



**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 YEAR ENDED			DATE OF REPORT		
NAME OF ISSUER					Y M D		
MANO RIVER RESOURCES INC.		03	01	31	03	06	16
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		
		Y M D		
"TOM G. ELDER"	TOM G. ELDER	03	06	16
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
		Y M D		
"GUY E. PAS"	GUY E. PAS	03	06	16

# **MANO RIVER RESOURCES INC.**

## **Schedule "B"**

Supplementary Information

As at January 31, 2003

(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

Jonathan Challis, Director

Rod C. McKeen, Secretary and Director

Malcolm Burne, Director

# **MANO RIVER RESOURCES INC.**

## **Schedule 'C'**

### **Management Discussion and Analysis for the Year Ending January 31st, 2003**

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The Consolidated Financial Statements for Mano River Resources Inc. ("Mano" or the "Company") covering the year ending January 31st, 2003 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, and Guinea.

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

The Company incurred a net loss of \$352,217 or \$0.003 per share for the year ended January 31, 2003 as compared to a net loss of \$2,283,123 or \$0.023 per share in 2002. This is a \$1,930,906 decrease in net loss compared to fiscal year 2002. The decrease was primarily due to there having been no write-off of mineral properties in the year ended January 31, 2003, as compared to \$1,863,333 of write-offs in fiscal year 2002. The operating expenses were \$354,832 for 2003, compared with \$436,846 for 2002. The decrease of \$82,014 over 2002 was mainly due to a reduction in management fees and mine maintenance expenses. The increase in transfer agent and filing fees of \$32,088 (2002 - \$24,115) and professional fees of \$126,651 (2002 - \$94,413) was mainly due to costs associated with filing various agreements and transactions with the regulatory authorities. Revenue for the year was \$8,183 of interest income, as compared to \$17,056 in 2002, a decrease of \$8,873. Total assets on January 31, 2003 were \$12,253,662 as compared to \$11,436,086 in 2002. As at January 31, 2003, the Company had total current liabilities of \$420,859 as compared to \$856,999 for the same period in 2002. During the year the Company was able to convert \$200,000 of advances from a company controlled by a director into a convertible debenture due April 30, 2004. The Company was also able to settle outstanding debts with directors or companies with which they are associated in the amount of \$294,395 by issuing 5,219,759 common shares. This reduction in current liabilities improved the Company's working capital position significantly. As at January 31, 2003, current liabilities include \$305,195 due to related parties for management fees, bridging loan and reimbursable expenses.

As at January 31, 2003, the Company had current assets of US\$186,255 as compared to US\$127,876 for the same period in 2002. The Company had as at January 31, 2003 working capital deficiency of \$216,604 as compared to working deficiency of \$729,123 in 2002. During the year ended January 31, 2003, the Company successfully raised \$1,094,815 net of costs to maintain its working capital, exploration and development obligations.

Notable variances in the deferred exploration expenditures (DEE) for the financial year ending 31<sup>st</sup> January 2003 compared to the previous financial year are as follows:

	<u>2003</u>	<u>2002</u>
Assays	\$ 1,906	102,876
Licences	144,584	45,649
Project/field costs	73,522	134,790

Expenditure on assays was significantly lower in the financial year as the Company concentrated its exploration programme on advancing its earlier stage gold and diamond projects in Sierra Leone. The amount expended in the previous financial year related to significant drill core and mini-bulk sample analyses from Mano's more advanced Liberian gold and diamond programmes respectively.

The major element in the increased expenditure on licences in the 2002/03 period was the upfront, one-time, signature fee payment of \$50,000 for each of the Company's two Mineral Development Agreements in western Liberia, effectively 25-year renewable mining licences covering the Company's Bea Mountains and Kpo Range exploration projects.

