

KIMBER RESOURCES INC.

Consolidated Financial Statements
(Canadian dollars)

Years ended
June 30, 2009
June 30, 2008
June 30, 2007

(An exploration stage company)

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Report of Independent Registered Chartered Accountants

To the Shareholders of
Kimber Resources Inc.

We have audited the accompanying consolidated balance sheet of Kimber Resources Inc. and subsidiaries (the "Company") as of June 30, 2009, and the related consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows for the year then ended and for the cumulative period from incorporation on March 31, 1995 to June 30, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Kimber Resources Inc. and subsidiaries as at June 30, 2009, and the results of their operations and their cash flows for the year then ended and for the cumulative period from incorporation on March 31, 1995 to June 30, 2009 in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements of the Company as of June 30, 2008 and 2007 and for the years then ended, before the effects of the adjustments to retrospectively apply the change in accounting policy discussed in Note 2 (i), were audited by other auditors whose report, dated September 18, 2008, expressed an unqualified opinion on those statements. We have also audited the adjustments to the 2008 consolidated financial statements to retrospectively apply the change in accounting for the valuation of warrants in 2009, as discussed in Note 2 (i) to the consolidated financial statements. Our procedures included auditing the valuation of the warrants issued. In our opinion, such retrospective adjustments are appropriate and have been properly applied. However, we were not engaged to audit, review or apply any procedures to the 2008 and 2007 consolidated financial statements of the Company other than with respect to the retrospective adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2008 and 2007 consolidated financial statements taken as a whole.

The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the Company's internal control over financial reporting. Accordingly, we express no such opinion.

(Signed) Deloitte & Touche LLP

Independent Registered Chartered Accountants
Vancouver, Canada
September 16, 2009

Comments by Independent Registered Chartered Accountants on Canada-United States of America Reporting Differences

The standards of the Public Company Accounting Oversight Board (United States) require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by conditions and events that cast substantial doubt on the Company's ability to continue as a going concern, such as those described in Note 1 of the consolidated financial statements, and when there are changes in accounting principles that have a material effect on the comparability of the Company's financial statements, such as the changes described in Note 2 (i) and 2 (m) to the consolidated financial statements. Although we conducted our audit in accordance with both Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), our report to the Shareholders, dated September 16, 2009, is expressed in accordance with Canadian reporting standards which do not permit a reference to conditions and events that cast substantial doubt on the Company's ability to continue as a going concern and do not require a reference to changes in accounting principles in the auditors' report when these are adequately disclosed and properly accounted for in the financial statements.

(Signed) Deloitte & Touche LLP

Independent Registered Chartered Accountants
Vancouver, Canada
September 16, 2009

KIMBER RESOURCES INC.
(An exploration stage company)
Consolidated Statements of Operations and Comprehensive Loss
(Canadian dollars)

	Cumulative amount since incorporation on March 31, 1995 to June 30, 2009	Years Ended June 30,		
		2009	2008	2007
Expenses				
Amortization of equipment	\$ 161,304	\$ 26,069	\$ 22,588	\$ 28,819
Foreign exchange loss	69,280	9,997	8,516	10,701
General exploration	199,506	-	-	39,398
Interest and bank charges	80,729	3,387	2,864	2,367
Investor relations	1,126,831	43,397	69,894	211,187
Office, insurance and miscellaneous	1,302,870	279,441	278,050	252,637
Legal, consulting and audit	2,449,503	505,533	532,207	952,743
Rent	811,683	197,722	188,003	161,508
Salaries and benefits	9,601,437	1,267,171	1,817,419	2,368,600
Transfer and filing fees	617,218	103,915	110,035	90,478
Travel and accommodation	629,756	55,330	114,102	120,257
Other	110,897	-	-	-
Net loss before other items	<u>(17,161,014)</u>	<u>(2,491,962)</u>	<u>(3,143,678)</u>	<u>(4,238,695)</u>
Other items				
Investment income	1,150,811	74,611	173,193	415,493
Other income	141,426	26,346	32,560	9,264
Net loss and comprehensive loss	<u>\$ (15,868,777)</u>	<u>\$ (2,391,005)</u>	<u>\$ (2,937,925)</u>	<u>\$ (3,813,938)</u>
Loss per share, basic and diluted (note 2(g))				
		<u>\$ (0.04)</u>	<u>\$ (0.06)</u>	<u>\$ (0.08)</u>
Weighted average number of common shares outstanding, basic and diluted				
		<u>61,120,045</u>	<u>52,277,997</u>	<u>48,118,320</u>

See notes to the consolidated financial statements

KIMBER RESOURCES INC.
(An exploration stage company)
Consolidated Statement of Shareholders' Equity
(Canadian dollars)

	Shares	Common shares Amount Note (2(i))	Contributed surplus Note (2(i))	Deficit during the exploration stage	Shareholders' equity
Balance at June 30, 2006	47,114,922	\$ 42,766,942	\$ 1,796,853	\$ (6,725,909)	\$ 37,837,886
Net loss for the year	-	-	-	(3,813,938)	(3,813,938)
Share issue costs	-	(4,047)	-	-	(4,047)
Stock-based compensation	-	-	527,957	-	527,957
Shares issued on exercise of stock options	742,032	825,013	-	-	825,013
Shares issued on exercise of warrants	1,566,666	2,819,999	-	-	2,819,999
Transfer from contributed surplus on exercise of options	-	354,425	(354,425)	-	-
Balance at June 30, 2007	49,423,620	46,762,332	1,970,385	(10,539,847)	38,192,870
Net loss for the year	-	-	-	(2,937,925)	(2,937,925)
Shares issued on private placement of common shares and warrants	8,000,000	5,132,712	867,288	-	6,000,000
Share issue costs	-	(86,601)	(14,633)	-	(101,234)
Shares issued on exercise of stock options	-	-	728,939	-	728,939
Exercise of stock options	463,000	213,550	-	-	213,550
Transfer from contributed surplus on exercise of options	-	10,212	(10,212)	-	-
Balance at June 30, 2008	57,886,620	52,032,205	3,541,767	(13,477,772)	42,096,200
Net loss for the year	-	-	-	(2,391,005)	(2,391,005)
Shares issued on private placement of common shares and warrants	4,000,000	4,824,985	175,015	-	5,000,000
Share issue costs	-	(350,804)	(12,724)	-	(363,528)
Stock-based compensation	-	-	428,398	-	428,398
Shares issued on exercise of stock options	200,000	146,000	-	-	146,000
Transfer from contributed surplus on exercise of options	-	101,260	(101,260)	-	-
Balance at June 30, 2009	62,086,620	\$ 56,753,646	\$ 4,031,196	\$ (15,868,777)	\$ 44,916,065

See notes to the consolidated financial statements

KIMBER RESOURCES INC.
(An exploration stage company)
Consolidated Statements of Cash Flows
(Canadian dollars)

