

**KIMBER RESOURCES INC.**

**Interim Consolidated Financial Statements**

*(Unaudited)*

*(stated in Canadian dollars)*

**Three Months Ended September 30, 2007**

**KIMBER RESOURCES INC.**  
Interim Consolidated Balance Sheets  
(Unaudited)  
(stated in Canadian dollars)

	<u>September 30,</u> <u>2007</u>	<u>June 30,</u> <u>2007</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,933,606	\$ 6,200,602
Amounts receivable (note 4)	185,433	429,481
Prepaid expenses	58,811	57,246
	<u>5,177,850</u>	<u>6,687,329</u>
<b>Equipment</b> (note 5)	622,986	644,230
<b>Unproven mineral right interests</b> (Schedule and note 3)	33,015,748	32,176,965
	<u>\$ 38,816,584</u>	<u>\$ 39,508,524</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 481,148	\$ 663,642
Due to related parties (note 9)	611,059	652,012
	<u>1,092,207</u>	<u>1,315,654</u>
Contingent liability (note 10)		
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share capital</b> (note 7)	46,953,582	46,762,332
<b>Contributed surplus</b> (note 8)	2,150,291	1,970,385
<b>Deficit</b>	<u>(11,379,496)</u>	<u>(10,539,847)</u>
	<u>37,724,377</u>	<u>38,192,870</u>
	<u>\$ 38,816,584</u>	<u>\$ 39,508,524</u>

Nature of operations (note 1)  
Subsequent events (note 11)

Approved on behalf of the Board of Directors:

"R V Longe"  
Director

"Peter Nixon"  
Director

*See notes to the unaudited interim consolidated financial statements.*

**KIMBER RESOURCES INC.**  
Interim Consolidated Statements of Operations and Deficit  
(Unaudited)  
(stated in Canadian dollars)

	Three Months Ended September 30,	
	2007	2006
<b>Expenses</b>		
Amortization of equipment	\$ 6,516	\$ 9,414
Foreign exchange (gain) loss	18,916	(21,058)
General exploration	-	38,974
Interest and bank charges	393	482
Investor relations and shareholder communications	11,474	31,211
Legal, audit and consulting	226,677	68,727
Office and miscellaneous	67,435	53,323
Rent	46,630	25,834
Salaries and benefits	289,540	197,275
Stock-based compensation (note 8)	179,906	98,815
Transfer and filing fees	23,588	21,018
Travel and accommodation	33,466	39,063
	904,541	563,078
<b>Loss before other items</b>	(904,541)	(563,078)
<b>Other items</b>		
Investment income	58,079	144,861
Other income	6,813	-
	(839,649)	(418,217)
<b>Net loss for the period</b>	(839,649)	(418,217)
<b>Deficit - beginning of period</b>	(10,539,847)	(6,725,909)
<b>Deficit - end of period</b>	\$ (11,379,496)	\$ (7,144,126)
<b>Loss per share – basic and diluted</b>	\$ (0.02)	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>	49,566,011	47,255,194

*See notes to the unaudited interim consolidated financial statements.*

**KIMBER RESOURCES INC.**  
Interim Consolidated Statements of Cash Flows  
(Unaudited)  
(stated in Canadian dollars)

	Three Months Ended September 30,	
	<b>2007</b>	<b>2006</b>
<b>Cash provided by (used for):</b>		
<b>Operating Activities</b>		
Net loss for the period	\$ (839,649)	\$ (418,217)
Items not involving cash		
Amortization of equipment	6,516	9,414
Stock-based compensation	179,906	98,815
	(653,227)	(309,988)
<b>Net changes in non-cash working capital items</b>		
Amounts receivable	16,113	3,341
Prepaid expenses	(1,565)	(7,134)
Accounts payable and accrued liabilities	(94,987)	144,530
Due to related parties	(40,953)	-
	(774,619)	(169,251)
<b>Investing Activities</b>		
Purchase of equipment	(9,789)	(111,853)
Unproven mineral right interests	(673,838)	(3,788,886)
	(683,627)	(3,900,739)
<b>Financing Activities</b>		
Common shares issued for cash	191,250	395,400
	191,250	395,400
<b>Decrease in cash during the period</b>	(1,266,996)	(3,674,590)
<b>Cash and cash equivalents - beginning of period</b>	6,200,602	15,866,960
<b>Cash and cash equivalents - end of period</b>	\$ 4,933,606	\$ 12,192,370
<b>Supplementary financial information</b>		
Non-cash investing activities		
Amounts receivable for unproven mineral rights interests	\$ 227,935	\$ (260,984)
Accounts payable for unproven mineral rights interests	(87,507)	185,640
Amortization	24,517	23,812
	\$ 164,945	\$ (51,532)
Cash and cash equivalents comprise of		
Cash	313,934	827,946
Banker's acceptance notes	4,619,672	11,364,424
	\$ 4,933,606	\$ 12,192,370

