

INTERIM FINANCIAL REPORT



**RANGE RIVER GOLD LTD
AND CONTROLLED ENTITY**

ABN 64 065 480 453

**FOR THE HALF YEAR ENDED
31 DECEMBER 2004**

RANGE RIVER GOLD LTD AND ITS CONTROLLED ENTITY
ABN 64 065 480 453
DIRECTORS' REPORT

The Directors present their financial report of the Economic Entity for the half year ended 31 December 2004.

DIRECTORS

The names of the Directors who held office during or since the end of the half year are:

G John Pizzey	Non Executive Chairman
Michael R Beer	Managing Director
John M Andrews	Non Executive Director
Kenneth D Barassi	Non Executive Director
Owen L Hegarty	Non Executive Director
Arnold C Offenberg	Non Executive Director

REVIEW OF RESULTS AND OPERATIONS

The loss for the half year ended 31 December 2004 was \$238,894.

WESTERN AUSTRALIA

Indee Gold Project, WA (Company Interest 70%)

During the half year, the Company has continued with several programs of resource definition drilling.

Excellent results at Camel 2 in the September 2004 drilling program including 10m @ 8.0 g/t Au from 25 metres, 41m @ 2.84 g/t Au from 21 metres and 39m @ 3.11 g/t Au from 43 metres required follow up drilling during November-December 2004 where the main focus of the latest program has been completion of a robust resource model. The Camel 2 deposit lies 1300m west, directly along strike from the Camel 1 deposit, where a resource of 623,000 t @ 2.7 g/t Au for 53,300 ounces at a cut-off of 1 g/t Au has previously been estimated.

Resource definition drilling at Camel 2, Roe, Hester, Connector and Withnell South in November and December 2004 along an 8km strike length of the Withnell-Camel mineralised trend has intersected additional oxide mineralisation with best results of:

- 21m @ 3.10 g/t Au from surface, including 8m @ 4.98 g/t Au from 12 metres;
- 35m @ 1.54 g/t Au from 5 metres, including 5m @ 4.53 g/t Au from 30 metres;
- 6m @ 2.10 g/t Au from surface;
- 10m @ 1.88 g/t Au from 20 metres, including 4m @ 3.85 from 25 metres.

Development strategies for mining are being assessed by Snowden Mining Industry Consultants, based on the resources currently defined.

Five Mining Leases together with Clearing Permits have been granted over Withnell, Camel 1, Camel 2 and Calvert deposits.

During the half year, the joint venture commenced a re-assessment of the historic Toweranna goldmine located 40 km SW of Withnell. The mine was the second largest historical producer in the area with 5,187 ounces at a recovered grade of 40 g/t Au. Gold mineralisation occurs in sheeted veins and stockworks of pyrite-rich quartz veins, that occur within and around the margins of a feldspar porphyry intrusive.

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Resource Estimation

The Camel 2 and Calvert resource estimates will be completed in the current half year. A consolidation of the Withnell, Camel 1, Camel 2 and Calvert resources will then be completed to evaluate potential development strategies. Known resources at Toweranna, Roe and Hester are being upgraded and new resource models are being finalised. Further drilling at a number of these resource areas is likely to lead to further increases in these resources.

Project Development Activities

Feasibility Studies have progressed to the stage where Snowden Mining Industry Consultants have been requested to carry out a preliminary assessment of development strategies for mining based on the resources currently defined. This encompasses the assessment of a combined CIL/Heap Leach operation.

The assessment will be completed during the current half year.

Telfer Region, WA Exploration Properties (Range River 100%)

The Company holds granted Exploration Licence E45/2342 (17 Mile Hill) and has under application E45/2344 (Black Hills) located approximately 30 km to the north of the world-class Telfer Gold Mine in Western Australia. Discussions are progressing regarding further exploration options.

SOUTH AUSTRALIA

Glenloth (Range River 100%)

Calcrete sampling has been completed at the New Well and Old Well prospects in the SW area of Glenloth. Reverse cycle (RC) drilling is proposed to test two calcrete anomalies identified from the recent sampling. The drilling will be part of an overall program that will include the 8 RC holes planned for the Glenloth Goldfield and partially funded under the South Australian Government PACE initiative.

