BERKELEY RESOURCES LIMITED

ABN 40 052 468 569

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2003

CORPORATE DIRECTORY

Directors

Mr Ian P Middlemas – Non Executive Chairman

Mr Peter J Batten – Managing Director

Mr Mark L Pearce – Non Executive Director

Secretary

Mr Mark L Pearce

Registered and Principal Office

Level 9, BGC Centre

28 The Esplanade

Perth WA 6000

Telephone: (61 8) 9322 6322

Facsimile: (61 8) 9322 6558

Share Register

Computershare Investor Services Pty Ltd

Level 2

45 St Georges Terrace

Perth WA 6000

Telephone: 1300 557 010

International: (61 8) 9323 2000

Facsimile: (61 8) 9323 2033

Stock Exchange Listing

Australian Stock Exchange Limited

Home Branch – Perth

2 The Esplanade

Perth WA 6000

ASX Code

BKY - Fully paid ordinary shares

BKYO - $0.20 Options expiring

30 November 2006

Solicitors

Pullinger Readhead Stewart

Hardy Bowen, Lawyers

Auditor

Stanton Partners

DIRECTORS' REPORT

The Directors of Berkeley Resources Limited ("Berkeley Resources") present their report for the half-year ended 31 December 2003.

DIRECTORS

The names of the Directors of Berkeley Resources in office during the half-year and until the date of this report are:

Mr Ian P Middlemas (appointed 10 July 2003)
Mr Peter J Batten
Ms Rita M Brooks (resigned 26 February 2004)
Mr Mark L Pearce (appointed 10 July 2003)
Mr Brian M Smith (resigned 10 July 2003)

Unless otherwise shown, all Directors were in office from the beginning of the half-year until the date of this report.

REVIEW AND RESULTS OF OPERATIONS

Operating Results

Net operating loss after tax for the half-year ended 31 December 2003 was $476,945.

Review of Operations

Following the Company's securities being listed on the Australian Stock Exchange on 16 September 2003, the Company undertook a number of explorations programmes, which 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, and are currently being assessed.

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.

Corporate

The following material corporate events occurred during the half year:

i) On 29 August 2003, the Company closed its initial public offering ("IPO") after raising $3,475,124.
ii) Pursuant to the IPO, on 11 September 2003 the Company issued and allotted 16,889,500 fully paid ordinary shares ("Shares") at an offer price of $0.20 each and 19,444,750 Options (exercise price: $0.20; expiry date of 30 November 2006) at an offer price of $0.005 each.
iii) Pursuant to a number of sales agreements (as outlined in the IPO Prospectus), the Company completed the acquisition of several interests in mineral exploration tenements on 11 September 2003 by paying $184,000 in cash and issuing another 300,000 shares.
iv) On 16 September 2003, the Company's securities were admitted to Official Quotation on the Australian Stock Exchange.

Signed in accordance with a resolution of Directors.

PETER BATTEN
Managing Director
Perth, 11 March 2004

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Berkeley Resources Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Company:

    (i) give a true and fair view of the financial position as at 31 December 2003 and the performance for the half-year ended on that date; and

    (ii) comply with the accounting standards.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

PETER BATTEN
Managing Director

Perth, 11 March 2004

CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Half Year Ended 31 December 2003 $
Revenue from ordinary activities	-
Exploration costs	(361,549)
Administration costs	(106,513)
Borrowing costs	(8,883)
Loss from ordinary activities before income tax expense	**(476,945)**
Income tax expense	-
Net loss	**(476,945)**
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of Berkeley	**(476,945)**
Basic earnings per share (cents per share)	(2.4) cents
Diluted earnings per share (cents per share)	(2.4) cents

