

KIMBER RESOURCES INC.

Interim Consolidated Financial Statements

(Unaudited)

(stated in Canadian dollars)

Six Months Ended December 31, 2007

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

	<u>December 31, 2007</u>	<u>June 30, 2007</u> (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,208,140	\$ 6,200,602
Amounts receivable (note 4)	219,724	429,481
Prepaid expenses	41,064	57,246
	<u>3,468,928</u>	<u>6,687,329</u>
Equipment (note 5)	594,152	644,230
Unproven mineral right interests (Schedule and note 3)	<u>33,949,580</u>	<u>32,176,965</u>
	<u>\$ 38,012,660</u>	<u>\$ 39,508,524</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 494,634	\$ 663,642
Due to related parties (note 9)	400,106	652,012
	<u>894,740</u>	<u>1,315,654</u>
Contingent liability (note 10)		
SHAREHOLDERS' EQUITY		
Share capital (note 7)	46,970,461	46,762,332
Contributed surplus (note 8)	2,188,054	1,970,385
Deficit	<u>(12,040,595)</u>	<u>(10,539,847)</u>
	<u>37,117,920</u>	<u>38,192,870</u>
	<u>\$ 38,012,660</u>	<u>\$ 39,508,524</u>

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

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 December 31, 2007	Six Months December 31, 2007	Three Months December 31, 2006	Six Months December 31, 2006
Expenses				
Amortization of equipment	\$ 5,800	\$ 12,316	\$ 7,282	\$ 16,696
Foreign exchange loss/(gain)	(12,210)	6,706	1,779	(19,279)
General exploration	396	396	298	39,272
Interest and bank charges	400	793	310	792
Investor relations	22,842	34,316	147,331	178,542
Legal, audit and consulting	116,906	343,583	234,865	303,592
Office and miscellaneous	81,638	149,073	63,421	116,744
Rent	46,586	93,216	39,197	65,031
Salaries and benefits	349,335	638,875	175,058	372,333
Stock-based compensation	43,392	223,298	133,650	232,465
Transfer and filing fees	11,883	35,471	10,838	31,856
Travel and accommodation	44,597	78,063	41,854	80,917
	<u>711,565</u>	<u>1,616,106</u>	<u>855,883</u>	<u>1,418,961</u>
Loss before other items	(711,565)	(1,616,106)	(855,883)	(1,418,961)
Other items				
Investment income	43,653	101,732	117,901	262,762
Other income	6,813	13,626	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net loss and comprehensive loss for the period	(661,099)	(1,500,748)	(737,982)	(1,156,199)
Deficit - beginning of period	<u>(11,379,496)</u>	<u>(10,539,847)</u>	<u>(7,144,126)</u>	<u>(6,725,909)</u>
Deficit - end of period	<u>\$ (12,040,595)</u>	<u>\$ (12,040,595)</u>	<u>\$ (7,882,108)</u>	<u>\$ (7,882,108)</u>
Loss per share – basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding	<u>49,857,587</u>	<u>49,601,835</u>	<u>47,447,184</u>	<u>47,351,189</u>

