MOUNT BURGESS MINING N.L.

ABN 31 009 067 476

CONSOLIDATED FINANCIAL REPORT

FOR THE

HALF YEAR ENDED

31 DECEMBER 2003

This Financial Report contains information required under ASX Listing Rule 4.2A and should be read in conjunction with the Annual Report 2003.

REPORT OF DIRECTORS FOR THE HALF YEAR TO 31 DECEMBER 2003

The Directors of Mount Burgess Mining N.L. herewith submit the financial report for the half year ended 31 December 2003. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the Directors of the Company who have held office during the whole of the half year and up to the date of this report are:

Nigel Raymond Forrester (Chairman and Managing Director)
Godfrey Edward Taylor
Ronald William O'Regan

Alfred P Stirling was appointed as a Director on 1 December 2003 and continues in office at the date of this report.

Jeffrey John Moore was a Director from the beginning of the half year until his resignation on 22 January 2004.

RESULTS AND REVIEW OF OPERATIONS

Exploration

During the six months to 31 December 2003, the consolidated entity conducted diamond exploration for kimberlites at Tsumkwe in Namibia and basemetals exploration at Kihabe in Botswana.

At Tsumkwe, where the consolidated entity has a 90% interest in the project, the consolidated entity conducted gravity programmes, loam sampling and drilling in the search for kimberlites. To date three kimberlites have been found at this project.

At Kihabe, where the consolidated entity has a 100% interest, drilling over a 2.6 km long zinc anomaly was conducted, where five R.C. drillholes intersected significant zones of zinc, lead and silver mineralisation.

Corporate

The loss for the six months to 31 December 2003 amounted to $330,881 after including the profit on sale of equity investments of $130,750.

Capital Raising

During the six months to 31 December 2003, the consolidated entity made the following capital raisings:

- On 31 July 2003, the Company placed 5,000,000 shares at $0.08 per share to raise $400,000, and

- On 22 October 2003, the Company placed 6,000,000 shares at $0.14 per share to raise $840,000.

Subsequent Events

No matters or circumstances of which the Directors are aware, other than those referred to in the financial statements or notes thereto, have arisen since the end of the half year which significantly affect, or may significantly affect, the operations, results or state of affairs of the consolidated entity in financial years after the financial half year, other than as follows:

On 7 January 2004, the Company entered into a joint venture agreement with Barrick Gold of Australia Limited (BGAL) in respect of its Telfer project tenements. BGAL must spend $5 million to earn a 51% equity in the Telfer project, at which point the Company can elect to either contribute pro-rata or be free carried through to mining with a 25% equity.

Since 31 December 2003, the Company has raised a further $700,000 through the placement of 7,000,000 shares at $0.10 per share, as announced to the Stock Exchange on 13 February 2004. The financial effect of the above transaction has not been brought to account as at 31 December 2003.

Signed in accordance with a resolution of directors.

N R Forrester
Chairman and Managing Director

Signed at Perth this eleventh day of March 2004.

DIRECTORS' DECLARATION FOR THE HALF YEAR TO 31 DECEMBER 2003

The Directors declare that:

a) The financial statements and notes thereto comply with accounting standards;

b) The financial statements and notes thereto give a true and fair view of the financial position and performance of the Consolidated entity;

c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

d) 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.

Signed in accordance with a resolution of the directors.

N R Forrester
Chairman and Managing Director

Signed at Perth this eleventh day of March 2004.

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

	Notes	Consolidated Half Year 2003 $	Half Year 2002 $
Revenue from ordinary activities		152,907	48,223
Administration expenses		(448,692)	(419,876)
Borrowing costs		(2,660)	(2,205)
Exploration interests written off		-	(296,402)
Other expenses from ordinary activities		(32,436)	(21,324)
Loss from ordinary activities		(330,881)	(691,584)
Income tax expense from ordinary activities		-	-
Loss from ordinary activities after related income tax expense		(330,881)	(691,584)
Net Loss		(330,881)	(691,584)
Total changes in equity other than those resulting from transactions with owners as owners		(330,881)	(691,584)
Basic Earnings per Share (cents per share)		(0.0029)	(0.0068)
Diluted Earnings per Share (cents per share)		(0.0029)	(0.0068)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2003

	Notes	31 December 2003 $	30 June 2003 $
CURRENT ASSETS			
Cash assets		407,564	360,993
Receivables		27,177	37,909
TOTAL CURRENT ASSETS		434,741	398,902
NON CURRENT ASSETS			
Other financial assets		-	15,550
Plant and equipment		107,422	153,917
Exploration interests		9,250,937	8,423,764
TOTAL NON CURRENT ASSETS		9,358,359	8,593,231
TOTAL ASSETS		9,793,100	8,992,133
CURRENT LIABILITIES			
Payables		147,686	224,897
Interest bearing liabilities		18,104	17,388
Provisions		43,603	42,513
TOTAL CURRENT LIABILITIES		209,393	284,798
NON CURRENT LIABILITIES			
Interest bearing liabilities		43,324	52,559
TOTAL NON CURRENT LIABILITIES		43,324	52,559
TOTAL LIABILITIES		252,717	337,357
NET ASSETS		9,540,383	8,654,776
EQUITY			
Contributed equity		26,223,433	25,006,945
Reserves		109,972	109,972
		26,333,405	25,116,917
Accumulated losses		(16,793,022)	(16,462,141)
TOTAL EQUITY		9,540,383	8,654,776