*See notes to the unaudited interim consolidated financial statements.*

**KIMBER RESOURCES INC.**

Interim Consolidated Schedule of Unproven Mineral Right Interests  
(Unaudited)  
(stated in Canadian dollars)

	<u>June 30,</u> <u>2007</u>	<u>Net</u> <u>Costs</u>	<u>September 30,</u> <u>2007</u>
<b>MEXICO</b>			
<b>Monterde Property</b>			
Acquisition	\$ 2,738,045	\$ 19,097	\$ 2,757,142
Exploration and Engineering			
Amortization	244,819	24,517	269,336
Assays	3,384,707	7,619	3,392,326
Drilling	11,516,830	-	11,516,830
Engineering	1,553,772	46,090	1,599,862
Environmental study	1,158,880	44,883	1,203,763
Field, office	551,884	41,271	593,155
Geological, geophysical	4,025,752	258,021	4,283,773
Legal	419,715	32,904	452,619
Maps, reports, reproductions	754,489	47,618	802,107
Metallurgy	595,170	3,180	598,350
Road and drill site maintenance	1,817,825	52,963	1,870,788
Salary and wages	520,440	53,642	574,082
Scoping study	11,392	-	11,392
Socioeconomic studies	38,806	25,382	64,188
Stakeholder costs	50,185	-	50,185
Supplies	1,514,163	87,704	1,601,867
Travel, accommodation	1,148,857	88,710	1,237,567
Third party recoveries	(9,931)	-	(9,931)
	<u>29,297,755</u>	<u>814,504</u>	<u>30,112,259</u>
	<u>32,035,800</u>	<u>833,601</u>	<u>32,869,401</u>
<b>Setago Property</b>			
Acquisition	6,752	-	6,752
Exploration	54,244	-	54,244
	<u>60,996</u>	<u>-</u>	<u>60,996</u>
<b>Pericones Property</b>			
Acquisition	8,148	5,111	13,259
Exploration	72,021	71	72,092
	<u>80,169</u>	<u>5,182</u>	<u>85,351</u>
<b>Total unproven mineral right interests</b>	\$ <u>32,176,965</u>	\$ <u>838,783</u>	\$ <u>33,015,748</u>

*See notes to the unaudited interim consolidated financial statements.*

## **KIMBER RESOURCES INC.**

Notes to Interim Consolidated Financial Statements

September 30, 2007

(Unaudited)

(stated in Canadian dollars)

### **1. Nature of Operations**

Kimber Resources Inc. (“the Company”) is incorporated in British Columbia, Canada, and is involved in the acquisition and exploration of mineral rights in Mexico. At the date of these financial statements, the Company 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 expenditures made 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 the Company to obtain the necessary financing to complete their exploration and development and to resolve any environmental, regulatory, or other constraints.

The Company 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.

The Company does not generate cash flow from operations and accordingly, the Company will need to raise additional funds through future issuance of securities. Although the Company has been successful in raising funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. Should the Company 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.

### **2. Accounting Principles and Use of Estimates**

These unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles (GAAP) and require management to make estimates and assumptions that affect the amounts reported in these unaudited interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. These unaudited interim consolidated financial statements should be read in conjunction with the Company’s annual audited consolidated financial statements and accompanying notes for the year ended June 30, 2007 as these statements do not contain all the disclosures required by Canadian GAAP for annual financial statements. These unaudited interim consolidated financial statements are stated utilizing the same accounting policies and their methods of application as the most recent annual consolidated financial statements, but are not necessarily indicative of the results to be expected for a full year.

The consolidated interim financial statements include the accounts of the Company and its principal wholly owned subsidiaries, Minera Monterde S. de R.L de C.V. (Mexico) and two other recently activated subsidiaries, 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.