	Cumulative amount since incorporation on March 31, 1995 to June 30, 2009	Years ended June 30,		
		2009	2008	2007
Cash (used for) provided by :				
Operating Activities				
Net loss	\$ (15,868,777)	\$ (2,391,005)	\$ (2,937,925)	\$ (3,813,938)
Items not involving cash:				
Amortization of equipment	161,304	26,069	22,588	28,819
Interest on loan payable	25,000	-	-	-
Loss on disposal of investments	96,404	-	-	-
Stock-based compensation	3,725,715	428,398	728,939	527,957
Gain on sale of equipment	(5,724)	(5,724)	-	-
Gain on settlement of loans payable	(66,547)	-	-	-
Net changes in non-cash working capital items:				
Amounts receivable	(928,171)	840	11,962	76,740
Due from related parties	24,272	-	-	-
Prepaid expenses	(111,197)	(30,003)	(23,948)	(10,409)
Accounts payable and accrued liabilities	1,588,984	(3,935)	(254,023)	332,760
Due to related parties	(49,983)	-	(652,012)	652,012
	<u>(11,408,720)</u>	<u>(1,975,360)</u>	<u>(3,104,419)</u>	<u>(2,206,059)</u>
Investing Activities				
Redemption of preferred shares	103,596	-	-	-
Purchase of equipment	(1,315,213)	(176,453)	(136,041)	(192,505)
Proceeds on disposal of equipment	14,711	14,711	-	-
Expenditures on unproven mineral right interests	(40,731,616)	(3,152,535)	(5,109,716)	(10,908,759)
	<u>(41,928,522)</u>	<u>(3,314,277)</u>	<u>(5,245,757)</u>	<u>(11,101,264)</u>
Financing Activities				
Deferred initial public offering costs	(127,755)	-	-	-
Common shares issued by private placement	55,092,586	5,000,000	6,000,000	-
Common shares issued upon exercise of options	1,184,563	146,000	213,550	825,013
Common shares issued upon exercise of warrants	2,819,999	-	-	2,819,999
Advance on share subscriptions	16,750	-	-	-
Share issuance costs	(2,369,723)	(363,529)	(101,234)	(4,047)
Loans payable	176,398	-	-	-
	<u>56,792,818</u>	<u>4,782,471</u>	<u>6,112,316</u>	<u>3,640,965</u>
Increase (Decrease) in cash and cash equivalents	3,455,576	(507,166)	(2,237,860)	(9,666,358)
Cash and cash equivalents - beginning of period	-	3,962,742	6,200,602	15,866,960
Cash and cash equivalents - end of period	\$ 3,455,576	\$ 3,455,576	\$ 3,962,742	\$ 6,200,602

See notes to the consolidated financial statements

KIMBER RESOURCES INC.
(An exploration stage company)
Consolidated Schedule of Cash Flows (continued)
(Canadian dollars)

	Cumulative amount since incorporation on March 31, 1995 to June 30, 2009	Years ended June 30,		
		2009	2008	2007
Supplementary financial information				
Non-cash investing and financing activities:				
Amounts receivable for unproven mineral right interests	\$ (176,489)	\$ 722,659	\$ (496,955)	\$ 487,220
Accounts payable for unproven mineral right interests	206,501	(419,260)	406,138	(1,091,637)
Amortization capitalized to unproven mineral right interests	534,213	151,155	139,732	122,803
Transfer of contributed surplus upon exercise of stock options	795,774	101,260	10,212	354,425
Cash and cash equivalents is comprised of:				
Cash	456,006	456,006	239,521	1,303,133
Banker's acceptance notes	-	-	3,723,221	4,897,469
Treasury bills	2,999,570	2,999,570	-	-
	<u>\$ 3,455,576</u>	<u>\$ 3,455,576</u>	<u>\$ 3,962,742</u>	<u>\$ 6,200,602</u>

See notes to the consolidated financial statements

KIMBER RESOURCES INC.
(An exploration stage company)
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2009, 2008 and 2007
(Canadian dollars)

1. NATURE OF OPERATIONS

Kimber Resources Inc. (“Kimber” or the “Company”) is incorporated in British Columbia, Canada, and is involved in the acquisition and exploration of mineral right interests in Mexico. At the date of these consolidated financial statements, Kimber has not yet determined whether any of its mineral rights contain economically recoverable mineral reserves. Accordingly, the carrying amount of unproven mineral right interests represents cumulative expenditures incurred to date and does not necessarily reflect present or future values. The recovery of these costs is dependent upon the discovery of economically recoverable mineral reserves and the ability of Kimber to obtain the necessary financing to complete their exploration and development and to resolve any environmental, regulatory, or other constraints.

Kimber has taken steps to verify title to its mineral right interests in accordance with industry standards for the current stage of exploration of these properties. However, these procedures do not guarantee that title to these rights may not be subject to unregistered prior agreements or other undetected defects.

Kimber does not generate cash flow from operations and accordingly, Kimber will need to raise additional funds through future issuance of securities. Although Kimber has been successful in raising funds in the past, there can be no assurance Kimber will be able to raise sufficient funds in the future, in which case Kimber may be unable to meet its obligations as they come due in the normal course of business. Kimber has not determined whether any of its properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if Kimber will attain profitable level of operations. Since inception, Kimber has incurred cumulative losses of \$15,868,777 (2008; \$13,477,772) and a net loss of \$2,391,005 (2008; \$2,937,925) for the year ended June 30, 2009. Should Kimber be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the balance sheet.

Kimber will be reviewing cash expenditures on an ongoing basis, and will be seeking to obtain additional financing prior to June 30, 2010. There can be no assurance that Kimber will succeed in obtaining additional financing. In the past, Kimber has been successful at raising funds to continue work on its mining properties. However, there is no certainty that Kimber will be able to raise additional funding on reasonable terms if at all, in which case the property may be joint ventured, sold, abandoned or the outstanding agreements renegotiated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (“GAAP”). Material measurement and disclosure differences between Canadian GAAP and United States GAAP are disclosed in note 15.

These consolidated financial statements include the accounts of Kimber, and its wholly owned Mexican subsidiaries, Minera Monterde, S. de R.L de C.V., Minera Pericones, S.A. de C.V. and Kimber Resources de Mexico, S.A. de C.V. Intercompany balances and transactions are eliminated on consolidation.

Variable Interest Entities (“VIEs”), which include, but are not limited to, special purpose entities, trusts, partnerships, and other legal structures, as defined by the Accounting Standards Board in Accounting Guideline (“AcG”) 15, “Consolidation of Variable Interest Entities” (“AcG 15”), are entities in which equity investors do not have the characteristics of a “controlling financial interest” or there is not sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. VIEs are subject to consolidation by the primary beneficiary who will absorb the majority of the entities’ expected losses and/or expected residual returns. The Company has not identified any VIEs in which Kimber has an interest at June 30, 2009.

KIMBER RESOURCES INC.
(An exploration stage company)
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2009, 2008 and 2007
(Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Measurement Uncertainties

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of expenses incurred during the reporting period. Significant areas requiring the use of management estimates relate to the determination of environmental obligations, stock-based compensation, impairment of unproven mineral right interests and amortization. Actual results could differ from those estimates.

c) Cash Equivalents

Banker's acceptances and Government of Canada Treasury bills maturing within 90 days of the original date of acquisition are considered to be cash equivalents.

d) Equipment

Equipment is carried at cost less accumulated amortization. Amortization is provided over the estimated useful life of the equipment using the declining balance method at an annual rate of 20% for office fixtures and equipment; 30% for computer equipment, 25% for camp vehicles; 100% for computer software, and 10% for camp and equipment.

Equipment is assessed for impairment when events and circumstances warrant. The carrying value of equipment is impaired when the carrying amount exceeds the fair value. In that event, the amount by which the carrying value of impaired equipment exceeds its discounted estimated future cash flows is charged to results from operations.

e) Unproven Mineral Right Interests

Mineral right acquisition costs, exploration and direct field costs are deferred until the rights to which they relate are placed into production, at which time these deferred costs will be amortized over the estimated useful life of the rights upon commissioning the property, or written-off if the rights are disposed of or abandoned. Administration costs and other exploration costs that do not relate to a specific mineral right are expensed as incurred.