The above Condensed Statement of Financial Performance should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	Note	31 December 2003 $	30 June 2003 $
Current Assets			
Cash assets		2,322,479	5,286
Other		75,453	23,062
Total Current Assets		2,397,932	28,348
Non-current Assets			
Exploration expenditure		267,672	93,672
Plant and equipment		4,483	-
Other financial assets		3,000	3,000
Total Non-current Assets		275,155	96,672
TOTAL ASSETS		2,673,087	125,020
Current Liabilities			
Payables		98,861	56,241
Interest bearing liabilities		-	313,641
Provisions		396	-
Other		-	70,000
Total Current Liabilities		99,257	439,882
TOTAL LIABILITIES		99,257	439,882
NET ASSETS/(LIABILITIES)		**2,573,830**	**(314,862)**
EQUITY			
Contributed equity	2	3,365,889	252
Accumulated losses		(792,059)	(315,114)
TOTAL EQUITY		**2,573,830**	**(314,862)**

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Half Year Ended 31 December 2003 $
Cash flows from operating activities	
Payments to suppliers and employees	(546,194)
Interest paid	(25,592)
Net cash outflows from operating activities	**(571,786)**
Cash flows from investing activities	
Payments for acquisition of tenements	(184,000)
Payments for plant and equipment	(5,226)
Net cash outflow from investing activities	**(189,226)**
Cash flows from financing activities	
Proceeds from issue of shares	3,437,900
Proceeds from issue of options	97,224
Share issue expenses	(143,278)
Proceeds from borrowings	40,000
Repayment of borrowings	(353,641)
Net cash inflow from financing activities	**3,078,205**
Net increase in cash held	**2,317,193**
Cash at the beginning of the half year	5,286
Cash at the end of the half year	**2,322,479**

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

1. BASIS OF PREPARATION

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year report should be read in conjunction with the Annual Financial Report of Berkeley Resources Limited as at 30 June 2003. It is also recommended that the half-year report be considered together with any public announcements made by Berkeley Resources Limited during the half-year ended 31 December 2003 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Accounting

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year financial report has been prepared in accordance with the historical cost convention.

For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those of the previous financial year.

The Company became a reporting entity for the first time during the year ended 30 June 2003 and was not a reporting entity at 31 December 2002. As a result, no comparative information has been provided in respect of 31 December 2002.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

2. CONTRIBUTED EQUITY

	Consolidated 31 December 2003 $	Consolidated 30 June 2003 $
(a) Issued and paid up capital: 26,689,500 (30 June 2003: 9,500,000) fully paid ordinary shares	3,365,889	252

(b) Movements in contributed equity during the past six months were as follows:-

Date	Details	Notes	Number of Shares	Number of Options	Issue Price $	$
01 July 2003	**Opening Balance**		**9,500,000**	**4,750,000**		**252**
10 September 2003	Issue of shares	(i)	300,000		0.20	60,000
10 September 2003	Issue of shares	(ii)	16,889,500		0.20	3,377,900
10 September 2003	Issue of options	(ii)		8,444,750	0.005	42,224
10 September 2003	Issue of options	(iii)		11,000,000	0.005	55,000
	Share issue expenses					(169,487)
31 December 2003	**Closing Balance**		**26,689,500**	**24,194,750**		**3,365,889**

Notes

(i) Securities issued to purchase tenements
(ii) Securities issued from Public Offer
(iii) Placement Options issued

3. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the half-year.

4. SUBSEQUENT EVENTS AFTER BALANCE DATE

There were no significant events occurring after balance date requiring disclosure.

5. SEGMENT INFORMATION

The Consolidated Entity operates in one business segment, being the mining and exploration of gold and other minerals in Australia.

STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE: (08) 9481 3188

Facsimile: (08) 9321 1204

e-mail: australia@stanton.com.au

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BERKELEY RESOURCES LIMITED

Scope

We have reviewed the financial report of Berkeley Resources Limited for the half-year ended 31 December 2003 as set out on pages 4 to 9. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 Interim Financial Reporting and other mandatory financial reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Berkeley Resources Limited is not in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 1029 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

STANTON PARTNERS

Stanton Partners

J P Van Dieren
Partner

West Perth, Western Australia
12 March 2004