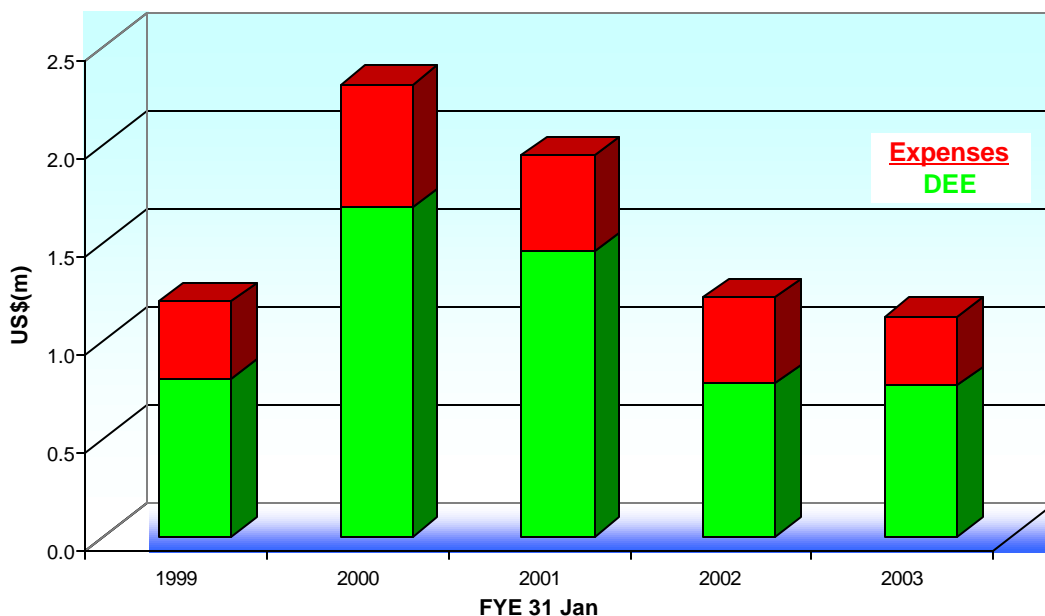
The recommencement of the Company's exploration programmes in Sierra Leone on its prospective but earlier stage projects, in comparison to those in Liberia, resulted in reduced expenditure on associated project costs such as rent, utilities and general supplies.

The DEE for the period totalled \$769,107, which the Company considers to be very modest in relation to the value created for shareholders.

The annual levels of DEE and non-capitalised expenses since Mano's reverse takeover (RTO) in 1998 are reviewed in Chart.1 below.

**Chart 1.**

**Review DEE / Expenses since RTO**



The Company's ability to continue its operations is dependent on its ability to secure additional financing in the near term 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, including joint ventures with industry partners.

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

During the year under review, exploration activity was primarily focussed on Sierra Leone and Canada, with little activity in Liberia due to the deteriorating security situation. Exploration can be summarised as follows:

#### **a) Sierra Leone - DIAMONDS**

In February 2002, Mano announced that the company was to recommence its diamond exploration programme in the highly prospective diamondiferous **Kono District** of Sierra Leone, across its three Exclusive Prospecting Licences ("EPLs") originally acquired between 1996 and 1998. The Company's scheduled work programme followed the official declaration, on the 18<sup>th</sup> January 2002, of the cessation of the civil war in the country which had been preventing exploration and mining development.

The three Mano diamond Licences (Yengema, Njaiama and Nimini) lie immediately adjacent to the well-known diamondiferous Koidu kimberlite pipes (see the Company's website [http://www.manoriver.com/mano/projects/diamonds\\_sl\\_kono.shtml](http://www.manoriver.com/mano/projects/diamonds_sl_kono.shtml) for location map). These pipes, on which mining commenced in the 1960s, have reported grades and diamond values of 35cpht and \$200/ct, respectively. In addition, the Koidu and Yengema area has been extensively mined for alluvial diamonds, mainly by artisans but also by private and state-owned companies. In 1969, total historical diamond production from alluvial sources in the immediate Koidu area was estimated to be 9 million carats (Hall P.K. (1969); The Diamond Fields of Sierra Leone.). The dyke swarm associated with the Koidu pipes is reported to extend into Mano's Yengema and Njaiama licences.

Mano considers that the Koidu pipes and associated dykes are unlikely to be the sole sources for the diamonds produced from the Kono area and believes that undiscovered kimberlites occur within its licences. Evidence includes the many artisanal workings that produce diamonds of distinctly different colour and morphology to those of Koidu, which are mainly coated. Furthermore, many of the alluvial diamonds are exploited in areas where the topography suggests new primary sources.

In October, Mano announced that it had received highly encouraging initial results from its detailed work across a number of kimberlite anomalies, identified within its Kono EPLs. Kimberlite was located in as many as 18 separate localities, considered to form part of an extensive diamondiferous kimberlite dyke system. Two previously unmapped kimberlite dykes, designated Lion-1 and Lion-2, had been discovered with inferred strike lengths of 5km and 6km, respectively. A mini-bulk sample of approximately 1.7 tons of diluted kimberlite material from Lion-1 returned a highly encouraging minimum diamond grade of 49 carats per hundred tonnes (cpht).

As part of the programme, Mano initiated an intensive loam sampling exercise over the five strong but relatively isolated anomalies identified and prioritized from the results of the Phase-1 stream sediment reconnaissance survey (see news release dated May 27<sup>th</sup> 2002, [http://www.manoriver.com/news/nr02/nr0211\\_27may.pdf](http://www.manoriver.com/news/nr02/nr0211_27may.pdf)). All five of these anomalous areas

show G10 garnets and contain active artisanal diamond mining. Mano has already identified kimberlites in three of these areas.