VICTORIA

Ararat and Kingston (Range River 100%, Newcrest Mining earning 70%)

The Company's joint venture partner, Newcrest Mining, reports that reconnaissance rock chip sampling and examination of possible target areas in the Ararat tenements has been completed.

A gravity survey was conducted to better define the exact positions of the major structures including the Copes Hill, Coongee and Cathcart Faults, which are among the main target zones for planned drilling. Prominent gravity anomalies over two specific magnetic anomalies at Ararat appear to confirm the coincident anomalies as very significant "Stawell-type" targets. Aircore drilling is planned for the first quarter of 2005, followed by deep RC drilling thereafter.

Foster (Range River 100%, Sedimentary Holdings earning 80%)

The Company's joint venture partner, Sedimentary Holdings, reports that six traverses of angled RC holes are proposed to follow-up the results of the gravity survey. The holes will be drilled to a depth of 60 metres. Four traverses to the south of Foster will test the gravity trends for the presence of felsic dykes. Two traverses will test the basement in the vicinity of old gold workings at Cement Hill and New Zealand Hill east of Foster. Permitting has been completed and discussions with drilling contractors to secure a drill rig for the program are in progress.

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DIRECTORS' REPORT

Summerfield (Range River 95%, Gold Fields Australasia Pty Ltd earning 75%)

The Company's joint venture partner, Gold Fields, reports that an infill soil sampling program of 114 samples was completed during December. The program covered the interpreted strike extensions of the gold mineralisation on O'Donoghues and Evans Roads that were located during an earlier Aircore drilling program. Results indicate that the mineralisation may extend for at least 1 kilometre to the north, and 1500 metres south of O'Donoghues Road. An infill and extended Aircore drilling program to test Ordovician basement geochemistry below the soil anomaly will commence shortly.

CORPORATE

During September 2004, option holders converted 2,585,330 options to ordinary shares, raising \$646,332.

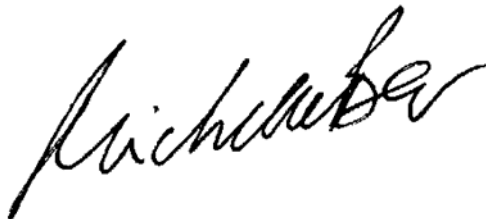
At the Annual General Meeting in October 2004, shareholders approved the appointment of HLB Mann Judd as auditors of the Company.

Events Subsequent to 31 December 2004

There has not arisen in the interval between the end of the half year and the date of this report, any item, transaction or event of a material and / or unusual nature likely, in the opinion of the Directors of the Company to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Gus Bravo, a full-time employee of Range River Gold Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Gus Bravo has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Gus Bravo consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Signed in accordance with a resolution of the Board of Directors



Michael R Beer
Managing Director
Melbourne Victoria
Dated this twenty third day of February 2005

23 February 2005

Board of Directors
Range River Gold Limited
Ground Floor, 15 Queens Street
MELBOURNE VIC 3000

Dear Directors,

Re: Auditor's Independence declaration

In relation to our review of the interim financial report of Range River Gold Limited and its controlled entity ("Range River") for the half year ended 31 December 2004 ("the review"), we make the following declarations to the Board of Directors of Range River:

- 1) To the best of our knowledge and belief, there have been no contraventions of:
 - the auditor's independence requirements of the *Corporation Act 2001* in relation to the review; and
 - any applicable codes of professional conduct in relation to the review.

- 2) We have maintained our independence in accordance with the provisions of Professional Statement F1, and with the provisions of the *Corporations Act 2001* in performing the review.

Yours faithfully

A handwritten signature in black ink that reads 'HLB Mann Judd' in a cursive style.

HLB Mann Judd

A handwritten signature in black ink that reads 'D Nairn' in a cursive style.

