

BARRA RESOURCES LIMITED
ABN 76 093 396 859

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INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

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	Page
Directors Report.....	2
Statement of Financial Position.....	3
Statement of Financial Performance.....	4
Statement of Cash Flow.....	5
Notes to the Financial Statements.....	6-7
Director's Declaration	8
Independent Review Report	9

DIRECTORS' REPORT
31 DECEMBER 2003

The Directors present their report together with the financial report on Barra Resources Limited ("Barra" or "the Company"), for the half-year ended 31 December 2003.

DIRECTORS

The Directors of the Company during or since the end of the half-year are:

- Michael Geoffrey Mulroney (Appointed 5th August 2002)
- Robert George Colville (Appointed 20th June 2000)
- Grant Jonathan Mooney (Appointed 29th November 2002)

OPERATING RESULTS

The loss from ordinary activities of the Company for the half year ended 31 December 2003 after income tax was \$291,202 (2002: \$1,755,510 loss).

REVIEW OF OPERATIONS

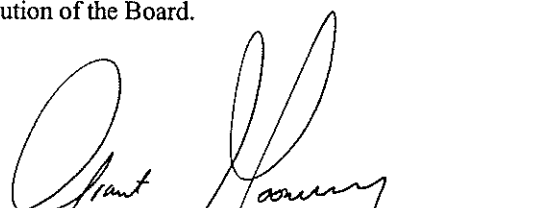
The Company undertook the following activities during the half-year ended 31 December 2003.

- During July and August 2003, \$1,109,900 was raised by way of a prospectus which resulted in the issue of 25,000,000 shares at 4 cents as well as 21,980,000 options at 0.5 cents.
- The Company's Joint Venture Partner at the Riverina Project, Riverina Resources Pty Ltd completed 32 RAB holes totaling 1,861 metres and 6 RC holes comprising 746 metres to test various gold anomalies.
- The company completed a first pass RAB drilling totaling 10,136 metres over 14 coincident soil geochemical anomalies and structural targets at the company's Phillips Find Project.
- An RC drilling program totaling 418 metres was undertaken to test for new "link lode reef positions" at the company's Burbanks project.
- Subsequent to the end of the year:
 - a formal joint venture agreement was executed with Sipa Exploration NL ("Sipa"). Sipa may earn up to a 70% interest in the Quinn Hills Project by spending \$1.2 million over a three year period.
 - On 2 February 2004, the Company raised gross proceeds of \$834,210 following the placement of 12,834,000 fully paid ordinary shares at 6.5 cents each to Abbotsleigh Pty Ltd.
 - On 27 February 2004, Joint Venture partner, Riverina Resources Pty Ltd advised the Company of a significant reverse circulation nickel drill hole intersection comprising 48 metres at 1.12% nickel from 4 metres to 52 metres at the Company's Riverina Project.

Signed on 4th of March 2004 in accordance with a resolution of the Board.

On behalf of the Directors:


MICHAEL GEOFFREY MULRONEY
Chairman


GRANT JONATHAN MOONEY
Director

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CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	31 Dec 2003	30 June 2003
	\$	\$
CURRENT ASSETS		
Cash assets	820,749	386,661
Receivables	35,268	30,775
Other	14,163	5,833
TOTAL CURRENT ASSETS	<u>870,179</u>	<u>423,269</u>
NON CURRENT ASSETS		
Property, plant and equipment	21,370	28,719
Capitalised exploration expenditure	8,138,178	7,792,739
TOTAL NON CURRENT ASSETS	<u>8,159,548</u>	<u>7,821,458</u>
TOTAL ASSETS	<u>9,029,727</u>	<u>8,244,727</u>
CURRENT LIABILITIES		
Payables	159,377	160,819
Provisions	110,878	122,374
TOTAL CURRENT LIABILITIES	<u>270,255</u>	<u>283,193</u>
TOTAL LIABILITIES	<u>270,255</u>	<u>283,193</u>
NET ASSETS	<u>8,759,472</u>	<u>7,961,534</u>
EQUITY		
Contributed equity	13,187,237	12,098,122
Accumulated losses	(4,427,765)	(4,136,588)
TOTAL EQUITY	<u>8,759,472</u>	<u>7,961,534</u>

The accompanying notes form part of this financial report.