Costs include the cash consideration and the fair value of shares issued on the acquisition of mineral rights. Rights acquired under option or joint venture agreements, whereby payments are made at the sole discretion of Kimber, are recorded in the accounts when the payments are made. Proceeds from property option payments received by Kimber are netted against the deferred costs of the related mineral rights, with any excess being included in operations. No option payments were received during the years ended June 30, 2009, or June 30, 2008.

Management reviews the carrying amounts of mineral rights on a periodic basis and will recognize impairment based upon current exploration results and upon assessment of the probability of profitable exploitation of the rights. Management's assessment of the mineral right's fair value is also based upon a review of other mineral right transactions that have occurred in the same geographic area as that of the rights under review.

KIMBER RESOURCES INC.
(An exploration stage company)
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2009, 2008 and 2007
(Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f) Translation of Foreign Currencies

Kimber's functional and reporting currency is the Canadian dollar. Kimber's wholly owned Mexican subsidiaries are integrated foreign operations and are translated into Canadian dollars using the temporal method. For Kimber and its subsidiaries, Kimber translates monetary items at the rate of exchange in effect at the balance sheet date. Non-monetary items are translated at average rates in effect during the period in which they were acquired. Expenses are translated at average rates in effect during the period except for amortization, which is translated using historical rates. Gains and losses resulting from the fluctuations in foreign exchange rates are included in results from operations.

g) Loss Per Share

Basic loss per share is computed based upon the weighted average number of common shares outstanding during the year. Diluted earnings per share is disclosed when the exercise or issuance of securities such as stock options and warrants would have a dilutive effect on loss per share. Kimber has a loss per share and accordingly basic and diluted loss per share are the same.

h) Stock-Based Compensation

Stock-based compensation is measured on the grant date at fair value as determined by the Black-Scholes option pricing model using inputs and estimates including volatility of the trading price of Kimber's stock, the expected lives of awards, the fair value of Kimber's stock and the risk-free interest rate. The estimated fair values of awards of stock-based compensation are charged to expenses over the applicable vesting period, with corresponding credits recognized as contributed surplus.

i) Valuation of Warrants

During the year ended June 30, 2009, Kimber reviewed its accounting policy with respect to warrants and determined that the following policy is preferable and provides more reliable and relevant information. Kimber adopted a policy of allocating a value, based on fair value, to warrants issued. Warrants issued in conjunction with equity or debt instruments are valued on a relative fair value basis using the Black-Scholes option pricing model. Previously, no value had been attributed to warrants issued with other equity instruments. Kimber has applied this change on a retrospective basis with restatement of prior year financial statements. As a result of this change, Kimber allocated \$867,288, on a relative fair value basis, to the warrants issued in the year ended June 30, 2008.

j) Income Taxes

Kimber uses the liability method of accounting for income taxes. Future income tax assets and liabilities are recognized for the income tax consequences attributable to differences between their carrying amounts in the financial statements and their tax bases and tax loss carryforwards. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to be in effect when the temporary differences are likely to be reversed or settled. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in income in the period that the change occurs. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized. Kimber has taken a full valuation allowance against all of its potential future income tax assets.

KIMBER RESOURCES INC.
(An exploration stage company)
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2009, 2008 and 2007
(Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of a long-lived asset that results from the acquisition, development or operation of that long-lived asset. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at June 30, 2009 and 2008, Kimber did not have any material asset retirement obligations.

l) Financial Instruments

Kimber's financial instruments consist of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. The carrying value of these instruments approximates their fair value due to the short term to maturity.

Financial instruments that potentially subject Kimber to significant credit risk are cash and cash equivalents and amounts receivable. The maximum potential loss on all financial instruments is equal to the carrying value of these items.

Kimber carries on business operations in Mexico and is exposed to foreign exchange risk due to fluctuations in the relative values of the Canadian dollar, the Mexican peso and the United States dollar. Kimber currently does not hedge its exposure to foreign exchange movements.

Transaction costs associated with held-for-trading financial instruments are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the instrument.

m) Adoption of New Accounting Standards

Effective July 1, 2008, Kimber adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

i) Capital Disclosures

Section 1535, "Capital Disclosures", requires additional disclosures about Kimber's capital and how it is managed. The additional disclosure includes information regarding Kimber's objectives, policies and processes for managing capital, and whether there are any externally imposed capital requirements and the implications of any non-compliance. The new disclosures are provided in Note 10.

ii) Financial Instruments – Disclosures and Presentation

Section 3862, "Financial Instruments – Disclosures", and Section 3863, "*Financial Instruments – Presentation*", replace Section 3861, "*Financial Instruments – Disclosure and Presentation*". The new Sections require disclosures of both qualitative and quantitative information on the nature and extent of risks arising from financial instruments to which Kimber is exposed and how it manages those risks. The new disclosures are provided in Notes 11 and 12.

KIMBER RESOURCES INC.
(An exploration stage company)
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(Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

m) Adoption of new accounting standards *(continued)*

iii) Assessing going concern

Effective July 1, 2008, Kimber adopted the amended CICA Handbook Section 1400, “*General Standards of Financial Statement Presentation*”. This amended Section includes requirements for management to assess and disclose an entity’s ability to continue as a going concern, and if applicable, management’s plans to address any going concern issues. The adoption of this standard had no material impact on Kimber’s financial statements.

iv) Mining exploration costs

In March 2009 the Company adopted CICA issued Emerging Issues Committee Abstract 174 – *Mining Exploration Costs* which amends EIC-126 - *Accounting by Mining Enterprises for Exploration Costs*, to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs are required. EIC – 126 has been withdrawn. Adoption of EIC 174 did not have a significant impact on the Company’s consolidated financial statements.

n) Recent accounting pronouncements

i) CICA Handbook Section 3064, “Goodwill and Intangible Assets”

In February 2008, the CICA issued new CICA Handbook Section 3064, “*Goodwill and Intangible Assets*”, replacing CICA 3062, “*Goodwill and Other Intangible Assets*”, and CICA 3450, “*Research and Development Costs*”. Collectively, these changes bring Canadian practice closer to International Financial Reporting Standards (“IFRS”) and U.S. GAAP. The effective date of adopting this standard for Kimber is July 1, 2009. The impact of implementation of these standards will not have a material impact on Kimber’s consolidated financial statements.

ii) CICA Handbook Section 1582, “*Business Combinations*”, Section 1601, “*Consolidated Financial Statements*”, and Section 1602, “*Non Controlling Interests*”.

In January 2009, the CICA issued Section 1582, “*Business Combinations*”, Section 1601, “*Consolidated Financial Statements*”, and Section 1602, “*Non Controlling Interests*” to replace Section 1581 and Section 1600. These sections shall be applied prospectively to business combinations on or after the beginning of the first annual reporting period beginning after January 1, 2011 with earlier application permitted. Effective July 1, 2011, Kimber will adopt the new handbook sections, which establish updated standards on the recognition, measurement criteria and presentation for acquisitions, the accounting for assets and liabilities assumed and non-controlling interests. The impact of implementation of these standards will not have a material impact on Kimber’s consolidated financial statements.

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(Canadian dollars)

3. UNPROVEN MINERAL RIGHT INTERESTS

Kimber's mineral rights are located in the States of Chihuahua and Estado de Mexico, Mexico.