DAVID NAIRN

Partner

RANGE RIVER GOLD LTD AND ITS CONTROLLED ENTITY
ABN 64 065 480 453
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	Note	Economic Entity	
		31 Dec 2004	31 Dec 2003
		\$	\$
Interest revenue	2	<u>137,897</u>	76,859
Total revenue		137,897	76,859
Expenses from ordinary activities:	2	<u>(376,791)</u>	(102,160)
(Loss) from ordinary activities before related income tax expense		(238,894)	(25,301)
Income tax benefit relating to ordinary activities		<u>-</u>	-
Net (loss) from ordinary activities after income tax expense		<u>(238,894)</u>	(25,301)
Total changes in equity other than those resulting from transactions with owners as owners		<u>(238,894)</u>	(25,301)
Basic earnings/(loss) per share		(0.27 cents)	(0.03 cents)
Diluted earnings/(loss) per share		(0.27 cents)	(0.04 cents)

The statement of financial performance is to be read in conjunction with the notes to the financial statements.

RANGE RIVER GOLD LTD AND ITS CONTROLLED ENTITY
ABN 64 065 480 453
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

		Economic Entity	
		31 Dec 2004	30 June 2004
Note		\$	\$
CURRENT ASSETS			
	Cash assets	4,680,895	6,286,173
	Receivables	61,117	84,922
	Other	53,244	9,000
	TOTAL CURRENT ASSETS	4,795,256	6,380,095
NON-CURRENT ASSETS			
	Property, plant and equipment	58,270	62,620
	Exploration and evaluation expenditure	9,899,922	8,065,619
	Goodwill	731,101	731,101
	TOTAL NON-CURRENT ASSETS	10,689,293	8,859,340
	TOTAL ASSETS	15,484,549	15,239,435
CURRENT LIABILITIES			
	Payables	319,046	549,937
	Provisions	96,818	81,051
	TOTAL CURRENT LIABILITIES	415,864	630,988
	TOTAL LIABILITIES	415,864	630,988
	NET ASSETS	15,068,685	14,608,447
EQUITY			
	Contributed equity	4 17,344,275	16,645,142
	Accumulated (losses)	(2,275,590)	(2,036,695)
	TOTAL EQUITY	15,068,685	14,608,447

The statement of financial position is to be read in conjunction with the notes to the financial statements.

RANGE RIVER GOLD LTD AND ITS CONTROLLED ENTITY
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	31 Dec 2004	31 Dec 2003
	Inflows (Outflows)	Inflows (Outflows)
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(544,148)	(144,804)
Interest received	137,897	76,859
Net cash provided by/(used in) operating activities	(406,251)	(67,945)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Exploration and Development	(1,828,432)	(2,163,811)
Purchase of fixed assets	(9,727)	(11,835)
Purchase of Opus Exploration Pty Ltd	-	(500,000)
Net cash (used in) investing activities	(1,838,159)	(2,675,646)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues (net of costs)	639,132	7,835,584
Net cash provided by financing activities	639,132	7,835,584
Net increase/(decrease) in cash held	(1,605,278)	5,091,993
Cash at beginning of period	6,286,173	3,423,892
Cash at end of period	4,680,895	8,515,885

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

RANGE RIVER GOLD LTD AND ITS CONTROLLED ENTITY
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies, which have been adopted in the preparation of this financial report, are:

(a) Basis of preparation

The half year consolidated financial statements are a general purpose financial report that has been prepared in accordance with Accounting Standard AASB 1029 Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2004 and any public announcements made by Range River Gold Ltd and its controlled entity during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the Economic Entity and, except where there is a change in accounting policy, are consistent with those applied in the 30 June 2004 annual report. The half year report does not include full disclosures of the type normally included in an annual report.

(b) International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The Australian equivalents of IFRS (A-IFRS) will be first reflected in the Range River Gold Group's financial statements for the year ending 30 June 2006. On first time application of the A-IFRS, Range River Gold will be required to restate its comparative financial statements to reflect the application of IFRS to that comparative period. Most adjustments to IFRS will be made retrospectively against opening retained earnings. Although the adoption of IFRS will change the Group's reported results, this does not represent a change in the strength of the underlying business.