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 December 31, 2007	Six Months December 31, 2007	Three Months December 31, 2006	Six Months December 31, 2006
Cash provided by (used for):				
Operating Activities				
Net loss for the period	\$ (661,099)	\$ (1,500,748)	\$ (737,982)	\$ (1,156,199)
Adjustment for items not involving cash				
Amortization of equipment	5,800	12,316	7,282	16,696
Stock-based compensation	43,392	223,298	133,650	232,465
	<u>(611,907)</u>	<u>(1,265,134)</u>	<u>(597,050)</u>	<u>(907,038)</u>
Net changes in non-cash working capital items				
Amounts receivable	6,548	22,661	(26,912)	63,373
Prepaid expenses	17,747	16,182	5,127	(2,007)
Accounts payable and accrued liabilities	(14,202)	(109,189)	(139,638)	7,004
Due to related parties	(210,953)	(251,906)	-	-
	<u>(812,767)</u>	<u>(1,587,386)</u>	<u>(758,473)</u>	<u>(838,668)</u>
Investing Activities				
Purchase of equipment	(24,004)	(33,793)	(17,574)	(105,615)
Unproven mineral right interests	(899,945)	(1,573,783)	(3,331,739)	(7,233,493)
	<u>(923,949)</u>	<u>(1,607,576)</u>	<u>(3,349,313)</u>	<u>(7,339,108)</u>
Financing Activities				
Common shares issued for cash	11,250	202,500	159,049	554,449
Share issuance costs	-	-	(4,047)	(4,047)
	<u>11,250</u>	<u>202,500</u>	<u>155,002</u>	<u>550,402</u>
Decrease in cash during the period	(1,725,466)	(2,992,462)	(3,952,784)	(7,627,374)
Cash and cash equivalents, beginning of period	4,933,606	6,200,602	12,192,370	15,866,960
Cash and cash equivalents, end of period	\$ 3,208,140	\$ 3,208,140	\$ 8,239,586	\$ 8,239,586
Supplementary financial information				
Non-cash investing activities				
Amounts receivable for unproven mineral right interests	\$ (40,840)	\$ 187,096	\$ 277,178	\$ (3,341)
Accounts payable for unproven mineral right interests	27,688	(59,819)	484,100	283,972
Amortization for unproven mineral right interests	47,038	71,555	26,677	50,489
	<u>\$ 33,886</u>	<u>\$ 198,832</u>	<u>\$ 787,955</u>	<u>\$ 331,120</u>
Cash and cash equivalents comprise of				
Cash	4,289	4,289	442,662	442,662
Banker's acceptance notes	3,203,851	3,203,851	7,796,924	7,796,924
	<u>\$ 3,208,140</u>	<u>\$ 3,208,140</u>	<u>\$ 8,239,586</u>	<u>\$ 8,239,586</u>

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>December</u> <u>31, 2007</u>
MEXICO			
Monterde Property			
Acquisition	\$ 2,738,045	\$ 19,097	\$ 2,757,142
Exploration and Engineering			
Amortization of equipment	244,819	71,555	316,374
Assays	3,384,707	8,091	3,392,798
Drilling	11,516,830	-	11,516,830
Engineering	1,553,772	109,283	1,663,055
Environmental study	1,158,880	94,464	1,253,344
Field, office	551,884	85,412	637,296
Geological, geophysical	4,025,752	601,305	4,627,057
Legal	419,715	59,760	479,475
Maps, reports, reproductions	754,489	113,284	867,773
Metallurgy	595,170	102,721	697,891
Road and drill site maintenance	1,817,825	93,483	1,911,308
Salary and wages	520,440	70,238	590,678
Scoping study	11,392	-	11,392
Socioeconomic studies	38,806	26,030	64,836
Stakeholder costs	50,185	28,920	79,105
Supplies	1,514,163	124,603	1,638,766
Travel, accommodation	1,148,857	159,150	1,308,007
Third party recoveries	(9,931)	-	(9,931)
	<u>29,297,755</u>	<u>1,748,299</u>	<u>31,046,054</u>
	<u>32,035,800</u>	<u>1,767,396</u>	<u>33,803,196</u>
Setago Property			
Acquisition	6,752	-	6,752
Exploration	54,244	-	54,244
	<u>60,996</u>	<u>-</u>	<u>60,996</u>
Pericones Property			
Acquisition	8,148	5,111	13,259
Exploration	72,021	108	72,129
	<u>80,169</u>	<u>5,219</u>	<u>85,388</u>
Total unproven mineral right interests	\$ <u>32,176,965</u>	\$ <u>1,772,615</u>	\$ <u>33,949,580</u>

See notes to the unaudited interim consolidated financial statements.

KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements

December 31, 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 unproven 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.

These financial statements have been prepared on the going-concern basis under which an entity is considered to be able to realise its assets and satisfy its liabilities in the normal course of business.

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 or raise funds on an economical basis 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 consolidated balance sheet.

2. Basis of presentation, change in accounting policies and accounting estimates

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

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 audited consolidated financial statements, but are not necessarily indicative of the results to be expected for a full year.