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

	Note	31 Dec 2003 \$	31 Dec 2002 \$
Revenue from ordinary activities	2	-	7,749,232
Interest revenue	2	17,5059	18,723
Other revenue		68,363	-
Debt forgiveness		491,697	-
Cost of mining and processing	2	-	(4,212,444)
Employee benefits expense		(144,940)	(248,921)
Depreciation and amortisation expense		(7,349)	(1,299,328)
Doubtful debts expense	2	-	(3,180,858)
Rental expenses		(17,218)	(20,144)
Other expenses from ordinary activities		(207,562)	(561,771)
Loss from ordinary activities before income tax expense		(291,202)	(1,755,510)
Income tax expense relating to ordinary activities		-	-
Loss from ordinary activities after related income tax expense		(291,202)	(1,755,510)
Total changes in equity other than those resulting from transactions with owners as owners		(291,202)	(1,755,510)
Basic loss per share (cents per share)		(0.4)	(3.2)
Diluted loss per share (cents per share)		(0.3)	(3.2)

The accompanying notes form part of this financial report.

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CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

	31 Dec 2003 \$	31 Dec 2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from gold sales	-	381,394
Interest received	17,505	18,723
Proceeds from sale of option	50,000	-
Payments to trade creditors, other creditors and employees	(421,435)	(579,344)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(353,931)	(179,227)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration, evaluation and development	(301,121)	(982,362)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(301,121)	(982,362)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,109,900	1,721,000
Capital raising costs	(20,760)	(163,377)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,089,140	575,261
NET INCREASE IN CASH HELD	434,088	396,034
CASH AT THE BEGINNING OF THE HALF-YEAR	386,661	416,292
CASH AT THE END OF THE HALF-YEAR	820,749	812,326

The accompanying notes form part of this financial report.

**NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2002**

NOTE 1: BASIS OF PREPARATION

The half-year condensed financial statements are a general purpose financial report prepared in accordance with the requirements of Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views. 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 Barra Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act.

The financial report has been prepared on an accrual basis and based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Costs is based on the fair values of the consideration given in the exchange for assets.

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.

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	6 months to 31 Dec 2003	6 months to 31 Dec 2002
	\$	\$
NOTE 2: LOSS FROM ORDINARY ACTIVITIES		
The following revenue and expense items are relevant in explaining the financial performance for the interim half-year:		
Interest received from other persons	17,505	18,723
Revenue from gold sales	-	7,749,232
Costs of gold production	-	4,212,444
Director related entity doubtful debts expense	-	3,180,858
Exploration expenditure written off	-	1,278,241

NOTE 3: RECEIVABLES

	31 Dec 2003	30 June 2003
	\$	\$
Trade debtors	20,199	14,104
Other debtors	15,069	16,671
	35,268	30,775

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

The Following events occurred subsequent to the reporting date:

- A placement of 12,834,000 shares to Abbotsleigh Pty Ltd of the Gandle Group of Companies, raising gross proceeds of \$834,210 was made on the 2nd February 2004. The funds will increase the Company's cash reserves to approximately \$1.5 million and has increased Abbotsleigh Pty Ltd shareholding in the Company to approximately 16.36% and position it as the second largest shareholder in the company; and

NOTE 5: STATEMENT OF OPERATIONS BY SEGMENT

The Company operates solely in the natural resources exploration and mining industry in Australia.

NOTE 6: CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the most recent annual report.

DIRECTORS DECLARATION

The directors of the Company declare that:

1. The financial report, comprising the statement of financial position, statement of financial performance, statement of cash flows, and notes to and forming part of the financial statements:
 - (a) complies with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Act 2001; and
 - (b) gives a true and fair view of the Company'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.

On behalf of the Directors



MICHAEL GEOFFREY MULRONEY
Chairman



GRANT JONATHAN MOONEY
Director

Dated in Perth this 4th day of March 2004

INDEPENDENT REVIEW REPORT TO THE MEMBERS

OF BARRA RESOURCES LIMITED

Scope

We have reviewed the financial report of Barra Resources Limited for the half-year ended 31 December 2003 as set out on pages 3 to 8. 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 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 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 Barra Resources Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the disclosing 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, 8 March 2004

Member of
Deloitte Touche Tohmatsu