During the year ended June 30, 2009 Kimber capitalized \$3,608,089 of costs to unproven mineral right interests (2008 - \$5,158,631)

Monterde Property

The Monterde Property consists of the Monterde concessions, the contiguous El Coronel concessions and staked concessions. The entire Monterde Property is comprised of 34 mineral concessions totaling 29,266 hectares in the Sierra Madre in the State of Chihuahua, Mexico.

Monterde concessions

Kimber owns a 100% interest in the Monterde concessions having acquired the concessions by payment of total consideration of \$1,398,527 (US\$1,054,900).

El Coronel concessions

Kimber owns a 100% interest in the El Coronel mineral concessions by having made total payments of \$1,206,958 (US\$1,000,000).

Staked concessions

Kimber has a 100% interest in concessions that were staked adjacent to the Monterde concessions and El Coronel concessions. There are no payment obligations for these staked concessions aside from semi annual taxes.

Setago Property

The Setago Property has a property area of 10,069 hectares and lies approximately 24 kilometres to the west of the Monterde Property. Kimber staked one exploration concession in 2006 and two exploration concessions during the year ended June 30, 2008. The property requires no further payments other than for semi annual taxes.

Pericones Property

Kimber owns Pericones, a property in Estado de Mexico, covering a total area of 11,890 hectares. Mapping and sampling commenced on the Pericones property during the year ended June 30, 2008 and is still in progress. The property requires no payments other than for semi annual taxes.

KIMBER RESOURCES INC.
(An exploration stage company)
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4. AMOUNTS RECEIVABLE

Amounts receivable at June 30, 2009 are comprised primarily of IVA tax credits refundable from the Government of Mexico and other amounts as shown below.

The IVA Tax is 15% of expenditures in Mexico. Kimber has been receiving IVA refunds on an ongoing basis, and expects to continue to recover outstanding amounts.

	2009		2008
Deposit	\$ -	\$	254,025
IVA tax receivable	136,173		591,880
Net GST receivable	14,486		15,326
Other receivables	40,316		53,243
	\$ 190,975	\$	914,474

5. EQUIPMENT

	2009		
	Cost	Accumulated Amortization	Net book value
Camp and equipment	\$ 503,541	\$ 165,326	\$ 338,215
Camp vehicles	277,021	160,285	116,736
Computer equipment	211,763	113,263	98,500
Computer software	69,711	60,392	9,319
Office fixtures and equipment	77,699	32,276	45,423
	\$ 1,139,735	\$ 531,542	\$ 608,193

	2008		
	Cost	Accumulated Amortization	Net book value
Camp and equipment	\$ 495,857	\$ 127,495	\$ 368,362
Camp vehicles	242,813	128,790	114,023
Computer equipment	164,659	86,531	78,128
Computer software	63,406	51,535	11,871
Office fixtures and equipment	70,084	24,517	45,567
	\$ 1,036,819	\$ 418,868	\$ 617,951

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6. SEGMENTED INFORMATION

Kimber operates in one operating segment which is mineral exploration.

	<u>2009</u>	<u>2008</u>
Assets by geographic segment, at cost		
Canada		
Current assets	\$ 3,515,516	\$ 3,984,695
Equipment	82,299	83,957
	<u>3,597,815</u>	<u>4,068,652</u>
Mexico		
Current assets	242,232	973,715
Equipment	525,894	533,994
Unproven mineral right interests	40,943,685	37,335,596
	<u>41,711,811</u>	<u>38,843,305</u>
	<u>\$ 45,309,626</u>	<u>\$ 42,911,957</u>

7. SHARE CAPITAL AND RELATED INFORMATION

a) **Warrants**

	<u># of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Expiry Date</u>
Balance – June 30, 2006	1,566,666	\$1.80	February 26, 2007
Exercised	(1,566,666)	\$1.80	
Balance – June 30, 2007	-	-	-
Issued	4,000,000	\$1.25	March 11, 2010
Balance – June 30, 2008	4,000,000	\$1.25	
Issued (note 7 (c))	2,000,000	\$1.80	September 24, 2010
Balance – June 30, 2009	<u>6,000,000</u>	<u>\$1.43</u>	

b) **Stock Options**

On December 12, 2007, the shareholders of Kimber approved the adoption of a new 2007 Stock Option Plan that allows for the grant of stock options up to 10% of the issued and outstanding common shares from time to time, less the number of stock options outstanding under Kimber's former 2002 Stock Option Plan.

The exercise price is generally set at the closing price on the last trading date preceding the date of their grant and vests in accordance with the determination of the Board of Directors, generally 1/3 on the date of grant and an additional 1/3 at the end of each nine month period thereafter.

The weighted average grant date fair value of options granted during the year ended June 30, 2009 was \$0.35 (June 30, 2008; \$0.34, June 30, 2007; \$0.95).

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7. SHARE CAPITAL AND RELATED INFORMATION (continued)

b) Stock Options (continued)

Summary of stock option activity:

	2009		2008		2007	
	Options Outstanding	Weighted average exercise price	Options Outstanding	Weighted average exercise price	Options Outstanding	Weighted average exercise price
Balance, beginning of year	3,132,000	\$ 1.44	2,695,000	\$ 1.66	3,402,800	\$ 1.21
Granted	1,370,000	0.65	1,365,000	0.81	1,125,000	2.24
Exercised	(200,000)	0.73	(463,000)	0.46	(742,032)	1.11
Forfeited	(205,000)	1.97	(465,000)	1.85	(1,090,768)	1.23
Expired	(75,000)	2.05	-	-	-	-
Balance, end of year	<u>4,022,000</u>	<u>\$ 1.16</u>	<u>3,132,000</u>	<u>\$ 1.44</u>	<u>2,695,000</u>	<u>\$ 1.66</u>
Exercisable, end of year	<u>2,907,000</u>	<u>\$ 1.35</u>	<u>2,220,333</u>	<u>\$ 1.61</u>	<u>2,061,666</u>	<u>\$ 1.48</u>

The total intrinsic value of options exercised during the years ended June 30, 2009, 2008 and 2007 was \$104,000, \$405,230 and \$848,296.

As at June 30, 2009 options vested and expected to vest totaled 4,022,000 (June 30, 2008; 3,132,000 and June 30, 2007; 2,695,000) and had an aggregate intrinsic value of \$nil (June 30, 2008; \$1,289,420 and June 30, 2007; \$609,600).

As at June 30, 2009 options exercisable totaled 2,907,000 (June 30, 2008; 2,220,333 and June 30, 2007; 2,061,666) and had an aggregate intrinsic value of \$nil (June 30, 2008; \$678,287 and June 30, 2007; \$609,600).

Stock options outstanding and exercisable at June 30, 2009 are as follows:

Exercise price	Number outstanding	Number exercisable	Expiry date
\$ 2.14	355,000	355,000	October 2009
1.80	25,000	25,000	December 2009
1.65	160,000	160,000	September 2010
1.50	50,000	50,000	December 2010
2.40	150,000	150,000	July 2011
2.59	100,000	100,000	November 2011
2.67	50,000	50,000	December 2011
1.95	410,000	410,000	April 2012
0.85	52,000	52,000	September 2012
0.86	400,000	400,000	September 2012
0.78	400,000	400,000	November 2012
0.79	500,000	333,333	February 2013
0.65	1,370,000	421,667	January 2014
	<u>4,022,000</u>	<u>2,907,000</u>	
Weighted average exercise price	1.16	1.35	

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7. SHARE CAPITAL AND RELATED INFORMATION (continued)

c) Private Placements

- i) On March 11, 2008 Kimber closed a non-brokered private placement of 8,000,000 units raising gross proceeds of \$6 million. Each unit was priced at \$0.75 and consisted of one common share plus one half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$1.25 per warrant for a period of 24 months from the date on which the units were issued.