The Economic Entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the Economic Entity's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalized.

The Directors are of the opinion that the key differences in the Economic Entity's accounting policies which will arise from the adoption of IFRS are:

(i) Share-based payment

Share-based payment forms part of the remuneration of employees of the Economic Entity (including executives) as disclosed in the notes to the financial statements. The Economic Entity does not recognise an expense for any share-based compensation granted. Under A-IFRS, the Economic Entity will be required to recognise an expense for such share-based compensation. Share-based compensation is measured at the fair value of the share options at grant date and recognised over the expected vesting period of the options. A reversal of the expense will be permitted to the extent non-market based vesting conditions (e.g. service conditions) are not met. The entity will not retrospectively recognise share-based payments vested before 1 January 2005 as permitted under A-IFRS first time adoption.

The recognition of the expense will increase the Economic Entity's accumulated losses on initial adoption of A-IFRS and increase equity by the same amount for share-based payments issued after 7 November 2002 but not vested before 1 January 2005. Similar impacts will also occur in future periods, however, quantification of the impact on equity and in the income statement of the existing share options granted as remuneration has not been completed at the reporting date.

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FOR THE HALF YEAR ENDED 31 DECEMBER 2004

(ii) Income Tax

The Economic Entity has carried forward tax losses which have not been recognised as deferred tax assets as they do not satisfy the “virtually certain” criteria under current Australian GAAP. Under A-IFRS, it may be easier to recognise these tax losses as deferred tax assets as they have only to meet ‘probable’ recognition criteria to be recognised. The impact of this difference may be to increase deferred tax assets and reduce accumulated losses and result in a higher level of recognised deferred tax assets on a go-forward basis.

The present income tax accounting standard adopts the liability method of tax-effect accounting whereas A-IFRS requires the Economic Entity to adopt a balance sheet approach.

Adjustments to the recognised amounts of deferred taxes will also result as a consequence of adjustments to the carrying amounts of assets and liabilities resulting from the adoption of A-IFRS. The likely impact of these changes on deferred tax balances has not currently been determined.

(iii) Impairment of Assets

Non-current assets are written down to recoverable amount when the asset’s carrying amount exceeds recoverable amount. Under A-IFRS, both current and non-current assets, including property, plant and equipment previously excluded as they were measured on the fair value basis, are tested for impairment. In addition, A-IFRS has a more prescriptive impairment test, and requires discounted cash flows to be used where value in use is used to assess recoverable amount. Consequently, on adoption of A-IFRS, a further impairment of certain assets may need to be recognised, thereby increasing opening accumulated losses and the carrying amount of assets. The Economic Entity has not yet determined the impact, if any, of any further impairment which may be required under A-IFRS. It is not practicable to determine the impact of the change in accounting policy for the future financial reports, as any impairment or reversal thereof will be affected by future conditions.

(iv) Goodwill

Goodwill will be amortised over the life of the mine should the Indee Project develop a mine. A-IFRS does not permit goodwill to be amortised, but instead requires the carrying amount to be tested for impairment at least annually. Goodwill currently recognised in the statement of financial position, adjusted if necessary on the optional restatement of business combinations, must be allocated to individual cash-generating units (or groups of cash-generating units) and tested for impairment at the allocated level. This change in policy may result in increased volatility in the profit and loss as impairment losses are likely to occur.

(v) Extractive Industries

An A-IFRS on extractive industries has just been issued. The Economic Entity is studying this standard but is yet to determine the change in policies and related impacts, if any, that may arise on adoption of A-IFRS on its extractive-related operations and balances at reporting date.

(vi) Investment in Joint Ventures

Under A-IFRS, the Economic Entity may account for venture capital investments at fair value through profit or loss rather than using joint venture accounting. The effect of this change in policy may be to increase the volatility of the income statement. No decision has been made as to the treatment of such investments as yet so it is not possible to determine the likely impact.