### **3. Unproven Mineral Right Interests**

The Company’s mineral rights are located in the States of Chihuahua, Mexico and Estado de Mexico, Mexico.

#### **Monterde Property**

The Monterde Property consists of the Monterde concessions, the contiguous El Coronel concessions and staked concessions. The entire Monterde Property comprises of 34 mineral concessions in the Sierra Madre in the State of Chihuahua, Mexico.

## KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements  
September 30, 2007  
(Unaudited)  
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### 3. Unproven Mineral Right Interests (continued)

#### *Monterde concessions*

The Company owns a 100% interest in the Monterde concessions having acquired the concessions by payment of total consideration of US\$1,054,900.

#### *El Coronel concessions*

The Company owns a 100% interest in the El Coronel mineral concessions by having made total payments of US\$1,000,000.

#### *Staked concessions*

The Company 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 annual taxes.

#### Setago Property

The Company staked the Setago Property in 2004, which lies approximately 24 kilometres to the west of the Monterde Property and consists of one exploration concession. Two additional concessions have been staked and applications for title are pending. The property requires no payments, other than for annual taxes.

#### Pericones Property

The Company, through its wholly-owned Mexican subsidiary, Minera Pericones S. A. de C.V. (Mexico), has acquired a property, approximately 6300 hectares in size in Estado de Mexico. The property ("Pericones") covers at least two areas which are prospective for bulk tonnage silver deposits. No work was carried out on the Pericones property during the quarter. The property requires no payments, other than for annual taxes.

### 4. Amounts Receivable

Amounts receivable at September 30, 2007 are comprised primarily of an IVA tax refundable from the Government of Mexico. The IVA Tax is 15% of expenditures in Mexico and \$147,569 is receivable at September 30, 2007 (June 30, 2007 - \$374,501).

### 5. Equipment

	September 30, 2007 (Unaudited)			June 30, 2007
	Cost	Accumulated Amortization	Net value	Net value
Camp and equipment	\$469,772	(110,456)	359,316	\$365,045
Camp vehicles	223,971	(92,114)	131,857	144,142
Computer equipment	148,655	(70,354)	78,301	78,034
Computer software	54,684	(47,145)	7,539	9,494
Office fixtures and equipment	64,191	(18,218)	45,973	47,515
	<u>\$961,273</u>	<u>(338,287)</u>	<u>622,986</u>	<u>\$644,230</u>

## KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements  
September 30, 2007  
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### 6. Segmented Information

	September 30, 2007	June 30, 2007
Assets by geographic segment, at cost		
Canada		
Current	\$ 4,995,962	\$ 5,850,929
Equipment	76,838	77,665
	5,072,800	5,928,594
Mexico		
Current	181,888	836,400
Equipment	546,148	566,565
Unproven mineral right interests	33,015,748	32,176,965
	33,743,784	33,579,930
	\$38,816,584	\$ 39,508,524

### 7. Share Capital

a) **Authorized:** 80,000,000 common shares without par value

b) **Issued and outstanding:**

	Number of Shares	Amount
Balance – June 30, 2006	47,114,922	\$ 42,766,942
Exercise of options	742,032	825,013
Exercise of warrants	1,566,666	2,819,999
Less share issue costs	-	(4,047)
Reallocation from contributed surplus on exercise of options	-	354,425
Balance – June 30, 2007	49,423,620	46,762,332
Exercise of options	425,000	191,250
Reallocation from contributed surplus on exercise of options	-	-
Balance – September 30, 2007	49,848,620	\$ 46,953,582

c) **Warrants**

At September 30, 2007, no warrants were outstanding. No warrants have been granted or exercised since June 30, 2007.

**KIMBER RESOURCES INC.**  
Notes to Interim Consolidated Financial Statements  
September 30, 2007  
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**7. Share Capital (continued)**

**d) Stock Options**

The Company's stock option plan allows the Company to grant up to 5,294,613 stock options, exercisable at the market price as determined on the last trading date preceding their grant, and vesting as to 1/3 of their number on the date of their grant and then 1/3 in each nine month period thereafter.

