



**British Columbia Securities Commission**

**QUARTERLY AND YEAR END REPORT**

BC FORM 51-901F  
(previously Form 61)

**INCORPORATED AS PART OF: SCHEDULE B & C**

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<b>ISSUER DETAILS</b>		FOR QUARTER ENDED			DATE OF REPORT		
NAME OF ISSUER					Y	M	D
MANO RIVER RESOURCES INC.		02	07	31	02	09	27
ISSUER ADDRESS							
600 – 890 WEST PENDER STREET							
CITY/	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.			
VANCOUVER	BC	V6C 1J9	604-687-1327	604-689-1700			
CONTACT PERSON		CONTACT'S POSITION			CONTACT TELEPHONE NO.		
SHIRAZ (RAZ) HUSSEIN		CONTROLLER			604-689-1700		
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS					
N/A		www.manoriver.com					

**CERTIFICATE**

*The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.*

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"TOM G. ELDER"	TOM G. ELDER	Y	M	D
		02	09	27
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"GUY E. PAS"	GUY E. PAS	Y	M	D
		02	09	27

# **MANO RIVER RESOURCES INC.**

## **Schedule "B"**

Supplementary Information

As at July 31, 2002

(Stated in U.S. Dollars)

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### **1 Analysis of expenses and breakdown of resource properties:**

See financial Statements

### **2. Related party transactions:**

See financial Statements

### **3. Summary of securities issued and options granted during the period:**

#### (a) Securities issued during the period

See financial statements

#### (b) Options granted during the period

See financial statements

### **4. Summary of securities as at the end of the reporting period:**

#### a) Authorized

See financial statements

#### b) Issued and outstanding

See financial statements

#### c) Stock options and Warrants outstanding

See financial statements

#### d) Share in escrow or subject to pooling:

See financial statements

### **5. Directors and Officers of the Company**

Tom G. Elder, President and Director

Guy E. Pas, Co-Chairman and Director

P. Anthony Rhatigan, Co-Chairman and Director

Peter R. Dwerryhouse, Director

Rod C. McKeen, Secretary and Director

Malcolm Burne, Director

# Mano River Resources Inc.

## Schedule 'C'

### Management Discussion and Analysis for the Quarter Ending July 31st, 2002

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The Consolidated Financial Statements for Mano River Resources Inc. ("Mano" or the "Company") covering the quarter ending July 31st, 2002 are provided herein for your review.

#### **Description of Business**

Mano River Resources Inc is engaged in the acquisition, exploration and development of gold and diamond properties. The Company, through its subsidiaries, holds interests in properties located in Liberia, Sierra Leone, Guinea and Canada.

#### **Operations and Financial Condition**

For the quarter ended July 31st, 2002, the Company incurred a net loss of \$225,230 as compared to a net loss of \$214,599 for the corresponding quarter in 2001. This is a \$10,631 increase in net loss compared to 2001. The operating expenses were \$229,737 for 2Q 2002, compared with \$223,151 for 2Q 2001. The increase of \$6,586 over 2001 was due to increase in over all administrative costs. Income for the quarter was \$4,507 as compared to \$8,552 in 2001, a decrease of \$4,045. Total assets on July 31st, 2002 were \$11,859,312 as compared to \$12,689,790 in July 2001. As at July 31st, 2002, the Company had total current liabilities of \$379,648 as compared to \$836,244 for the same period in 2001. This includes \$291,944 due to related parties for management fees, bridging loan and reimbursable expenses.

As at July 31st, 2002, the Company had current assets of US\$211,575 as compared to US\$295,037 at July 31st 2001. The Company had as at July 31st, 2002 a working capital deficiency of \$168,073 as compared to a working capital deficiency of \$541,207 at July 31st 2001.

The Company's ability to continue its operations is dependent on its ability to secure additional financing and, while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing.

#### ***Exploration and Project Development***

During the quarter under review, exploration activity involved:

- 1) completing the analysis of samples taken during the kimberlite indicator mineral reconnaissance programme in the Yengema-Kono district of Sierra Leone,
- 2) staking of claims over kimberlite targets in Ontario-Quebec under the Taurus diamond exploration joint venture and
- 3) initiating the gold exploration programme over the Sonfon Licences in central Sierra Leone.

## **SIERRA LEONE**

### **a) Diamond Exploration**

In July, Mano announced the receipt of the final batch of results from its reconnaissance stream sediment-sampling in the diamondiferous Yengema-Kono District of Sierra Leone. These results confirmed the possible existence of undiscovered kimberlites located within the three Mano licences.

