GLENEAGLE GOLD LIMITED
ABN 27 103 782 378

Half-Year Financial Report
31 December 2003

GLENEAGLE GOLD LIMITED ABN 23 103 782 378

HALF-YEAR FINANCIAL REPORT
For the Half Year Ended 31 December 2003

COMPANY DIRECTORY

DIRECTORS

Tony Brennan
(Non-Executive Chairman)

Ian Prentice
(Managing Director)

David Prentice
(Non-Executive Director)

Joe Kennedy
(Non-Executive Director)

COMPANY SECRETARY

Kent Hunter

REGISTERED OFFICE

41-43 Ord Street
WEST PERTH WA 6005
Telephone: (08) 9476 4646
Facsimile: (08) 9476 4600

AUDITORS

Ord Partners
Level 2, 47 Colin Street
WEST PERTH WA 6005

SHARE REGISTRAR

Advanced Share Registry Services
Level 7, Adelaide Terrace
PERTH WA 6000
Telephone: (08) 9221 7288
Facsimile: (08) 9221 7869

STOCK EXCHANGE LISTING

Australian Stock Exchange
(Home Exchange: Perth, Western Australia)
Code: GLN

Your directors submit the financial report of the company for the half-year ended 31 December 2003.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

Tony Brennan
Ian Prentice
David Prentice
Joe Kennedy

REVIEW OF OPERATIONS

Gleneagle Gold commenced exploration drilling on its Fortnum Gold Project immediately following listing on the Australian Stock Exchange in July 2003, with the initial focus of drilling being the Yarlarweelor prospect, located approximately 2.0km south of the 100% owned 1.0Mtpa Fortnum Treatment Plant.

This drilling program, which consisted of 42 Reverse Circulation holes for 6,922m and 2 Diamond holes for 199m, extended the Yarlarweelor mineralisation along strike and down dip, delivering an upgraded resource for the southern Yarlarweelor area of 196,500 ounces (up from 91,300 ounces). Better results from the program include 11m at 9.05g/t and 15m at 8.08g/t.

The upgraded Yarlarweelor resource, combined with independently estimated resources for a number of other deposits in the area, has delivered an updated global resource position of 673,300 ounces. This upgrade represents a 106% increase on the group's previous global resource position and highlights the exploration potential of the Company's Peak Hill Goldfield projects.

The early success of exploration at the Fortnum Gold Project emphasises the strategic advantage the Company has in the ownership of the 1.0Mtpa Fortnum Treatment Plant, which provides a direct path to producer status.

Aggressive exploration activity focused on the delineation of additional resources and the upgrading of resources to reserves in and around the Fortnum Gold Project will continue in the coming half year, along with ongoing regional review and assessment to generate additional exploration targets. Gleneagle also continues to pursue corporate opportunities to enable further consolidation of the Peak Hill Goldfield.

REVIEW OF OPERATIONS (Cont.)

Gold Revenues

During the half-year, the Company received $156,742 for the sale of gold recovered from within the Fortnum Mine Plant environs by independent operators pursuant to a toll treatment clean-up agreement.

CORPORATE

Shares

On 11 July 2003 the Company issued 22,703,000 ordinary shares at $0.20 each to various parties pursuant to the prospectus issued by the Company and dated 30 May 2003.

On 11 July 2003 the Company issued 8,000,000 ordinary shares at $0.20 each to various parties pursuant to the vendor agreements as detailed in the prospectus issued by the Company and dated 30 May 2003.

On 21 July 2003 the Company exercised its option to acquire the Fortnum Gold Project. As part of this acquisition the Company assumed a contingent liability for an Environmental Bond (with the Department of Industry and Resources) in the amount of $1.056 million.

On 28 July 2003 the Company completed a successful listing on the ASX.

At the completion of the above issues and as at the date of this report, the Company's has 41,403,002 ordinary fully paid shares on issue.

Share Options

On 3 December 2003 the Company issued the following options to subscribe for ordinary fully paid shares in the Company to an employee of the Company:

- 167,000 25 cent options expiring 3 September 2008.
- 167,000 35 cent options expiring 3 September 2008.
- 166,000 50 cent options expiring 3 September 2008.

This report is signed in accordance with a resolution of the Board of Directors.

Ian Prentice

Ian Prentice
Managing Director

Perth
Dated : 10 March 2004

GLENEAGLE GOLD LIMITED ABN 23 103 782 378

STATEMENT OF FINANCIAL PERFORMANCE

For the Half-Year Ended 31 December 2003

	Note	Company 31 December 2003 $
Revenue from ordinary activities		488,017
Employee benefits expense		(34,530)
Depreciation & amortisation expense		(4,998)
Borrowing costs expense		(1,463)
Consultancy costs		(29,892)
Occupancy costs		(3,234)
Compliance and regulatory expenses		(26,319)
Promotion costs		(23,470)
Administration expenses		(128,403)
Other expenses from ordinary activities		(38,294)
Operating profit from ordinary activities before income tax (expense)/benefit attributable to members of the parent entity	2	197,414
Income tax (expense)/benefit relating to ordinary activities		-
Operating profit from ordinary activities after income tax (expense)/benefit attributable to members of the parent entity		197,414
Basic earnings / (loss) per share (cents per share)		0.50
Diluted earnings / (loss) per share (cents per share)		0.50

The accompanying notes form part of this financial report.

