BERKELEY
RESOURCES LTD

DECEMBER 2003 QUARTERLY REPORT TO THE AUSTRALIAN STOCK EXCHANGE

Overview

Exploration programmes commenced in the September quarter were completed and the results determined.

The drilling of advanced nickel sulphide targets at the Miriam Bouchers Project failed to resolve the target conductors sufficiently and downhole EM surveys were undertaken to attempt to locate the position of the conductors creating the original target.

A re-appraisal and remodelling of all existing geophysical data covering the Company's Coolgardie project area has been commissioned.

Results from the ground gravity survey undertaken on diamond targets in the Berkeley River project were received.

The Company continues to look for new opportunities in the resources sector, both locally and internationally and shareholders will be advised if new projects eventuate.

1.0 Miriam Bouchers – Coolgardie (100% Berkeley Resources)

The Company owns one Mining Lease (M15/664), thirteen Prospecting Licences (P15/3355 – 3357 and P15/4334 – 4343), three Prospecting Licence Applications (P15/4528, 4529 and 4545) and an Exploration Licence Application (E15/802) in the Nepean-Burbanks area south of Coolgardie in the Eastern Goldfields, covering in excess of 75 km^2 of prospective ground for nickel and gold with proven mineralisation at a number of sites.

Berkeley Resources completed a three hole, 1614.2m, diamond drilling programme testing EM anomalies for potential nickel sulphides at the Miriam project, Coolgardie in the September quarter. The targets were derived from remodeling of existing geophysical data.

MID012, 549m, the source of the EM anomaly was not resolved. Excessive hole deviation was thought to be the reason this hole did not intersect a target conductor. Modelling of the hole shows the trace to pass through the postulated position of the

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conductor. Results from the downhole EM survey indicate that the original postulated position of the south end of Target C may have been up to 100 metres east of the actual position, the error in location due to the depth of the conductor (at the limits of the single 100m x 100m loops of the original survey) and noise from the overlying highly conductive weathering profile.

MID013, 467.7m, a 32 metre concentration of sulphides, predominantly pyrrhotite, was consistent with the EM conductor. Assaying of this core has returned no nickel anomalism. MID013 was continued through the amphibolite/ultramafic contact and into basal units. Massive sulphides coincident with high magnesium basal ultramafics were intersected at 426.0m to 426.3m downhole, inside the basal ultramafics. The sulphides are a combination of pentlandite and pyrrhotite assaying 3.05% Ni over the 0.3m intercept. A second intercept of 0.5m @ 0.49% nickel was intercepted from 432 metres.

MID014, 297.5m, pyrrhotite concentrations were intersected in amphibolite and pyrrhotitic black shale consistent with the modelled position of the EM conductor.

The pre collar for MID015 was completed at a depth of 300m.

The downhole EM survey has indicated three possible spatial locations of the EM conductor, Target C, not located by MID 012. The conductor appears to be in excess of 80m from the current hole position. Remodelling of all existing geophysical data has been undertaken to determine the most likely position of this conductor for future drilling programmes.

2.0 Berkeley River – North East Kimberley (100% Berkeley Resources)

The Berkeley River Project comprises eleven (12) granted Exploration Licences (E80/1727, E80/1728, E80/2002, E80/2003, E80/2808, E80/2818, E80/2983, E80/2984, E80/2985, E80/3054, E80/3055, E80/3082) covering an area of some 579 square kilometres. The project lies in the northeastern Kimberleys of Western Australia, approximately 110 kilometres northwest of Wyndham.

Berkeley Resources commissioned a ground gravity survey in an area where current sampling is considered sufficient to define the potential boundary for kimberlitic intrusives. The survey was cancelled after three days due to the lack of ground access for the survey crew. Significant track work is required to reach the target area and the onset of the wet season will delay this work until at least April 2004.

BERKELEY RESOURCES LTD

Results of the aborted programme have indicated two gravity lows that will require further investigation following completion of the proposed survey.

3.0 Strelley Kangan – East Pilbara (100% Berkeley Resources)

The Company has six Exploration Licence Applications in the Wodgina – Sulphur Springs area of the North East Pilbara. ELAs 45/2362, 45/2363, 45/2404, 45/2471, 45/2496 and 45/2531 have a combined area in excess of 666 square kilometres and cover prospective Archaean greenstones of the Pilbara Craton. The tenements are centred on the Strelley Granite, 120 kilometres south east of Port Hedland. Numerous base metal and gold deposits exist in the areas surrounding the Strelley Granite.

4.0 Batchelor – Northern Territory (100% Berkeley Resources)

The Batchelor Project is comprised of one Exploration Licence (EL 23581) and two Exploration Licence Applications (ELA 23574, 23582) and covers an area of approximately 177 square kilometres, located adjacent to the Rum Jungle and Waterhouse Complexes to the southeast of the Giants Reef Fault 65 kilometres southeast of Darwin in the Pine Creek Inlier.

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Technical – Peter Batten

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

BERKELEY RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
40 052 468 569	31 December 2003

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(251)	(315)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(152)	(190)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	(25)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(403)	(530)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	(184)
	(b)equity investments	-	-
	(c) other fixed assets	-	(5)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	-	(189)
1.13	Total operating and investing cash flows (carried forward)	(403)	(719)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(403)	(719)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	3,476
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	40
1.17	Repayment of borrowings	-	(354)
1.18	Dividends paid	-	-
1.19	Other – capital raising expenses	(122)	(126)
	Net financing cash flows	(122)	3,036
	Net increase (decrease) in cash held	(525)	2,317
1.20	Cash at beginning of quarter/year to date	2,847	5
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,322	2,322

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	60
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include executive remuneration, consulting fees, company secretarial services and provision of a fully serviced office.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
	Total	**200**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
5.1 Cash on hand and at bank	2,322	2,847
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,322	2,847

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	ELA 23582	Application Relinquished	100%	-
6.2	Interests in mining tenements acquired or increased	ELA 80/3082	Application Granted	-	100%

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	26,689,500	16,889,500	Not Applicable	Not Applicable
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise price*	*Expiry date*
	-Options	19,444,750	10,144,750	$0.20	30 November 2006
	-Founder Options	4,750,000	-	$0.20	31 October 2006
7.8	Issued during quarter -Options				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

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Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

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

Sign here: .... Date: 28 January 2004
(~~Director~~/Company secretary)

Print name: **MARK PEARCE**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Rule 5.3

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