It was the intention of this loam sampling programme to better define the known kimberlites, including Lion-1 and Lion-2, and locate any further kimberlite occurrences within the blocks. Approximately 1,000 samples were collected and processed.

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

#### **b) Sierra Leone – GOLD**

Elsewhere in Sierra Leone, at the northern end of the Sula Mountains greenstone belt, the first phase of gold exploration work on the **Sonfon Joint Venture** with Golden Prospect got under way in August. Geochemical soil grids situated over known shear zones, together with litho-geochemical sampling of trenches and pits, was carried out in order to generate possible drill targets.

#### **c) Liberia - GOLD**

In March, Mano announced that it had signed two **Mineral Development Agreements** (MDAs) with the Government of Liberia covering its mineral projects. The MDA is a key element of the new progressive Liberian Mining Law and Regulations introduced during 2000 and 2001, granting the holder *inter alia*, the following basic rights:

- A three year exploration period, renewable for a further two years for a reduced area
- Automatic and exclusive right to mine discoveries, by declaring one or more production areas
- Mining rights valid for 25 years, renewable for a further 25 years

The MDA constitutes a combined exploration and mining licence, eliminating the often lengthy process seen elsewhere of negotiation of a mining licence only following the completion of the exploration phase.

The two MDAs which have been granted award Mano exclusive rights to all minerals (other than hydrocarbons) over 1,000 square kilometres in the Bea Mountains and a further 200 square kilometres in the Kpo Range, targeting respectively all the significant gold and diamond prospects to emerge from Mano's exploration programme in Liberia to date.

The basic fiscal terms of Mano's MDAs, are as follows:

- Corporation Tax limited to 30%
- Production Royalty of 3%, tax deductible
- Free carried interest to the government of 10%, (but with dividends payable only after recovery of all exploration and construction expenditure and loans)
- Exemption from import tax and duties on capital equipment
- No withholding tax on dividends paid offshore
- Freedom to operate offshore accounts

In April, the Company appointed ACA Howe International Limited of the UK (Howe) and Metallurgical Design and Management Pty Limited of South Africa (MDM) to prepare an independent **bankable feasibility study** (BFS), for both the KGL and Weaju gold properties in the Bea Mountains MDA, with the aim of commencing gold production in 2004 as soon as

funding is put in place. The study was to examine the economics of an operation with an initial production from open pits of 25,000 ounce per year. Studies previously carried out for KGL by Lakefield laboratories in Toronto, showed up to 96% gold recovery achieved in test work. Very preliminary estimates, based on initial data supplied by MDM and using a \$275 per ounce gold price, suggest that both projects should have very robust economics.

Unfortunately, a deteriorating security situation in Liberia, especially during the second half of 2002, has prevented the company from instigating this study, which remains on hold.

KGL and Weaju are only two of many gold prospects in Mano's 1,000 sq km Bea Mountains MDA: hosted by shear zones, which stretch for tens of kilometres across the Archaean granite-greenstone terrain in western Liberia. Barely 5% of the measured major mineralised shear structures within the Licence have been explored to date. As part of KGL's BFS, approximately 2,000m of additional drilling will be needed to bring part of the resource up to reserve status.

#### **d) Liberia - DIAMONDS**

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

The venture will focus on Mano's Mineral Development Agreement (MDA) covering a 200 square kilometre area of the Kpo Range in western Liberia. THG can earn a 50 percent interest in the MDA, by completing over a period of three years Phases 1 & 2 of a 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 first discovered by Mano in 2001. Phase 2 is to involve bulk sampling over one or more kimberlites.

The parties will co-fund Phase 3, comprising a Feasibility Study and Construction. Alternatively, at Mano's option, THG may be granted the right to sole fund Feasibility Studies and Construction, to the start of Production from one or more kimberlites, to earn an additional 19% equity in the MDA. Trans Hex <<http://www.transhex.co.za>> is 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.

This joint venture programme is scheduled to get under way as soon as the security situation in Liberia improves.

#### **GUINEA**

There was no activity in **Guinea** during the period under review, other than to maintain the exploration licences in good standing. Mano's Guinean geologist was seconded to Sierra Leone, where he gained valuable experience in both gold and diamond exploration techniques.

#### **CANADA**

In May, Mano announced the signature of a Heads of Agreement for the creation of a **Diamond Exploration Joint Venture** in 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. Mano can earn 26 percent of the venture by completing Phases 1 & 2, which require C\$1.25 million in expenditures, and may earn a total of 51 percent with the expenditure of an additional C\$2.5 million. Mano may earn a further ten percent in a particular property by completing a pre-feasibility study on that property.