Effective July 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (“CICA”) under CICA Handbook Section 1530, Comprehensive Income, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861, Financial Instruments – Disclosure and Presentation and Section 3865, Hedges. These new Handbook Sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting.

KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements
December 31, 2007
(Unaudited)
(stated in Canadian dollars)

2. Basis of presentation, change in accounting policies and accounting estimates (continued)

Under Section 3855, all financial instruments are to be measured at fair value except for loans and receivables, held to maturity investments and other financial liabilities, which are to be measured at amortized cost. Section 1530 establishes standards for the reporting of comprehensive income, defined as the change in equity from transactions and other events from non-owner sources, and include items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments.

The adoption of these new standards had no impact on the values of the Company's balance sheet items at July 1, 2007.

3. Unproven Mineral Right Interests

The Company's mineral rights are located in the State 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.

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 staked adjacent to the above 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 (see note 11, subsequent events). 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), owns a property ("Pericones"), in Estado de Mexico. The Company has staked and title to the additional Pericones concession, Ampliacion La Guera, has been received, increasing the Pericones property by 5,569 hectares to a total area of 11,890 hectares. The property covers at least two areas which are prospective for silver deposits. No work was carried out on the Pericones property during the quarter. The property requires no payments, other than for annual taxes.

KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements

December 31, 2007

*(Unaudited)**(stated in Canadian dollars)***4. Amounts Receivable**

Amounts receivable at December 31, 2007 are comprised primarily of an IVA tax credit refundable from the Government of Mexico. The IVA Tax is 15% of expenditures in Mexico and \$163,209 is due at December 31, 2007 (June 30, 2007 - \$374,500). The Company has been receiving IVA refunds on an ongoing basis up to December 2007, and expects to recover outstanding amounts.

5. Equipment

	December 31, 2007 <i>(Unaudited)</i>			June 30, 2007
	Cost	Accumulated Amortization	Net value	Net value
Camp and equipment	\$ 488,116	\$ 138,110	\$ 350,006	\$ 365,045
Camp vehicles	223,971	103,871	120,100	144,142
Computer equipment	149,674	79,061	70,613	78,034
Computer software	54,684	48,863	5,821	9,494
Office fixtures and equipment	68,168	20,556	47,612	47,515
	<u>\$ 984,613</u>	<u>\$ 390,461</u>	<u>\$ 594,152</u>	<u>\$ 644,230</u>

6. Segmented Information

	December 31, 2007	June 30, 2007
Assets by geographic segment, at cost		
Canada		
Current assets	\$ 3,268,801	\$ 5,850,929
Equipment	75,022	77,665
	<u>3,343,823</u>	<u>5,928,594</u>
Mexico		
Current assets	200,127	836,400
Equipment	519,130	566,565
Unproven mineral right interests	33,949,580	32,176,965
	<u>34,668,837</u>	<u>33,579,930</u>
	<u>\$ 38,012,660</u>	<u>\$ 39,508,524</u>

KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements
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(Unaudited)
(stated in Canadian dollars)

7. Share Capital

- a) **Authorized:** unlimited number of common shares without par value.

On December 12, 2007 the shareholders of the Company approved a change in the authorized capital from a maximum of 80,000,000 common shares without par value to an unlimited number of common shares without par value.

- b) **Issued and outstanding:**

	<u>Number of Shares</u>	<u>Amount</u>
Balance – June 30, 2007	49,423,620	\$ 46,762,332
Exercise of options	450,000	202,500
Less share issue costs		-
Reallocation from contributed surplus on exercise of options		5,629
	<u>49,873,620</u>	<u>\$ 46,970,461</u>
Balance – December 31, 2007	<u>49,873,620</u>	<u>\$ 46,970,461</u>

- c) **Warrants**

At December 31, 2007, no warrants were outstanding. No warrants have been granted or exercised during the current period.