In summary, the reconnaissance survey indicated that:

- **Many of the samples are strongly positive in G-10 garnet, ilmenite and chrome spinel**
- **Two diamonds in the +0.3mm size fraction were reported in one of the samples**
- **Surface textures of the indicator minerals indicate close proximity to kimberlite sources**
- **Five distinct anomalies have been defined for detailed follow-up work.**
- **Two new kimberlite dykes were discovered during the fieldwork, one of which yielded two macrodiamonds in the +0.5mm and +1.0mm size fractions from a sample weighing only 30kg**
- **The petrography of one kimberlite sample indicates that it probably came from a kimberlitic pipe or blow.**

Mano remains extremely encouraged by the high quality results received in this very important diamond producing area and hopes that its sustained exploration efforts will lead to a significant diamondiferous kimberlite discovery.

Since 1998, Mano has held three contiguous Exclusive Prospecting Licences ('EPLs') covering some 260km<sup>2</sup> in the diamond-rich Yengema-Kono area. Mano's licences have reportedly been the source of many magnificent diamonds produced by artisanal miners from alluvial deposits derived from suspected kimberlite sources which are the subject of Mano's exploration. Mano's Licences are also immediately adjacent to the well known Koidu kimberlite pipes (see website map: [www.manoriver.com/diamonds/index.html#yengema](http://www.manoriver.com/diamonds/index.html#yengema)), where commercial mining commenced in the 1960s, with reported grade and diamond value of 35cph and \$200/ct, respectively. The pipes occur within a kimberlite dyke swarm, first discovered in 1948 and reported to extend into Mano's EPLs.

Mano's immediate aim is to seek to repeat, in Sierra Leone, the kimberlite exploration success it has already amply demonstrated in Liberia.

### **b) Gold Exploration**

Under a Heads of Agreement signed between Mano and Golden Prospect in May (described more fully below under 'Corporate Developments'), gold targets within their adjoining exploration licences totalling 256 square kilometres will be investigated by geochemical soil grids, trench sampling and assaying. The licences are located in the Sonfon region of central Sierra Leone in an area underlain by the country's pre-eminent greenstone belt. Previous work by the partners included regional geochemistry, which identified gold occurrences related to major shear structures in areas with extensive artisanal gold workings.

## **LIBERIA**

In June, Mano announced the signature of a Heads of Agreement for a Diamond Exploration & Development Joint Venture (JV) in Liberia with **TRANS HEX GROUP LIMITED** (THG) of South Africa.

The JV will focus on advancing the diamondiferous cluster of kimberlite pipes discovered by Mano within the 200 square kilometre area designated in its 25-year Mineral Development Agreement (MDA), in the Kpo Range. THG can earn a 50% interest in the MDA by completing over a period of three years Phases 1 & 2 of an exploration programme involving a total expenditure of approximately US\$2 million. During Phase 1, THG will fund a detailed airborne geophysical survey with the objective of locating any remaining kimberlites in the cluster. Phase 2 involves bulk sampling over one or more kimberlites, using a purpose-built processing plant.

Assuming a positive outcome to the Phase 1 and 2 work and agreement between the parties to proceed further, they will co-fund Phase 3, comprising a Feasibility Study and Mine Construction. Alternatively, at Mano's option, THG may be granted the right to sole fund to the start of Production from one or more kimberlites, in order to earn an additional 19% equity in the MDA.

Trans Hex [www.transhex.co.za](http://www.transhex.co.za) has established a global reputation as a niche producer of large, gem-quality diamonds, with annual production exceeding 200,000 carats. Their exploration, mining and marketing activities are principally focused in Southern Africa, through concessions on the Orange River in South Africa as well as offshore the coasts of South Africa and Namibia.

## **GUINEA**

There was no exploration activity during the period under review.

## **CANADA**

In an important new move, Mano announced in late May 2002 the signature of a Heads of Agreement for the creation of a Diamond Exploration Joint Venture in Ontario and Quebec, Canada, with International Taurus Resources Inc. of Vancouver ("Taurus").

The venture focuses on a 7,500-square-kilometre area of the James Bay Lowlands, southwest of the Otish Mountains, bringing together the comprehensive Taurus geological, geochemical and geophysical database and Mano's extensive West African diamond experience and expertise. Basic terms call for Mano to manage the work program, with Taurus as the operator of the field exploration activities. Mano may earn 26% of the venture by completing Phases 1 & 2, which require C\$1.25 million in exploration expenditures over 24 months, and may earn a further 25% with the expenditure of an additional C\$2.5 million over a further two years. Mano may earn a further 10% interest in a particular property by completing a pre-feasibility study on that property.