Kimber allocated \$867,288 to contributed surplus related to the value of the warrants which were issued as part of the private placement completed in March 2008 (Note 2(i)). The value of the warrants was calculated using the Black-Scholes method with the following assumptions, risk free interest rate 2.63%, expected share price volatility 65%, expected life of warrant two years.

- ii) On September 24, 2008, Kimber closed a non-brokered private placement of 4,000,000 units raising gross proceeds of \$5 million. Each unit was priced at \$1.25 and consisted of one common share plus one half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$1.80 per warrant for a period of 24 months from the date on which the units were issued. Finder's fees of seven per cent of certain of the proceeds were paid, totaling \$332,500.

Kimber allocated \$175,015 to contributed surplus related to the value of the warrants which were issued as part of the private placement completed in September 2008. The value of the warrants was calculated using the Black-Scholes method with the following assumptions, risk free interest rate 2.93%, expected share price volatility 35%, expected life of warrant two years.

8. STOCK-BASED COMPENSATION

The weighted average fair value of stock options granted is discussed below and estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

The expected life of options granted is derived from historical data on employee exercise and post-vesting employment termination behaviour. Expected volatility is based on the historical volatility of Kimber's stock.

	2009	2008	2007
Risk-free interest rate	1.11%	4.16%	3.80%
Estimated share price volatility	72%	58%	59%
Expected lives	3 years	3 years	3 years

Stock based compensation expense for the year ended June 30, 2009 was \$428,398 (2008: \$728,939; 2007: \$527,957) and has been included in salaries and benefits for those periods.

The weighted average fair value of options granted during the year ended June 30, 2009 was \$0.31 (June 30, 2008; \$0.34, June 30, 2007; \$0.95).

For stock options granted and not vested, compensation expense is recognizable in future periods as follows:

June 30, 2010	\$ 183,996
June 30, 2011	14,557
	<u>\$ 198,553</u>

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9. RELATED PARTY TRANSACTIONS

Unless otherwise stated, related party transactions are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties. Amounts due to or from related parties are unsecured, non-interest bearing and are due on demand.

- a) Under settlement agreements dated April 26, 2007, Kimber settled all claims which Robert V. Longe, former President, CEO and Director, and Michael E. Hoole, former VP and Secretary, may have with respect to Change of Control Agreements with each of them dated January 13, 2004. Pursuant to the settlement agreement with Mr. Longe, Kimber agreed to pay him \$339,657 plus unused vacation upon retirement on or before October 31, 2007. Mr. Longe subsequently retired on October 31, 2007. On December 14, 2007, Kimber paid Mr. Longe \$170,000 plus unused vacation. The balance of \$169,657 was paid to Mr. Longe on March 17, 2008.

Pursuant to the settlement agreement with Mr. Hoole, it had been agreed that Mr. Hoole would remain as Vice President and Secretary of Kimber until his date of termination as an officer on or before February 28, 2008 and he would be paid \$339,657 by way of salary continuance from May 1, 2007 until he ceased to be an officer and employee of Kimber with the balance payable at that time. Mr. Hoole resigned on February 28, 2008, and the total outstanding amount of \$203,147 was paid to Mr. Hoole on March 14, 2008.

- b) During the year ended June 30, 2008, fees of \$178,502 were paid to J.B. Engineering Ltd. Mr. Richards, a principal of J.B. Engineering Ltd., was an officer of Kimber until his resignation on January 31, 2008.

10. CAPITAL MANAGEMENT

The capital structure of Kimber consists of equity attributable to common shareholders comprising of issued capital, contributed surplus and deficit. Total capital as at June 30, 2009 was \$44,916,065 (June 30, 2008; \$42,096,200). Kimber has no externally imposed capital requirements.

Kimber's objectives when managing capital are to ensure there are adequate capital resources to safeguard Kimber's ability to continue as a going concern, maintain adequate levels of funding to support the acquisition, exploration and development of mineral properties, maintain investor, creditor and market confidence to sustain future development of the business, and provide returns to shareholders and benefits for other stakeholders.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Kimber has designated its cash and cash equivalents as held for trading, which are measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. The carrying values of these financial instruments approximate fair values due to the short-term nature of these instruments.

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12. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

Kimber is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. Kimber does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions.

The types of risk exposures and the way in which such exposures are managed are as follows:

a) Concentration Risk

Concentration risks exist in cash and cash equivalents because significant balances are maintained with one financial institution. As at March 31, 2009, over 96% of cash and cash equivalents were invested in Canadian Government Treasury Bills with maturities of less than 90 days.

b) Credit Risk

Credit risk primarily arises from Kimber's cash and cash equivalents and amounts receivable. The risk exposure is limited to their carrying amounts at the balance sheet date. Cash and cash equivalents are held as cash deposits or invested in Treasury Bills with various maturity dates. Kimber does not invest in asset-backed securities and does not expect any credit losses. Kimber periodically assesses the quality of its deposits.

Amounts receivable consists primarily of paid value added tax recoverable ("IVA") from the Mexican Government for Mexican expenditures. Kimber regularly reviews the collectability of its amounts receivable.

c) Liquidity Risk:

Liquidity risk is the risk that Kimber may not be able to meet its financial obligations as they become due. Kimber ensures that there is sufficient cash and cash equivalents to meet its business requirements on a timely basis. Kimber prepares quarterly budgets which are approved by the Board of Directors and also prepares cash flow forecasts on a quarterly basis.

The following table details Kimber's expected remaining contractual maturities for its financial liabilities. The table is based on the undiscounted cash flows of financial liabilities based on the earliest date on which Kimber can be required to satisfy the liabilities.

	Less than 1 month	1-3 months	Total
At June 30, 2009			
Accounts payable	228,561	-	228,561
Accrued liabilities	-	165,000	165,000
At June, 2008			
Accounts payable	739,757	-	739,757
Accrued liabilities	-	76,000	76,000

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12. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT *(continued)*

d) Currency Risk

The operating results and financial position of Kimber are reported in Canadian dollars. Certain of Kimber's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of Kimber's operations are subject to currency transaction and translation risk.

Kimber's exploration and some administration costs are in Mexico and are denominated in Mexican pesos or US dollars. The fluctuation of the US dollar and Mexican peso in relation to the Canadian dollar will consequently impact Kimber's operating results and may affect the value of Kimber's assets and the amount of the shareholders' equity.

The majority (97%, 2008; 93%) of Kimber's monetary assets are held in Canadian dollars. Kimber's sensitivity to a 5% change in the US dollar and Mexican peso is indicated in the following table.

