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Attention:	Company Announcements Office
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From:	Mark Pearce
Date:	26 February 2003
Subject:	Financial Report for the Half Year ended 31 December 2002
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AUSTRALIAN STOCK EXCHANGE



LRLO00019

LEYSHON RESOURCES LIMITED

ABN 75 010 482 274

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2002

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

CORPORATE DIRECTORY**Directors**

Ian P Middlemas

Gary R Pearce

Mark L Pearce

Secretary

Mark L Pearce

Registered and Principal Office

Level 9, BGC Centre

28 The Esplanade

Perth WA 6000

Australia

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Share Register

Computershare Investor Services Pty Ltd

Level 2, Reserve Bank Building

45 St Georges Terrace

Perth WA 6000

Australia

Telephone: (61 8) 9323 2000

Facsimile: (61 8) 9323 2033

Solicitors

Blakiston & Crabb

1202 Hay Street

West Perth WA 6005

Australia

Auditor

Deloitte Touche Tohmatsu

Central Park

152 – 158 St Georges Terrace

Perth WA 6000

Australia

Bankers

Australia and New Zealand Banking

Group Limited

77 St Georges Terrace

Perth WA 6000

Australia

Stock Exchange Listing

Leyshon Resources Limited shares

are listed on the Australian Stock

Exchange (Symbol: LRL).

Home Exchange: Perth Office

Australian Stock Exchange

2 The Esplanade

Perth WA 6000

Australia

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors of Leyshon Resources Limited ("Leyshon Resources") present their report for the half-year ended 31 December 2002.

DIRECTORS

The names of the Directors of Leyshon Resources in office during the half-year and until the date of this report are:

Ian P Middlemas

Gary R Pearce

Mark L Pearce

Unless otherwise shown, all Directors were in office from the beginning of the half-year until the date of this report.

REVIEW AND RESULTS OF OPERATIONS**Operating Results**

Net operating profit after tax for the half-year ended 31 December 2002 was \$2,202,743 (2001: Net operating loss after tax of \$7,142,211).

The profit was primarily from the gain on transfer of environmental obligations to the Newmont Australia Group, in relation to the Mt Leyshon mine (see below).

The company also continued with the evaluation of its exploration portfolio. Further details on exploration activities being undertaken on the Company's various exploration projects are contained in the December 2002 Quarterly Report to the Australian Stock Exchange.

Corporate Issues**Transfer of Environmental Obligations**

During the half year ended 31 December 2002, a net gain of \$2,382,624 arose upon the transfer of the environmental restoration obligations and several assets associated with the Mt Leyshon mine to the Newmont Australia Group. The transfer occurred pursuant to the Restructure Agreement approved by shareholders in November 2001.

Refund of Acquisition Costs of MIM Tenements

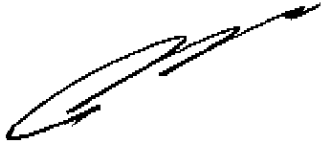
In accordance with the Restructure Agreement between Leyshon and the Newmont Australia Group, Leyshon paid \$299,100 for exploration tenements in November 2001. A number of these exploration tenements were to be incorporated in a joint venture with MIM Limited. Pursuant to the terms of the joint venture, MIM Limited rejected several tenements.

The Restructure Agreement provided that the acquisition cost of tenements not taken up MIM Ltd under a joint venture agreement were to be refunded by Newmont Mining Ltd.

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

Accordingly, an amount of \$186,048 was received from the Newmont Australia Group during the half year in relation to a refund of a portion of the original tenement acquisition costs.

Signed in accordance with a resolution of Directors.



IAN P MIDDLEMAS
Director
Perth, 25 February 2003

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

DIRECTORS' DECLARATION

The directors declare that

- (a) the financial statements and notes thereto comply with Accounting Standards;
- (b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Company;
- (c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act; and
- (d) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as when they become due and payable.

On behalf of the Board



IAN P MIDDLEMAS
Director

Perth, 25 February 2003

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2002**

	Note	Half Year Ended 31 Dec 2002 \$	Half Year Ended 31 Dec 2001 \$
Sales revenue		-	26,862,635
Cost of production		-	(28,434,000)
Gross Profit		<u>-</u>	<u>(1,571,365)</u>
Other revenue from ordinary activities	2	2,565,251	882,242
Administration costs		(173,581)	(1,158,000)
Borrowing costs		-	(186,166)
Re-structure costs		(2,790)	(582,073)
Write-down of exploration assets		-	(1,194,000)
Management performance bonus		-	(3,278,680)
Exploration and evaluation costs		(186,137)	-
Other expenses from ordinary activities		-	(39,200)
Profit (Loss) from ordinary activities before income tax expense		<u>2,202,743</u>	<u>(7,127,242)</u>
Income tax expense relating to ordinary activities		-	(14,969)
Net Profit (Loss)		<u>2,202,743</u>	<u>(7,142,211)</u>
Total changes in equity other than those resulting from transactions with owners as Owners attributable to members of Leyshon Resources		<u>2,202,743</u>	<u>(7,142,211)</u>
Earnings Per Share			
Basic earnings per share (cents per share)		2.4	(8.7)
Dilutive earnings per share (cents per share)		2.4	(8.7)