Summary of stock option activity:

	3 Months ended Sept 30, 2007		Year ended June 30, 2007	
	Options Outstanding	Weighted average exercise price	Options Outstanding	Weighted average exercise price
Balance, beginning of period	2,695,000	\$ 1.66	3,402,800	\$ 1.21
Granted	465,000	0.86	1,125,000	2.24
Exercised	(425,000)	0.45	(742,032)	1.11
Forfeited / Expired	(10,000)	1.95	(1,090,768)	1.23
Balance, end of period	<u>2,725,000</u>	<u>\$ 1.71</u>	<u>2,695,000</u>	<u>\$ 1.66</u>

Stock options outstanding and exercisable at September 30, 2007 are as follows:

Exercise price	Number outstanding	Number exercisable	Expiry date
\$			
0.45	25,000	25,000	October 2007
0.73	330,000	330,000	August 2008
2.05	75,000	75,000	January 2009
2.14	495,000	495,000	October 2009
1.80	25,000	25,000	December 2009
1.65	245,000	245,000	September 2010
1.50	50,000	50,000	December 2010
2.40	150,000	100,000	July 2011
2.59	225,000	150,000	November 2011
2.67	100,000	66,667	December 2011
1.95	540,000	180,000	April 2012
0.85	65,000	21,667	September 2012
0.86	400,000	133,333	September 2012
	<u>2,725,000</u>	<u>1,896,667</u>	

## KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements  
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### 8. Contributed Surplus and Stock-based Compensation

The fair value of stock options granted is estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 3.9% (2006 – 3.1%-4.3%); estimated share price volatility – 56%-64% (2006 – 41%-66%); expected life – 1.5-5 years (2006 – 1.5-5 years).

Option pricing models require the use of estimates and assumptions including the expected volatility. Changes in these underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

Stock-based-compensation has been recognized for the following grants:

Balance - June 30, 2006	1,796,853
Options granted to employees and consultants	527,957
Share options exercised, transfer to share capital	<u>(354,425)</u>
Balance - June 30, 2007	\$ 1,970,385
Options granted to employees and consultants	179,906
Share options exercised, transfer to share capital	<u>-</u>
Balance – September 30, 2007	<u>\$ 2,150,291</u>

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

June 30, 2008	374,095
June 30, 2009	<u>195,828</u>
	<u>\$569,923</u>

### 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) By Settlement Agreements dated April 26, 2007 the Company settled any claims which Robert V. Longe, President, CEO and Director and Michael E. Hoole, VP and Secretary may have in respect to Change of Control Agreements with each of them dated January 13, 2004.

Pursuant to the settlement agreement with Mr Longe, the Company has agreed to pay him \$339,657 plus unused vacation upon retirement on or before October 31, 2007. The total of this amount, \$339,657 has been accrued at September 30, 2007.

Pursuant to the settlement agreement with Mr Hoole, it has been agreed that Mr Hoole will remain as Vice President and Secretary of the Company until his date of termination as an officer on or before February 28, 2008 and he will be paid \$339,657 by way of salary continuance from May 1, 2007 until he ceases to be an officer and employee of the Company with balance payable at that time. At September 30, 2007 the Company owes \$271,402 of remaining commitments to Mr. Hoole. In addition, Mr Hoole is being paid at the rate of \$1,000/day for each day worked for the Company. The total outstanding amount of \$271,402 has been accrued at September 30, 2007.

**KIMBER RESOURCES INC.**  
Notes to Interim Consolidated Financial Statements  
September 30, 2007  
(Unaudited)  
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**9. Related party transactions (continued)**

- b) During the quarter ended September 30, 2007, fees of \$34,027 (September 30, 2006 - \$38,046) were paid to J.B. Engineering Ltd. . An officer of the Company is a principal of J.B. Engineering Ltd.

**10. Contingent liability**

On September 12, 2006 an employee of Minera Monterde, S. de R.L. de C.V., a subsidiary of Kimber Resources Inc., was involved in a road collision with a group of cyclists while driving a truck owned by the subsidiary. \$89,401 was paid in December 2006 to the Mexican authorities in respect of this matter. The Company does not estimate it to be probable that there will be any further payments to be required in relation to this incident but has not yet received formal releases from all potential claimants.

**11. Subsequent Events**

Effective October 31, 2007, Gordon Cummings former Chief Financial Officer with the Company was appointed President & Chief Executive Officer of the Company. He succeeds Robert V. Longe, who retired at the end of October.

On October 25, 2007, 25,000 common shares were issued upon exercise of options for total proceeds of \$11,250.