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

	Notes	Consolidated Half Year 2003 $	Half Year 2002 $
Cash flows from operating activities			
Payments to suppliers and employees		(498,310)	(444,351)
Interest and bill discounts received		9,807	53,004
Interest and other costs of finance paid		(2,659)	(2,210)
Net cash used in operating activities		(491,162)	(393,557)
Cash flows from investing activities			
Proceeds from sale of investments		155,500	-
Payment for plant and equipment		(1,173)	(4,326)
Exploration, development and evaluation expenditure		(848,075)	(1,221,824)
Net cash used in investing activities		(693,748)	(1,226,150)
Cash flows from financing activities			
Proceeds from issues of equity securities		1,240,000	-
Repayment of lease liabilities		(8,519)	(7,857)
Net cash (used in)/provided by financing activities		1,231,481	(7,857)
Net decrease in cash held		46,571	(1,627,564)
Cash at the beginning of the financial period		360,993	2,803,527
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	(17)
Cash at the end of the financial period		407,564	1,175,946

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

1 BASIS OF PREPARATION

The consolidated entity's half year financial report is a general purpose financial report prepared in accordance

Accounting Standard 1029 'Interim Financial Reporting' and the Corporations Act 2001. The half year financial report not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report.

The accounting policies adopted by the consolidated entity in the preparation of the half year financial report are consi with those adopted and disclosed in the 2003 annual financial report.

2 GOING CONCERN

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemp the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal cour business.

If the consolidated entity chooses to maintain its current high level of exploration expenditure, it will have to raise addit capital. The consolidated entity has utilised this option in the past. If the consolidated entity does not raise additi capital in the short term it can continue as a going concern by substantially reducing exploration expenditure until fundi available and/or entering joint venture arrangements.

Further, the consolidated entity has the potential to earn future royalty revenue. The consolidated entity has a royalty with Sons of Gwalia Ltd that covers mining leases within which lies the Red October gold deposit. In terms of this dee consolidated entity is entitled to 1.75% of the spot value of all gold sales (less refining costs, gold sales costs and royalties paid to the government or Native Title parties) after the production of 160,000 ozs from these leases. To date s 107,000 ozs have been produced. In its 31 December 2003 half yearly report, Sons of Gwalia Limited reported that re drilling had increased geological confidence by confirming the continuity of high grade gold mineralisation and impro the understanding of the distribution of high grade shoots within the upper levels of the proposed underground mine.

The Directors are of the opinion that the basis upon which the financial statements are prepared is appropriate ir circumstances. However, if an event were to arise where the consolidated entity could not rely upon its potential fı royalty income, could not raise additional equity capital or reduce its current rate of exploration expenditure by entering joint ventures in order to remain as a going concern, there is no certainty as to whether the Company could realise asse the amounts as shown in the financial statements and extinguish liabilities in the normal course of business.

3. SEGMENT INFORMATION FOR THE HALF YEAR ENDING 31 DECEMBER 2003

The Company operates in Australia, Namibia and Botswana in the area of mineral exploration.
In Australia the exploration focus is on gold and basemetals.
In Namibia the exploration focus is on diamonds and basemetals.
In Botswana the exploration focus is on basemetals.

Geographical Segments

	Australia Half Year 2003	**Australia Half Year 2002**	**Namibia Half Year 2003**	**Namibia Half Year 2002**	**Botswana Half Year 2003**	**Botswana Half Year 2002**	**Consol'd Half Year 2003**	**Consol Half Ye 2002**
Revenue								
External sales	-	-	-	-	-	-	-	
Inter-segment sales	-	-	-	-	-	-	-	
Total segment revenue	-	-	-	-	-	-	-	
Unallocated corporate revenue							152,907	48,.
Consolidated total revenue							152,907	48,.
Results								
Segment result	-	(296,402)	(6,065)	(7,812)	-	-	(6,065)	(304,.
Unallocated corporate revenue							152,907	48,.
Unallocated corporate expenses							(477,723)	(435,.
Loss/result from ordinary activities before income tax expense							(330,881)	(691,.
Income tax expense							-	
Loss/result from ordinary activities after income tax expense							(330,881)	(691,.
Extraordinary items							-	
Net loss							(330,881)	(691,.

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

4 SUBSEQUENT EVENTS

On 13 February 2004, the Company completed a placement of 7,000,000 fully paid ordinary shares to raise $700,000. The placement was at an issue price of $0.10 per share. The financial effect of the above transaction has not been brought to account as at 31 December 2003.

On 7 January 2004, the Company entered into a joint venture agreement with Barrick Gold of Australia Limited (BGAL) in respect of its Telfer project tenements. BGAL must spend $5 million to earn a 51% equity in the Telfer project, at which point the Company can elect to either contribute pro-rata or be free carried through to mining with a 25% equity.

5 CHANGES IN COMPOSITION OF THE CONSOLIDATED ENTITY

On 24 October 2003 a 100% subsidiary has been registered in Botswana in the name of Mount Burgess Mining NL for the purpose of mineral exploration.

6 DIVIDENDS

No dividends have been recognised as a liability in the half year or paid during the half year without previously being recognised as a liability.

7 CONTINGENT ASSETS OR LIABILITIES

There have been no changes to contingent assets or contingent liabilities since the 30 June 2003 Annual Report.

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF MOUNT BURGESS MINING N.L.

Scope

We have reviewed the financial report of Mount Burgess Mining NL for the half-year ended 31 December 2003 as set out on pages 4 to 8. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. 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 professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated 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 Standards applicable to review engagements. A review is limited primarily to inquiries of the 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 provided 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 Mount Burgess Mining NL is not in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity'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 professional reporting requirements in Australia.

DELOITTE TOUCHE TOHMATSU

Graham McHarrie
Partner
Chartered Accountants
Perth, Western Australia
11 March 2004