- d) **Stock Options**

On December 12, 2007, the shareholders of the Company 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 the Company's old 2002 Stock Option Plan. Assuming approval by the TSX and the AMEX, as of December 31, 2007, 1,922,362 stock options would have been able to be granted under the new 2007 Stock Option Plan at the closing price on the last trading date preceding the date of their grant and will vest in accordance with the determination of the Board of Directors, generally 1/3 of their number on the date of their grant and an additional 1/3 at the end of each nine month period thereafter.

The stock options currently outstanding under the Company's 2002 Stock Option Plan were granted at the market price on the last trading date preceding the date of their grant and vested as to 1/3 of their number on the date of their grant and then 1/3 at the end of each nine month period thereafter.

KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements

December 31, 2007

(Unaudited)

(stated in Canadian dollars)

7. Share Capital (continued)

Summary of stock option activity:

	Period ended December 31, 2007	
	Options Outstanding	Weighted average exercise price
Balance, June 30, 2007	2,695,000	\$ 1.66
Granted	865,000	0.86
Exercised	(450,000)	0.45
Forfeited/Expired	(45,000)	1.95
Balance, December 31, 2007	3,065,000	\$ 1.59

Stock options outstanding and exercisable at December 31, 2007 are as follows:

Exercise price	Number outstanding	Number exercisable	Expiry date
\$			
0.73	330,000	330,000	August 2008
2.05	75,000	75,000	January 2009
2.14	475,000	475,000	October 2009
1.80	25,000	25,000	December 2009
1.65	240,000	240,000	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	530,000	176,667	April 2012
0.85	65,000	21,667	September 2012
0.86	400,000	133,333	September 2012
0.78	400,000	133,333	November 2012
	3,065,000	1,976,667	

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 weighted average assumptions: risk-free interest rate 4.25% (2006 – 3.1%-4.3%); estimated share price volatility – 57%-66% (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.

KIMBER RESOURCES INC.

Notes to Interim Consolidated Financial Statements
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8. Contributed Surplus and Stock-based Compensation (continued)

Continuity of contributed surplus is as follows:

Balance - June 30, 2007	\$	1,970,385
Options granted to employees and consultants		223,298
Share options exercised, transfer to share capital		(5,629)
Balance – December 31, 2007	\$	<u>2,188,054</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		282,611
	\$	<u>656,706</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) Under settlement agreements dated April 26, 2007, the Company settled all claims which Robert V. Longe, former President, CEO and Director, and Michael E. Hoole, 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, the Company 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 the Company paid Mr Longe \$170,000 plus unused vacation and the balance of \$169,657 is accrued as at December 31, 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 the balance payable at that time. At December 31, 2007, the Company owes \$230,449 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 \$230,449 has been accrued at December 31, 2007.

b) During the quarter ended December 31, 2007, fees of \$47,000 (December 31, 2006 - \$38,046) were paid to J.B. Engineering Ltd. Mr Richards, a principal of J.B. Engineering Ltd., was an officer of the Company until his resignation on January 31, 2008.

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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 this subsidiary. In December 2006, the Company paid \$89,401 into a Mexican court as security in respect of any possible liability that the driver may have. The Company has not yet received formal releases from all potential claimants, but does not anticipate that there will be any further payments required in relation to this incident.

11. Subsequent Events

On February 8, 2008 the Company announced its plan to close a non-brokered private placement of up to 6,666,667 units to raise \$5 million subject to a possible oversubscription of up to an additional \$1 million on the same terms. Each unit was priced at C\$0.75 and consisted of one common share plus one half of one non-transferable common share purchase warrant, each whole warrant entitling the holder to purchase one additional common share at a price of C\$1.25 per warrant share for a period of 24 months from the date on which the units were issued.

On February 12, 2008, subject to regulatory approval, the Board of Directors of the Company granted 500,000 stock options under the Company's 2007 Stock Option Plan to directors and officers of the Company at an exercise price of \$0.79 per share.

The Company has been advised that in connection with its Setago Property, titles to two (2) additional mineral concessions, Ampliacion Setago and Ampliacion Setago 2, have been issued but have not yet been received by the Company. The concessions, consisting of 2,953 and 4,116 hectares respectively, more than triple the number of hectares covered by mineral concessions at Setago held by the Company.