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2002**

	31 Dec 2002	30 Jun 2002
	\$	\$
Current Assets		
Cash assets	8,628,905	11,754,311
Receivables	-	103,730
Property, plant and equipment	-	904,724
Tax assets	-	2,081,135
Other	34,796	277,458
Total Current Assets	<u>8,663,701</u>	<u>15,121,358</u>
Non-Current Assets		
Capitalised exploration assets	294,052	480,100
Other	132,000	132,000
Total Non-Current Assets	<u>426,052</u>	<u>612,100</u>
TOTAL ASSETS	<u>9,089,753</u>	<u>15,733,458</u>
Current Liabilities		
Payables	254,681	5,487,659
Provisions	-	3,613,470
Total Current Liabilities	<u>254,681</u>	<u>9,101,129</u>
TOTAL LIABILITIES	<u>254,681</u>	<u>9,101,129</u>
NET ASSETS	<u>8,835,072</u>	<u>6,632,329</u>
Equity		
Contributed equity	15,456,759	15,456,759
Accumulated losses	(6,621,687)	(8,824,430)
TOTAL EQUITY	<u>8,835,072</u>	<u>6,632,329</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

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

	Half Year ended 31 Dec 2002 \$	Half Year ended 31 Dec 2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	29,474,905
Payments to suppliers and employees	(3,507,498)	(23,248,009)
Interest received	196,044	846,412
Interest and other costs of finance paid	-	(186,166)
Income tax refund received	-	4,932,900
Income tax paid	-	(2,081,000)
Net cash flows from (used in) operating activities	<u>(3,311,454)</u>	<u>9,739,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of mining tenements	-	(299,100)
Proceeds from sale of property, plant and equipment	-	35,830
Other	186,048	-
Net cash flows from (used in) investing activities	<u>186,048</u>	<u>(263,270)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance lease repaid	-	(392,377)
Return of capital	-	(26,059,241)
Net cash flows used in financing activities	<u>-</u>	<u>(26,451,618)</u>
NET DECREASE IN CASH HELD	<u>(3,125,406)</u>	<u>(16,975,846)</u>
Cash at the beginning of the half year	<u>11,754,311</u>	<u>35,263,653</u>
CASH AT THE END OF THE HALF YEAR	<u><u>8,628,905</u></u>	<u><u>18,287,807</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2002

1. BASIS OF PREPARATION

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report.

The half year report should be read in conjunction with the Annual Financial Report of Leyshon Resources Limited as at 30 June 2002. It is also recommended that the half-year report be considered together with any public announcements made by Leyshon Resources Limited and its controlled entities during the half-year ended 31 December 2002 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Accounting

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year financial report has been prepared in accordance with the historical cost convention.

For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Half Year Ended 31 December 2002 \$	Half Year Ended 31 December 2001 \$
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2. REVENUE FROM ORDINARY ACTIVITIES

Revenue from non-operating activities

Interest received/receivable	182,627	846,412
Proceeds on sale of property, plant & equipment	-	35,830
Gain on transfer of environmental obligations (Note 3)	2,382,624	-
	2,565,251	882,242

LEYSHON RESOURCES LIMITED HALF-YEAR FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2002**

3. SIGNIFICANT TRANSACTIONS

Transfer of Environmental Obligations

During the period ended 31 December 2002, a net gain of \$2,382,624 arose upon the transfer of the environmental restoration obligations and several assets associated with the Mt Leyshon mine to the Newmont Australia Group. The transfer occurred pursuant to the Restructure Agreement approved by shareholders in November 2001.

A reconciliation of the assets and liabilities transferred is as follows:

	\$
Liabilities	
- Payables	4,444,731
- Provisions	3,613,470
Assets	
- Cash assets	(2,469,308)
- Receivables	(103,730)
- Plant and equipment	(904,724)
- Tax assets	(2,081,135)
- Other	<u>(116,680)</u>
Gain on transfer of environmental obligations	<u>2,382,624</u>

No environmental obligations were transferred during the prior year.

4. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the half-year.

5. SUBSEQUENT EVENTS AFTER BALANCE DATE

There were no significant events occurring after balance date requiring disclosure.

6. SEGMENT INFORMATION

The Consolidated Entity operates in one business segment, being the mining and exploration of gold and other minerals in Australia.

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**Deloitte
 Touche
 Tohmatsu**

INDEPENDENT REVIEW REPORT TO THE MEMBERS
OF LEYSHON RESOURCES LIMITED

Scope

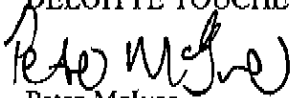
We have reviewed the financial report of Leyshon Resources Limited for the half-year ended 31 December 2002 as set out on pages 4 to 9. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Leyshon Resources Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Deloitte Touche Tohmatsu
 DELOITTE TOUCHE TOHMATSU

 Peter McIver
 Partner
 Chartered Accountants

Perth, Western Australia, 25 February 2003