary shares, (1998 : 151,670,005)	14,252,901	13,690,401
121,336,004 Options exercisable @ \$0.20 on or before 30th June 2001	606,681	-
	14,859,582	13,690,401
(B) Share Capital Issued During Financial Year		
22,500,000 ordinary shares at an issue price of \$0.025	562,500	2,500,000
121,336,004 options at an issue price of \$0.005	606,681	-
AMOUNT RAISED	1,169,181	2,500,000

15. COMMITMENTS**MINING AND EXPLORATION EXPENDITURE COMMITMENTS**

The company has mining and exploration expenditure commitments for the 1999/00 financial year on the following leases:

M 70/210	10,000
M 70/211	31,500
M 70/488	19,700
E 70/1362	24,300
E 70/1929	63,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
16. FINANCIAL INSTRUMENTS		
(A) Significant accounting policies		
Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect to each class of financial assets, financial liability and equity instruments are disclosed in note 1 to the financial statements		
(B) Interest Rate Risk		
In relation to the cash holdings an average interest rate of 4% was received during the financial year. No interest was payable on trade creditors.		
(c) Credit Rate Risk		
The carrying amount of financial assets recorded in the balance sheet net of any provisions for losses represents the maximum exposure to credit risk.		
(d) Net Fair Value		
The net fair value of financial assets and liabilities at balance date approximate their carrying value.		
17. REMUNERATION OF DIRECTORS		
The directors of International Mineral Resources N.L. during the year were:		
C B Lee (resigned June 1999)		
I K Warner		
A J Grist		
C R Hartz		
A. H. Walker (alternate to C.R. Hartz)		
The aggregate income paid, or payable or otherwise made available in respect of the financial year, to all directors of the Company, directly indirectly, by the Company or by a related party. Of this amount, or \$185,621 (1998: \$115,182) was attributable to and paid by the company.	\$185,621	\$115,182
The number of directors of the company whose total remuneration from the company and any related body corporate fall within the following bands:	No.	No.
\$0 - \$9,999	-	4
\$10,000 - \$19,999	2	-
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	-	1
\$120,000 - \$129,999	1	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
18. REMUNERATION OF EXECUTIVES		
Aggregate remuneration of executive officers, including the executive director, of the Company working mainly in Australia and receiving \$100,000 or more from the Company or from any related party.	\$121,608	-
The number of executive officers whose remuneration falls within each successive \$10,000 band of income (commencing at \$100,000):		
\$120,000 - \$129,999	1	-
19. REMUNERATION OF AUDITORS		
Audit of the financial report	16,000	16,000
Other services	2,500	-
	18,500	16,000

20. DETAILS OF CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION	PERCENTAGE OF SHARES HELD		BOOK VALUE OF INVESTMENT		CONTRIBUTION TO LOSS	
		1999 \$	1998 \$	1999 %	1998 %	1999 \$	1998 \$
Glenburn Manor Joint Venture Pty Ltd	Australia	100	100	1	1	-	-

As this subsidiary is not material it has not been consolidated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999	1998
	\$	\$
21. FINANCIAL REPORTING BY SEGMENTS		
The company operates predominantly in one industry, that of gold mining and exploration, and in one geographical area being Australia.		
22. RELATED PARTY DISCLOSURES		
(A) Directors Transactions in Shares and Share Options		
Details of all share and share options transactions between directors, former directors and director related entities in International Mineral Resources N.L. are as follows:		
Aggregate number acquired during the year:		
Shares	400,000	35,133,000
Share options	5,404,744	-
Aggregate number disposed during the year:		
Shares	1,491,500	750,000
Share options	3,777,372	-
Aggregate number held at the end of the year:		
Shares	33,799,500	34,891,000
Share options	1,627,372	-

The above are shown prior to the 1:4 consolidation which was approved at the shareholders meeting held on the 7th September 1999. All of the above were on market transactions at market price.

(B) Accounting Fee to Related Entity

International Mineral Resources N.L. paid a company related to Mr C Hartz, Windsor Holdings Pty Ltd a fee for rent and accounting and secretarial services rendered during the year. The value of the services received was \$87,504 (1998 - \$38,321). Windsor Holdings was also reimbursed \$1,374 for expenditure incurred on behalf of International Mineral Resources.

Mr Grist was reimbursed \$545 for expenditure incurred on behalf of International Mineral Resources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
23. SUBSEQUENT EVENTS		
<p>At an extraordinary meeting on the 7th of July 1999 the Company obtained shareholders' approval to, amongst other things, issue 20,000,000 shares at an issue price of \$0.10 to raise \$2,000,000. These shares were allotted on the 19th of July, 1999.</p> <p>A further \$1,000,000 was paid in July 1999 to complete the acquisition of the 10 per cent interest in Amcom Telecommunications Pty Ltd.</p> <p>At an extraordinary meeting on the 7th September 1999 the Company obtained shareholders' approval to, amongst other things:</p> <ul style="list-style-type: none"> • undergo a 1 for 4 consolidation of its share capital; • raise \$10 million to institutional clients via the issue of approximately 16.66 million shares at a price of \$0.60 each. This placement has been made; • acquire a further up to 40 per cent of Amcom Telecommunications Pty Ltd by the payment of a further \$8 million; • change the status of the Company from a no liability company to limited liability company; and • change the name of the Company to FiberTel Limited. 		
24. NOTES TO THE STATEMENT OF CASH FLOWS		
(A) Reconciliation of Cash		
<p>For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:</p>		
Cash	10,763	16,436
Deposits at call	10,536	378,934
	21,299	395,370
(B) Financing Facilities		
(i) Credit standby arrangements		
Secured bank overdraft and bank guarantee facility reviewed annually and payable on demand:		
- amount used	-	-
- amount unused	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 1999