	<u>2009</u>	<u>2008</u>
Change in Loss		
United States dollars	\$ 1,173	\$ 3,824
Mexican pesos	\$ 16,943	\$ 2,792

13. INCOME TAXES

Future income tax assets and liabilities of Kimber as at June 30, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Future income tax assets		
Losses carried forward	\$ 13,483,000	\$ 12,806,000
Share issue costs	121,000	107,000
Other	31,000	28,000
	<u>13,635,000</u>	<u>12,941,000</u>
Future income tax liability		
Unproven mineral property right interests	<u>(8,272,000)</u>	<u>(8,443,000)</u>
	5,363,000	4,498,000
Valuation allowance	<u>(5,363,000)</u>	<u>(4,498,000)</u>
Net future income tax assets	\$ <u>-</u>	\$ <u>-</u>

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13. INCOME TAXES *(continued)*

The recovery of income taxes shown in the consolidated statements of operations and deficit differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	<u>2009</u>	<u>2008</u>
Income tax rate reconciliation		
Combined federal and provincial income tax rate	<u>30.25%</u>	<u>32.81%</u>
Expected income tax recovery	\$ (723,000)	\$ (964,000)
Effect of:		
Change in tax rates	152,000	515,000
Change in estimated loss carry forwards	(578,000)	(2,910,000)
Non deductible expenses and other	284,000	460,000
Change in valuation allowance	<u>865,000</u>	<u>2,899,000</u>
Actual income tax recovery	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2009, Kimber had non-capital losses of approximately \$12,386,000 in Canada (which expire between 2010 and 2029) and \$37,093,000 in Mexico (which expire between 2010 and 2019) available to reduce taxable income earned during future years. The potential future tax benefits relating to these amounts have not been reflected in the financial statements as their utilization is currently not considered more likely than not of realization.

During 2009 and 2008, Kimber did not recognize any accrued interest or penalties related to unrecognized tax benefits within the statement of operations or balance sheet.

Kimber is subject to taxes in Canada and Mexico. The tax years of Canadian and Mexican tax jurisdictions which remain subject to examination as at June 30, 2009 are as follows:

Canada	2006 to 2009
Mexico	2000 to 2009

14. COMMITMENTS AND CONTINGENCIES

Operating Lease

Kimber leases its premises in Vancouver under an operating lease which expires in the fiscal year ending June 30, 2011. Kimber is obligated to make the following basic rent payments under its operating lease in each of the fiscal years ending:

June 30, 2010	\$ 87,872
June 30, 2011	<u>53,500</u>
	<u>\$ 141,372</u>

In addition, Kimber has the obligation to pay its proportionate share of operating costs and taxes for the building. During the year ended June 30, 2009, Kimber expensed \$197,722 in relation to this operating lease. (June 30, 2008; \$188,003, June 30, 2007; \$161,508).

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15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP). A description of United States generally accepted accounting principles and practices (collectively US GAAP) that result in material measurement and disclosure differences from Canadian GAAP are as follows:

- a) The effect of the differences between Canadian GAAP and US GAAP on the significant captions on Kimber's balance sheets, statements of operations and comprehensive income and statements of cash flows is summarized as follows.

	For the years ended			
	Inception to June 30, 2009	June 30, 2009	2008	2007
(i) Operations				
Net loss - Canadian GAAP	\$ (15,868,777)	\$ (2,391,005)	\$ (2,937,925)	\$ (3,813,938)
Unproven Mineral Right Interests expensed under U.S. GAAP (b)	<u>(38,046,153)</u>	<u>(3,526,492)</u>	<u>(5,095,641)</u>	<u>(9,919,560)</u>
Net loss and comprehensive loss - U.S. GAAP	<u>\$ (53,914,930)</u>	<u>\$ (5,917,497)</u>	<u>\$ (8,033,566)</u>	<u>\$ (13,733,498)</u>
Net loss per share, basic and diluted - U.S. GAAP		<u>\$ 0.10</u>	<u>\$ 0.15</u>	<u>\$ 0.29</u>
(ii) Deficit				
Closing deficit - Canadian GAAP	\$ (15,868,777)	\$ (15,868,777)	\$ (13,477,772)	\$ (10,539,847)
Adjustment to deficit for accumulated Unproven Mineral Right Interests expensed under U.S GAAP (b)	<u>(38,046,153)</u>	<u>(38,046,153)</u>	<u>(34,519,661)</u>	<u>(29,424,020)</u>
Closing deficit - U.S. GAAP	<u>\$ (53,914,930)</u>	<u>\$ (53,914,930)</u>	<u>\$ (47,997,433)</u>	<u>\$ (39,963,867)</u>
(iii) Cash Flows – Operating Activities				
Cash applied to operations - Canadian GAAP	\$ (11,408,720)	\$ (1,975,360)	\$ (3,104,419)	\$ (2,206,059)
Add net loss - Canadian GAAP	15,868,777	2,391,005	2,937,925	3,813,938
Less net loss - U.S. GAAP	<u>(53,914,930)</u>	<u>(5,917,497)</u>	<u>(8,033,566)</u>	<u>(13,733,498)</u>
Cash applied to operations - U.S. GAAP	<u>\$ (49,454,873)</u>	<u>\$ (5,501,852)</u>	<u>\$ (8,200,060)</u>	<u>\$ (12,125,619)</u>
(iv) Cash Flows – Investing Activities				
Cash applied - Canadian GAAP	\$ (41,928,522)	\$ (3,314,277)	\$ (5,245,757)	\$ (11,101,264)
Add Unproven Mineral Right Interests expensed - U.S. GAAP	<u>38,046,153</u>	<u>3,526,492</u>	<u>5,095,641</u>	<u>9,919,560</u>
Cash applied under U.S. GAAP	<u>\$ (3,882,369)</u>	<u>\$ 212,215</u>	<u>\$ (150,116)</u>	<u>\$ (1,181,704)</u>

In addition, as at June 30, 2009 and 2008, unproven mineral right interests would have been \$2,897,532 and \$2,815,935 respectively.

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15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (continued)

The components of shareholders equity under US GAPP would be as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Shareholders' Equity			
Common shares	\$ 56,753,646	\$ 52,032,205	\$ 46,762,332
Additional paid-in capital	4,031,196	3,541,767	1,970,385
Deficit	<u>(53,914,930)</u>	<u>(47,997,443)</u>	<u>(39,963,867)</u>
Total shareholders' equity	<u>\$ 6,869,912</u>	<u>\$ 7,576,529</u>	<u>\$ 8,768,850</u>

b) Unproven Mineral Right Interests

Under Canadian GAAP, mineral exploration expenditures can be deferred on prospective mineral rights until mine development and construction commences at which time such costs form part of the mineral property costs and are amortized over the life of the mine. If the property or rights are abandoned, the mineral right interest is written off. For Canadian GAAP purposes, Kimber's policy is to capitalize all expenditures associated with the prospective properties and rights including payments made to maintain Kimber's right to explore these properties and earn its future rights and options to acquire these concessions once all requirements under the option agreements have been satisfied. In addition, Kimber includes proceeds from property option payments received by Kimber in unproven mineral right interests.

Under US GAAP, expenditures incurred to acquire an interest in a mineral property or concessions are capitalized. However, all exploration expenditures are expensed. Accordingly, as at June 30, 2009, 2008 and 2007, unproven mineral right interests would have been reduced by \$38,046,153, \$34,519,661, and \$29,424,020 respectively and for the years ended June 30, 2009, 2008 and 2007 exploration expenses and net loss would have increased by \$3,526,492, \$5,095,641, and \$9,919,560 respectively.

Under US GAAP proceeds from property option payments would be included in other income. Since no option payments have been received during the reporting period, there is no difference to report between Canadian and US GAAP.