GLENEAGLE GOLD LIMITED ABN 23 103 782 378

STATEMENT OF FINANCIAL POSITION
As at 31 December 2003

		Company	
	Note	31 December 2003 $	30 June 2003 $
CURRENT ASSETS			
Cash assets		1,470,465	899,590
Receivables		321,838	52,953
Other assets		-	99,339
TOTAL CURRENT ASSETS		1,792,303	1,051,882
NON-CURRENT ASSETS			
Deposits		1,056,000	-
Property, plant and equipment		74,000	4,773
Other assets		3,986,509	193,956
TOTAL NON-CURRENT ASSETS		5,116,509	198,729
TOTAL ASSETS		6,908,812	1,250,611
CURRENT LIABILITIES			
Payables		310,271	690,046
Provisions		6,646	-
TOTAL CURRENT LIABILITIES		316,917	690,046
TOTAL LIABILITIES		316,917	690,046
NET ASSETS		6,591,895	560,565
EQUITY			
Contributed equity	3	6,480,916	647,000
Retained profits / (accumulated losses)		110,979	(86,435)
TOTAL EQUITY		6,591,895	560,565

The accompanying notes form part of this financial report.

STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2003

	Company 31 December 2003 $
CASHFLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(313,685)
Interest and bill discounts received	61,004
Proceeds from sale of gold	156,742
Borrowing costs	(16)
Payments for exploration and evaluation	(1,229,106)
Receipts – other	62,467
Net cash used in operating activities	(1,262,594)
CASHFLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of assets	201,924
Purchase of property, plant and equipment	(74,225)
Purchase of exploration assets	(1,016,485)
Transfer to term deposit	(1,056,000)
Net cash used in investing activities	(1,944,786)
CASHFLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	3,985,600
Payments for costs of issue of shares	(207,345)
Net cash provided by financing activities	3,778,255
Net increase in cash held	570,875
Cash at 1 July 2003	899,590
Cash at 31 December 2003	1,470,465

The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2003

1. STATEMENT OF SIGNIFICANT ACCOUNT POLICIES

(a) BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: "Interim Financial Reporting", Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2003 and any public announcements made by Gleneagle Gold Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and has been prepared on the basis of historical costs, and does not take into account changing money values.

The accounting policies, have been consistently applied by the Company and are consistent with those applied in the 30 June 2003 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The Company was incorporated on 18 February 2003 and therefore this is the first Half-Yearly Report required to be prepared. Accordingly there is no comparative information to be reported for the Statement of Financial Performance or the Statement of Cashflows.

2. LOSS FROM ORDINARY ACTIVITIES

	31 December 2003 $
The following revenue and expense items are relevant in explaining the financial performance for the interim period:	
Interest revenue	66,884
Depreciation of plant and equipment	(4,998)

3. CONTRIBUTED EQUITY

	31 December 2003	30 June 2003 $
10,700,002 Fully Paid Ordinary Shares	647,000	-
Shares issued during the year		
- 2 on 18 February 2003		-
- 2,000,000 on 21 March 2003		2,000
- 2,500,000 on 21 March 2003		25,000
- 1,650,000 on 6 May 2003		165,000
- 4,550,000 on 28 May 2003		455,000
Shares issued during the year		
- 30,703,000 on 11 July 2003	6,140,600	
Transaction costs relating to share issue	(306,684)	
Total: (41,403,002 at 31 December 2003)	6,480,916	647,000

3. CONTRIBUTED EQUITY (Cont.)

On 11 July 2003 the Company issued 22,703,000 ordinary shares at $0.20 each to various parties pursuant to the prospectus issued by the Company and dated 30 May 2003.

On 11 July 2003 the Company issued 8,000,000 ordinary shares at $0.20 each to various parties pursuant to the vendor agreements as detailed in the prospectus issued by the Company and dated 30 May 2003.

4. SEGMENT INFORMATION

The Company operates predominantly in one geographical and segment, being Western Australia, and in one business segment, mineral mining and exploration and substantially all of the entity's resources are deployed for this purpose.

5. EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2003, no event has arisen that would be likely to materially affect the operations of the company, or the state of affairs of the company not otherwise disclosed in the company's financial report.

6. CONTINGENT LIABILITIES

On 21 July 2003 the Company exercised its option to acquire the Fortnum Gold Project. As part of this acquisition the Company assumed a contingent liability for an Environmental Bond (with the Department of Industry and Resources) in the amount of $1.056 million.

DIRECTORS' DECLARATION

For the Half Year Ended 31 December 2003

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 8:

   (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) give a true and fair view of the entity's financial position as at 31 December 2003 and its performance for the half-year ended on that date.

2. In the Directors' 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Ian Prentice
Managing Director

PERTH
Dated this 10th day of March 2004

INDEPENDENT REVIEW REPORT

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PARTNERS

CHARTERED

Ian K Macpherson CA

Robert W Parker CA

Craig A Vivian CA

Level 2, 47 Colin Street
West Perth WA 6005

PO Box 359
West Perth WA 6872

☎ +61 8 9321 3514

Chartered Accountants

To the members of Gleneagle Gold Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration set out on pages 4 to 9 for Gleneagle Gold Limited for the half-year ended 31 December 2003.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review in order for the Company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described anything has come to our attention that would indicate the financial report does not present fairly, in accordance with Corporations Act 2001, Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and its cash flows.

We formed our statement on the basis of the review procedures performed, which were limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

A review cannot guarantee that all misstatements have been detected.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe the half-year financial report of Gleneagle Gold 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 at 31 December 2003 and of its performance for the half-year ended on that date; and

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

(b) other mandatory professional reporting requirements in Australia.

ORD PARTNERS
Chartered Accountants

Ian K Macpherson
Partner

Dated this 10th day of March, 2004.
Perth, Western Australia