	1999 \$	1998 \$
(c) Reconciliation of net cash provided by operating activities to operating loss after income tax.		
Operating loss after taxation	(1,291,074)	(201,431)
Loss (Profit) on disposal of non-current assets	6,569	12,777
(Decrease) Increase in provisions	-	(122,187)
Depreciation of property, plant and equipment	4,127	9,519
Amounts written off plant, property & equipment	-	110,000
Amortisation of exploration, evaluation and development expenditure	-	25,000
Decrease in deferred tax payable	-	
(Increase)/decrease in future income tax benefit	-	
Decrease in:		
Current receivables	5,859	94,334
Inventories	262,121	229,716
Increase (decrease) in:		
Current trade creditors	44,450	(1,575,859)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(968,451)	(1,418,131)
25. EARNINGS PER SHARE		
Basic earnings per share (cents per share)	(0.83)	(0.16)
Diluted earnings per share (cents per share)	(0.83)	(0.16)
The options are not considered dilutive and therefore have not been included in the determination of diluted earnings per share.		
The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share.	No. 154,998,772	No. 124,820,690

ADDITIONAL INFORMATION AS AT 21ST SEPTEMBER 1999

ANALYSIS OF SHARE & OPTION HOLDINGS

Holdings	Shares	Options
1 - 1,000	35	10
1,001 - 5,000	549	110
5,001 - 10,000	212	71
10,001 - 100,000	520	337
100,001 and over	85	61
TOTAL	1,401	589

Total number of shareholders not holding a marketable parcel - 19

CLASS OF SHARES AND VOTING RIGHTS

As at 21st September 1999 there were 1,401 holders of the ordinary shares of the company. On a show of hands, one vote for every member present in person or by attorney or by proxy or by a representative duly authorised under the Corporations Law. On a poll, one vote for each share held.

HOLDERS OF TWENTY LARGEST SHAREHOLDINGS

The names of the holders of the twenty largest shareholdings in the Company (which total shares or % of the issued capital) are as follows:

Name	Number of Shares	Percent
Tilbia Nominees Pty Ltd	4,436,666	6.76
Cleveland Nominees Pty Ltd	4,162,875	6.35
Dowland Pty Ltd	4,158,333	6.34
Oaktone Nominees Pty Ltd	3,871,875	5.90
IOOF Australia Trustees (NSW) Limited	2,500,000	3.81
ANZ Nominees Limited	1,916,667	2.92
Yerrinbool Holdings Pty Ltd	1,750,000	2.67
J K Nominees Pty Ltd	1,625,000	2.48
Ireland Resources International Limited	1,625,000	2.48
Mard Nominees Pty Ltd	1,500,000	2.29
HIH Casualty & General Insurance Limited	1,000,000	1.52
Longfellow Nominees Pty Limited	1,000,000	1.52
Trudew Pty Ltd	833,333	1.27
Willowtree Press Limited	750,000	1.14
Sallur Nominees Pty Ltd	750,000	1.14
Equitas Nominees Pty Ltd	694,125	1.06
BBY Production Nominees Pty Ltd	583,333	.89
Graham Bailey Pty Ltd	560,500	.85
Abdul Aziz Hussain	500,000	.76
Fopar Nominees Pty Ltd	500,000	.76
TOTAL	34,717,707	52.94

ADDITIONAL INFORMATION AS AT 21ST SEPTEMBER 1999

AUDIT COMMITTEE

As at the date of the Directors' Report the Company had an audit committee.

SUBSTANTIAL SHAREHOLDERS

Cleveland Nominees Pty Ltd	4,150,375
Oaktone Nominees Pty Ltd	4,054,375
Dowland Nominees Pty Ltd	3,670,833

SCHEDULE OF MINING TENEMENTS HELD AT 21ST SEPTEMBER 1999

WESTERN AUSTRALIA

Badgebup

Mining Licence 70/210	74.51 Ha	100%
Mining Licence 70/211	314.90 Ha	100%
Mining Licence 70/488	197.00 Ha	100%
GP 70/84	5.19 Ha	100%
GP 70/85	7 Ha	100%
L 70/13	1 Ha	100%
L 70/32	70 Ha	100%
L 70/33	3.50 Ha	100%
E 70/1362	27**	100%
E 70/1929	70**	100%

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