For Canadian GAAP, cash flows relating to mineral property costs are reported as investing activities. For US GAAP, these costs would be characterized as operating activities.

c) Share Units

In 2009, under Canadian GAAP, Kimber adopted the policy of allocating the proceeds on issuance of units consisting of common shares and warrants to each component on a relative fair value basis (Note 2(i)). As a result of this change in policy, there is no longer a difference between Canadian and US GAAP with respect to share units. Upon adoption of this policy for Canadian GAAP purposes, Kimber determined that the relative fair value of warrants issued as part of the private placement in March 2008 was \$867,288, which is the amount recorded for US GAAP purposes.

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15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (continued)

d) Income Taxes

Under Canadian GAAP, future tax assets and liabilities are recorded at substantively enacted tax rates. Under US GAAP, deferred tax assets and liabilities are recorded at enacted tax rates. There were no significant differences between enacted and substantively enacted tax rates for any of the periods presented.

In 2006, FASB issued FIN 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement 109*. This interpretation prescribes a recognition threshold and measurement criteria for the financial statement recognition of a tax position taken or expected to be taken in a tax return. This interpretation was effective for Kimber on July 1, 2007. Kimber is required to determine whether it is more likely than not that a tax position will be sustained upon examination and such positions that meet this threshold will be measured at the most likely amount to be realized upon settlement.

Kimber has reviewed its tax positions and determined that the application of FIN 48 does not result in any material adjustment for US GAAP purposes.

e) Stock-Based Compensation

For US GAAP purposes, Kimber accounts for stock-based compensation associated with stock options under Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* ("SFAS 123(R)"). SFAS 123(R) requires that all share-based payments to employees, including grants of employee stock options, be recognized in results from operations based on the fair values of options expected to vest. In calculating compensation to be recognized, SFAS 123(R) requires Kimber to estimate forfeitures. For Canadian GAAP, Kimber accounts for forfeitures as they occur. The effect of forfeitures is not material. Accordingly no adjustments for any of the periods were required.

f) Adoption of New Accounting Pronouncements

Kimber adopted Financial Accounting Standards Board's (FASB) Statement of Financial Accounting Standards (FAS) No. 157, Fair Value Measurement which established a framework for determining fair value measurements that are already required or permitted under current accounting standards and to expand disclosures about fair value measurements. Kimber adopted this standard in its 2009 fiscal year with no material impact to the consolidated financial statements.

Kimber adopted FAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. This statement permits entities the option to measure financial instruments at fair value (fair value option) thereby achieving an offsetting effect for accounting purposes for certain changes in fair value of certain related assets and liabilities without having to apply hedge accounting. Kimber adopted this standard in its 2009 fiscal year; however, the Company did not elect to apply this option to any of its financial instruments.

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15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (continued)

f) Adoption of New Accounting Pronouncements (continued)

Kimber adopted FAS No. 165, *Subsequent Events* (“FAS 165”). FAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. Kimber adopted this standard in its 2009 fiscal year with no material impact to the consolidated financial statements.

Kimber adopted FAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. This Statement is effective November 13, 2008 and adopted a hierarchy of authoritative accounting guidance (Replaced by FAS 168 issued July 1, 2009). The adoption of this Statement did not have a material impact on the consolidated financial statements.

FSP No. FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*, provides guidance on the recognition and presentation of other-than-temporary impairments of debt securities classified as available-for-sale and held-to-maturity. It also expands and increases the frequency of disclosures about other-than-temporary impairments in both debt and equity securities within the scope of FAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, and FSP No. FAS 115-1/FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*. FSP No. FAS 115-2 and FAS 124-2 is effective prospectively for interim and annual reporting periods ending after June 15, 2009. The adoption of this Statement did not have a material impact on the consolidated financial statements.

Kimber adopted EITF Issue No. 07-5, *Determining Whether an Instrument (or embedded Feature) is Indexed to an Entity's Own Stock*. The standard provides guidance on when certain contingent and other adjustment features in equity-linked financial instruments are indexed solely to an entity's own stock. Such adjustment features also include strike prices which are denominated in a foreign currency. The adoption of this Statement did not have a material impact on the consolidated financial statements.

g) Recently Issued Accounting Pronouncements

In March 2008, the FASB issued FAS No. 161, *Disclosures About Derivative Instruments and Hedging Activities-an amendment of FASB Statement No. 133* (FAS No. 161), which amends FAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, by requiring expanded disclosures about a company's derivative instruments and hedging activities, including increased qualitative, and credit-risk disclosures, but does not change the scope or accounting of FAS No. 133. FAS No. 161 also amends FAS No. 107, *Disclosures about Fair Value of Financial Instruments*, to clarify that derivative instruments are subject to the concentration-of-credit-risk disclosures of FAS No. 107. FAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early adoption permitted. The effect of the adoption of this Statement to Kimber's results of operations or financial position is still being determined.

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15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (continued)

g) Recently Issued Accounting Pronouncements (continued)

In December 2007, the FASB issued FAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51* (FAS No. 160). FAS No. 160 amends Accounting Research Bulletin (ARB) 51 to establish accounting and reporting standards for the noncontrolling (minority) interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. FAS No. 160 also requires consolidated net income and comprehensive income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest on the face of the consolidated statement of income. Under FAS No. 160, the accounting for changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation must be accounted for as equity transactions for the difference between the parent's carrying value and the cash exchanged in the transaction. The Company will adopt FAS No. 160 commencing July 1, 2009 and does not expect that the standard will have a material impact on the consolidated financial statements.

In December 2007, FASB issued FAS No. 141 (revised 2007), *Business Combinations* (FAS No. 141 (R)). FAS No. 141 (R) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions. This Statement also requires that the acquirer in a business combination achieved in stages to recognize the identifiable assets and liabilities, as well as the noncontrolling interest in the acquiree, at the full amounts of assets and liabilities as if they had occurred on the acquisition date. In addition, FAS No. 141 (R) requires that all acquisition related costs be expensed as incurred, rather than capitalized as part of the purchase price and those restructuring costs that an acquirer expected, but was not obligated to incur, to be recognized separately from the business combination. FAS No. 141 (R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company will adopt FAS No. 141(R) commencing July 1, 2009 and does not expect that the standard will have a material impact on the consolidated financial statements.

In February 2008, the FASB issued FASB Staff Position (FSP 157-2) which delayed the effective date of FAS No. 157, *Fair Value Measurements*, for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). For purposes of applying this FSP, nonfinancial assets and nonfinancial liabilities would include all assets and liabilities other than those meeting the definition of a financial asset or financial liability as defined in paragraph 6 of FAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. The Company will adopt the remaining aspects of FAS 157 previously deferred commencing July 1, 2009 and does not expect that the standard will have a material impact on the consolidated financial statements.

In June 2009, FASB issued FAS 168, *The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162*. FAS 168 identifies the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. This statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company is currently assessing the potential impacts, if any, on its consolidated financial statements.

KIMBER RESOURCES INC.
(An exploration stage company)
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2009, 2008 and 2007
(Canadian dollars)

15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (continued)

g) Recently Issued Accounting Pronouncements (continued)

In June 2009, FASB issued FAS 167, *Amendments to FASB Interpretation No. 46(R)* (“FAS 167”). FAS 167 eliminates FASB Interpretation 46(R)’s exceptions to consolidating qualifying special-purpose entities, contains new criteria for determining the primary beneficiary, and increases the frequency of required reassessments to determine whether a company is the primary beneficiary of a variable interest entity. FAS 167 also contains a new requirement that any term, transaction, or arrangement that does not have a substantive effect on an entity’s status as a variable interest entity, a company’s power over a variable interest entity, or a company’s obligation to absorb losses or its right to receive benefits of an entity must be disregarded in applying FASB Interpretation 46(R)’s provisions. FAS 167 is effective for fiscal years beginning after November 15, 2009, and for interim periods within that first period, with earlier adoption prohibited. The Company is currently assessing the potential impacts, if any, on its consolidated financial statements.