With the rush to the Otish Mountains, Quebec's Superior Province has now joined other Canadian Shield Archaean provinces as a major diamond exploration destination. The James Bay Lowlands area already contains numerous kimberlite and diamond discoveries. Glacial till cover will necessitate maximum use of geochemical and geophysical techniques. The Taurus data includes 77,000 line-kilometres of helicopter-borne high-intensity geophysical survey, flown with 100-metre line spacing and at approximately 60 metres

altitude. The details provided by this survey are now considered mandatory for diamond exploration (although regional coverage of this quality is rarely available).

The Taurus database includes extensive geological and geochemical data from all available public sources, together with exclusive private sources. In endeavouring to expand exploration opportunities, the venture has retained an experienced geophysicist who has worked in concert with Mano's South Africa-based diamond consulting geologist to review the Taurus database. This work has identified more than 100 new targets consistent with possible kimberlite intrusions. Kimberlites are known at Kirkland Lake, on the western side of the project area, and near Desmaraisville, on the eastern side. The area is transected by several significant major structural zones, which appear to control the emplacement of kimberlite in the region. These targets have been prioritized and property acquisition is currently underway, with mineral claims totalling 9,000 hectares having been acquired to date.

Mano holds a large portfolio of diamond and gold properties in West Africa, where it has demonstrated that it has the technical ability to successfully explore Archaean terrain similar to that of Quebec. In Liberia, Mano has identified a new gold province in the Archaean and also discovered a cluster of diamondiferous kimberlite pipes only 6 months after initial inception of the program, the first known in Liberia.

Since the completion of its Reverse Take-Over (RTO) in September 1998, Mano, which is dual-listed on both the London AIM and Canadian TSX-V stock exchanges, has raised its exploration financing exclusively on the London AIM market, where a stronger investment climate has existed for African exploration during the mining exploration cycle's challenging years of 1998-2001.

The renewed interest in the mining and exploration sector has encouraged Mano to look into the similarities between Archaean geology and diamond-hosting cratons in Canada's Superior Province and the Mano River Union countries, the conclusion being that the Company's accumulated experience and discovery track-record could contribute significantly to repeat success in Canada. To this end, Mano conducted an extensive evaluation of a number of Canadian diamond exploration opportunities and determined that the opportunity presented by the extensive database held by Taurus provided an advanced means of determining priority target selection within a geologically favourable area.

The move to Canada by Mano also offers geographical balance, and greater portfolio opportunities, when the market is suggesting this approach. The venture with Taurus represents as much an opportunity for Mano's European investors to benefit directly from discoveries in the world's presently most popular diamond exploration territory, as it presents an opportunity for Canadian investors to renew interest in the African emerging markets.

Mano's Canadian diversification is synergistic and complementary to its African exploration portfolio and is not intended in any way to diminish the company's commitment to pioneering hard rock gold and diamond production in Sierra Leone, Liberia and Guinea.

### ***Corporate Developments and Liquidity***

In a release on May 13<sup>th</sup> 2002, Mano announced that it had arranged, subject to regulatory approval by the TSX-V, a non-brokered Private Placement under which AIM-listed Golden Prospect plc will invest GBP244,000 in new Mano shares. At the same time, the two companies concluded a Heads of Agreement under which they will combine and jointly explore their contiguous exploration licences in the Sonfon region of central Sierra Leone.

The placing was at a price of GBP0.04 per share and the 6,100,000 new shares, following the receipt of regulatory approval, were subsequently admitted to trading on AIM. Following the placing, Golden Prospect held a total of 6.6 million Mano shares representing approximately 6% of the issued share capital of the Company.

Under the Heads of Agreement signed between Mano and Golden Prospect, Mano will be operator. Gold targets within their adjoining exploration licences totalling 256 square kilometres will be investigated by geochemical soil grids, trench sampling and assaying. The licences are located in the Sonfon region of central Sierra Leone, within the Sula Mountains, an area underlain by the pre-eminent greenstone belt in Sierra Leone. Previous work by the partners on their respective licences included regional geochemistry, which has identified gold occurrences related to major shear structures in areas with extensive artisanal gold workings.

The proceeds of the Placing will be used by Mano to fund the first phase of the joint venture programme in Sonfon, to continue the Company's exploration programme over its range of promising hard rock gold and diamond targets elsewhere in the *Mano River Union* countries, and for general working capital purposes.

Mano is pleased to welcome Golden Prospect plc, one of the emerging diversified junior mining funds listed on AIM (ticker symbol: GOL; website: [www.goldenprospectmining.com](http://www.goldenprospectmining.com)), as a significant shareholder and joint venture partner of the Company.