RANGE RIVER GOLD LTD AND ITS CONTROLLED ENTITY
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	31 Dec 2004	31 Dec 2003	
	\$	\$	
2. REVENUE FROM ORDINARY ACTIVITIES			
(a) Other revenues			
Interest - other parties	<u>137,897</u>	76,859	
Total revenue from ordinary activities	<u>137,897</u>	76,859	
(b) (Loss) from ordinary activities before income tax expense			
Profit/(loss) from ordinary activities before income tax expense has been arrived at after charging the following items:			
Depreciation of plant and equipment	(14,077)	(15,051)	
Exploration expenditure written off	(49,785)	(44,064)	
Project evaluation expenses written off	(4,344)	(4,502)	
Cost of printing and posting Annual Report	(17,585)	(9,060)	
Provision for annual leave	(15,767)	-	
Corporate fees	(33,195)	(9,900)	
Insurance	(14,680)	-	
Accounting, audit and taxation fees	(16,777)	(1,750)	
Directors fees	(44,880)	(16,675)	
Investor relations and company promotions	(56,245)	-	
Office storage and rent	(39,561)	-	
Legal Fees	(23,131)	-	
Travel and accommodation	(17,504)	-	
Other expenses	(29,260)	(1,158)	
	<u>(376,791)</u>	(102,160)	

3. CONTROLLED ENTITY

The Company has a fully owned subsidiary Opus Exploration Pty Ltd which has a 70% interest in the Indee Gold Project Joint Venture in Western Australia. The financial contribution to the ordinary activities of the Company was nil.

4. CONTRIBUTED EQUITY

	Issue Price (cents)	Number of Shares	\$
Issued and paid up capital			
Movements in issued and paid up capital			
Opening Balance at 1 July 2004		87,596,384	16,645,143
Options exercised during the period	25	2,585,330	646,332
Placement of shares	30	200,000	60,000
Less, capital raising expenses			(7,200)
		<u>90,381,714</u>	<u>17,344,275</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

5. EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2004, no event has arisen that would be likely to materially affect the operations of the Economic Entity or the state of affairs of the Economic Entity not otherwise disclosed in the financial report.

6. SEGMENT INFORMATION

The principal activity of the Company is mineral exploration within Australia.

7. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

**RANGE RIVER GOLD LTD
AND ITS CONTROLLED ENTITY**

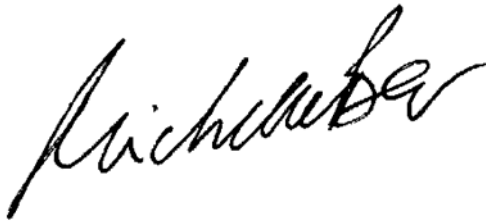
ABN 64 065 480 453

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The accompanying financial statements and notes,
 - a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Economic Entity's financial position as at 31 December 2004 and its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:



Director
Michael R Beer

Dated at Melbourne this twenty third day of February 2005.

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF RANGE RIVER GOLD LIMITED

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Range River Gold Limited and its controlled entity (collectively referred to as the consolidated entity), for the half year ended 31 December 2004. The financial report includes the consolidated financial statements of the consolidated entity comprising both Range River Gold Limited (the company) and the entity it controlled during that half year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review in order for the company to lodge the financial report with the Australian Securities and Investment Commission/Australian Stock Exchange Limited. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures 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 does not present fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, 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.

We formed our statement on the basis of the review procedures performed, which included:

- Inquiries of company personnel, and
- Analytical procedures applied to financial data.

When this review report is included in a document containing the directors' report, our procedures including reading the directors' report to determine whether it contains any material inconsistencies within the financial report.

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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Review 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 Range River Gold Limited:

- a) does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the consolidated entity's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
- b) is not presented in accordance with the *Corporation Act 2001*, Accounting Standard AASB 1029: Interim Financial Reports and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'HLB Mann Judd'.

HLB MANN JUDD

A handwritten signature in cursive script that reads 'David Nairn'.

DAVID NAIRN
Partner

Melbourne
23 February 2005