KIMBER RESOURCES INC.
(An exploration stage company)
Consolidated Schedule of Unproven Mineral Right Interests (note 3)
(Canadian dollars)

	June 30, 2009	Additions	June 30, 2008	Additions	June 30, 2007
MEXICO					
Monterde Property					
Acquisition	\$ 2,846,879	\$ 65,380	\$ 2,781,499	\$ 43,454	\$ 2,738,045
Exploration					
Amortization	534,213	149,662	384,551	139,732	244,819
Assays	3,785,356	263,632	3,521,724	137,017	3,384,707
Drilling	13,130,339	106,617	13,023,722	1,506,892	11,516,830
Engineering	2,131,606	332,323	1,799,283	245,511	1,553,772
Environmental study	1,319,755	45,163	1,274,592	115,712	1,158,880
Field, office	1,073,519	336,190	737,329	185,445	551,884
Geological, geophysical	6,491,735	1,151,303	5,340,432	1,314,680	4,025,752
Legal	671,382	133,097	538,285	118,570	419,715
Maps, reports, reproductions	1,035,066	101,464	933,602	179,113	754,489
Metallurgy	775,739	43,909	731,830	136,660	595,170
Road construction	2,042,827	48,868	1,993,959	176,134	1,817,825
Salaries and wages	782,100	97,309	684,791	164,351	520,440
Scoping study	25,482	1,975	23,507	12,115	11,392
Socioeconomic studies	65,301	-	65,301	26,495	38,806
Stakeholder costs	79,105	-	79,105	28,920	50,185
Supplies	1,889,054	119,086	1,769,968	255,805	1,514,163
Travel, accommodation	1,579,899	194,270	1,385,629	236,772	1,148,857
Third party recoveries	(9,931)	-	(9,931)	-	(9,931)
	<u>37,402,547</u>	<u>3,124,868</u>	<u>34,277,679</u>	<u>4,979,924</u>	<u>29,297,755</u>
	<u>40,249,426</u>	<u>3,190,248</u>	<u>37,059,178</u>	<u>5,023,378</u>	<u>32,035,800</u>
Setago Property					
Acquisition	20,982	7,602	13,380	6,628	6,752
Exploration	70,281	-	70,281	16,037	54,244
	<u>91,263</u>	<u>7,602</u>	<u>83,661</u>	<u>22,665</u>	<u>60,996</u>
Pericones Property					
Acquisition	29,671	8,615	21,056	12,908	8,148
Exploration					
Amortization	2,109	1,493	616	-	616
Assays	44,465	34,383	10,082	7,689	2,393
Drilling	13,297	-	13,297	-	13,297
Environmental study	10,005	7,619	2,386	-	2,386
Geological, geophysical	358,600	270,006	88,594	70,706	17,888
Maps, reports, reproductions	5,769	-	5,769	-	5,769
Supplies	39,586	20,041	19,545	5,134	14,411
Travel, accommodation	99,494	68,082	31,412	16,151	15,261
	<u>573,325</u>	<u>401,624</u>	<u>171,701</u>	<u>99,680</u>	<u>72,021</u>
	<u>602,996</u>	<u>410,239</u>	<u>192,757</u>	<u>112,588</u>	<u>80,169</u>
Total unproven mineral right interests	<u>\$ 40,943,685</u>	<u>\$ 3,608,089</u>	<u>\$ 37,335,596</u>	<u>\$ 5,158,631</u>	<u>\$ 32,176,965</u>

See notes to the consolidated financial statements

KIMBER RESOURCES INC.
(An exploration stage company)
Consolidated Schedule of Share Capital Since Inception
(Canadian dollars)

	<u>Number</u>		<u>Price</u>		<u>Amount</u>
March 31, 1995 inception	1	\$	0.25	\$	0.25
For cash subscription	224,000		0.25		56,000
For property	511,720		0.25		127,930
Balance June 30, 1996	735,721				183,930
For cash subscription	40,000		0.25		10,000
Balance June 30, 1997, 1998 and 1999	775,721		0.25		193,930
For cash, private placement	750,000		0.01		7,500
For cash, private placement	350,000		0.25		87,500
Balance June 30, 2000	1,875,721				288,930
For cash, private placement	15,000		0.35		5,250
Mineral property acquisition	189,072		0.35		66,175
Balance June 30, 2001	2,079,793				360,355
Shares for debt settlement	525,334		0.30		157,601
For cash, private placement	609,466		0.30		182,840
For cash, private placement	182,000		0.35		63,700
	3,396,593				764,496
Subdivision 1.6 to 1 basis	2,037,949				764,496
Balance June 30, 2002	5,434,542				764,496
IPO	7,000,000		0.45		3,150,000
Public offering finance fee	250,000		0.45		112,500
Finder's fee	75,000		0.45		33,750
Consultant fee	137,142		0.22		30,001
For cash, private placement	2,265,600		0.45		1,019,520
Exercise of warrants	12,800		0.45		5,760
Share issue costs					(816,761)
Balance June 30, 2003	15,175,084				4,299,266
For cash, private placement	2,040,000		0.70		1,428,000
Exercise of options	233,333		0.45		105,000
Exercise of warrants	9,953,123		0.54		5,415,438
Share issue costs					(93,693)
Stock based compensation					(28,000)
Balance June 30, 2004	27,401,540				11,126,011
For cash, private placement	4,600,324		1.54		7,065,002
Exercise of options	233,217		0.67		155,200
Exercise of warrants	1,497,747		0.75		1,119,315
Share issue costs					(346,152)
Stock based compensation					(86,309)
Balance June 30, 2005	33,732,828			\$	19,033,067

See notes to the consolidated financial statements

KIMBER RESOURCES INC.
(An exploration stage company)
Consolidated Schedule of Share Capital Since Inception (continued)
(Canadian dollars)

	<u>Number</u>		<u>Price</u>		<u>Amount</u>
For cash, private placement	10,380,832	\$	1.84	\$	19,095,038
Exercise of options	549,570		0.98		540,218
Exercise of warrants	2,451,692		1.80		4,413,050
Share issue costs					(644,307)
Reallocated from cont surplus on exercise of options					329,876
Balance June 30, 2006	47,114,922				42,766,942
Exercise of options	742,032		1.11		825,013
Exercise of warrants	1,566,666		1.80		2,819,999
Share issue costs					(4,047)
Reallocated from cont surplus on exercise of options					354,425
Balance June 30, 2007	49,423,620				46,762,332
Exercise of options	463,000		0.46		213,550
For cash, private placement	8,000,000		0.75		6,000,000
Fair value assigned to warrants					(867,288)
Share issue costs					(86,601)
Reallocated from cont surplus on exercise of options					10,212
Balance June 30, 2008	57,886,620				52,032,205
Exercise of options	200,000		0.73		146,000
For cash, private placement	4,000,000		1.25		5,000,000
Fair value assigned to warrants					(175,015)
Share issue costs					(350,804)
Reallocated from cont surplus on exercise of options					101,260
Balance June 30, 2009	<u>62,086,620</u>			\$	<u>56,753,646</u>

See notes to the consolidated financial statements