The Company announced on May 21st that it had arranged a brokered Private Placement in the UK and Europe by Loeb Aron & Company Limited of 3,000,000 common shares at GB£0.04 per share to raise gross proceeds of GBP120,000. Application was made to the TSX-V for approval of the Placing and the new shares were subsequently admitted for trading on AIM.

On the same day, Mano announced that it had approved arrangements reached with a number of parties to satisfy US\$294,395 of amounts accrued and due for payment as of 31 January 2002 with Mano shares at a price of GB£0.04. The debt settlement, in combination with the current private placements, strengthened Mano's financial position as it aggressively pursues exploration of its promising mineral properties. The settlement subsequently received regulatory approval by the TSX-V Exchange and the 5,219,759 new shares were admitted to trading on AIM.

The debt settlement represents amounts mainly incurred up to the end of the 2001-02 financial year and owing directly or indirectly to directors, or companies with which they are associated, and senior officers of Mano for directors' fees, management services, reimbursable expenses and advances supporting exploration.

Also in May, the Company was advised that Mining Capital Partners Limited ("MCP"), a wholly-owned entity of the Synergy Asset Management Group of Geneva, had acquired 17,282,233 common shares at an average price of GBP0.066 per share from various parties on 5 May 2002. This holding by MCP of 17,282,233 common shares in Mano represented approximately 16.5 per cent of the issued share capital of the Company on the date of acquisition.

Synergy Asset Management is beneficially owned by Mr G Catsiapis and Mr el Solh, and is engaged in alternative fund management including hedge fund related and capital guaranteed products. Its CEO, Mr el

Solh, was a Vice-President for Merrill Lynch Private Banking Middle East & Africa for eight years, and was previously with JP Morgan for five years.

In June, Mano announced that Malcolm Burne had been elected to the Board at the annual and special general meeting held on June 19, 2002. Mr. Burne is Executive Chairman and director of Golden Prospect Mining Plc., a public company listed on AIM, and has many years of experience in the mineral exploration and development industry. Mano is pleased to add that experience to its Board of Directors.

Roger Haiat, who has served as a director since Mano's listing on AIM in 1998, did not go forward for re-election and his term of office ended at the AGM on 19<sup>th</sup> June 2002. The Company wishes to express its gratitude for Roger's valuable contribution to Mano's development over the last four years.

The Company announced in July that the TSX-V and the disinterested shareholders of the Company had approved an amendment to the release schedule of its escrow agreement dated July 19, 1995. As a result the escrowed shares will no longer be subject to a release schedule based on expenditures made by the Company on its Van Stone Mine Property.

The escrowed shares will be released on a pro rata basis pursuant to the timed release schedule allowable by the policies of the TSX-V for a Tier 1 Company, between September 9 2002 and July 10 2005. The total of 2,800,000 shares involved, which have already been issued and have always been included in the Company's statements of shares outstanding, amount to approximately 2.4% of the Company's issued and outstanding share capital.

## **Investor Relations**

A total of twelve **News Releases** were issued during the quarter under review, recording material developments affecting the Company. Meanwhile, maintenance of Mano's very comprehensive website, [www.manoriver.com](http://www.manoriver.com), is always given high priority.

Investor relations remain of prime importance to the Company and the working relationship with recently appointed St Brides Media and Finance in London is proving most beneficial in that respect.

## **Subsequent Events – Exploration**

### ***Sierra Leone***

Ground-truthing of the anomalous kimberlite indicator mineral zones identified in the initial reconnaissance survey of the Yengema-Kono district licences is underway in an effort to locate any undiscovered kimberlites. Any kimberlites located will be sampled for heavy mineral, petrographic and microdiamond analysis. A comprehensive follow-up programme will then be implemented, subject to funding, involving a detailed airborne electromagnetic and magnetic survey to be flown during the next dry season which commences in October.

Elsewhere in Sierra Leone, at the northern end of the Sula Mountains greenstone belt, the first phase of gold exploration work on the Sonfon JV with Golden Prospect got under way in August.

## *Canada*

Taurus as Operator reported that mineral claims totalling some 15,000 hectares had been secured over kimberlite targets in the James Bay Lowlands of Ontario and Quebec. Subject to financing, the next stage will be to commence testing the targets by drilling.

Management encourages shareholders and other interested parties to contact the following individuals at any time for information about the activities of Mano:

Tom Elder	President and CEO	UK +44 (0)1235 810 740
Hugo de Salis	St Brides Media and Finance	UK +44 20 7242 4477
Guy Pas	Co-Chairman	Switzerland +41 22 758 2151
Anthony Rhatigan	Co-Chairman	Mobile +44 (0)7785 297 348