The James Bay Lowlands area, underlain by the Archaean Superior craton, already contains numerous kimberlite and diamond discoveries. The Taurus data included 77,000 line-kilometres of helicopter-borne high-intensity geophysical survey, together with extensive geological and geochemical data. More than 100 new targets, including several "clusters" and distinct "bull's-eye" anomalies, which are consistent with possible kimberlite intrusions, have been identified. Kimberlites are known at Kirkland Lake, on the western side of the project area, and near Desmaraisville, on the eastern side.

Mano announced in August that further mineral claims had been staked bringing the total number to 40 covering more than 15,000 hectares. Detailed ground magnetic surveys were completed on the 12 most recently staked claims, confirming the favorable nature of the prospects.

Mano's Canadian diversification is complementary to its exploration portfolio and was not intended in any way to diminish the company's commitment to its pioneering hard rock gold and diamond production in the Mano River Union countries of Sierra Leone, Liberia and Guinea. Having completed Phase 1 of the JV, ground acquisition, phase 2 is on hold pending the raising of the necessary financing.

### **Corporate Developments and Liquidity**

On March 21<sup>st</sup>, 2002, Mano granted **incentive stock options** ("Options") to the following directors: A P Rhatigan, two million; G E Pas, two million; T G Elder, one million; to purchase common shares in the capital stock of the Company.

The Options, exercisable at a price of Cdn\$0.11 per share for a period of five years ending on March 21<sup>st</sup> 2007, were subsequently approved by the TSX Venture Exchange.

At the same time, the Company announced that the second part of the previously announced transaction with **Resources Investment Trust PLC** ("REIT"), whereby REIT agreed to purchase 2,100,000 common shares of the Company at a price of GBP0.0325 per share for total proceeds of GBP68,250 (approximately US\$100,000), closed on March 7, 2002, having received TSX Venture Exchange approval on February 5, 2002. The proceeds from this transaction were used for general working capital.

In May, Mano announced that it had arranged a non-brokered **Private Placement** under which AIM-listed Golden Prospect plc (GP) invested GBP244,000 in new Mano shares. At the same time, the two companies concluded a **Heads of Agreement** (HoA) under which they 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 subsequently received TSX Venture Exchange approval and were admitted to trading on AIM. Following the placing, Golden Prospect held approximately 5.7% of the issued share capital of the Company.

Under the HoA signed between Mano and GP, Mano as operator undertook to fund the initial US\$75,000 of an exploration programme for the 50:50 Joint Venture. Within their adjoining

exploration licences totalling 256 square kilometres, gold targets were to be investigated by geochemical soil grids, trench sampling and assaying. The licences are located in an area underlain by the pre-eminent greenstone belt in Sierra Leone.

The proceeds of the Placing were 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.

On May 21<sup>st</sup>, Mano announced that it had arranged a further 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 GBP120,000. The Placing was approved by the TSX Venture Exchange and the new shares subsequently admitted to trading on AIM.

Also on May 21<sup>st</sup>, Mano announced that it had approved arrangements reached with a number of parties to satisfy US\$294,395 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 concurrent non-brokered and brokered private placements, strengthened Mano's financial position as it aggressively pursues exploration of its promising mineral properties.

Mano also announced that it had been advised by **Mining Capital Partners Limited** ("MCP"), a wholly-owned entity of the Synergy Asset Management Group of Geneva, acquired 17,282,233 common shares at an average price of GB£0.066 per share from various parties on 5 May 2002. This holding represented approximately 16.5 per cent of the issued share capital of the Company on the date of acquisition.

Synergy Asset Management is engaged in alternative fund management.

Mano also announced that **Malcolm Burne** had been elected to the Board of Directors at its AGM held on 19<sup>th</sup> June 2002. Mr. Burne is Executive Chairman and director of Golden Prospect Mining Plc., listed on AIM, and has many years of experience in the mineral exploration and development industry. Mano was pleased to add that experience to its Board. Roger Haiat, who has served as a director since 1998, did not go forward for re-election and his term of office ended at the AGM. The Company expressed its gratitude for Roger's valuable contribution to Mano's development over the previous four years.

In July, Mano announced that the TSX Venture Exchange (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 2.8 million escrowed shares will no longer be subject to a release schedule based on expenditures made by the Company on its Van Stone Mine Property and will instead be released in increments over the period ended July 10<sup>th</sup>, 2005. The total of 2.8 million escrowed shares have already been issued and have always been included in statements of shares outstanding.

In October, the Company announced that it had completed the issuance of 3,531,016 new common shares at a price of GB£0.07 (approximately Cdn\$0.15) per share in **settlement of debts** of GB£247,171 owed to a number of parties in Canada and the United Kingdom and originally announced on September 12, 2001. The final tranche of 1,207,786 shares of the 3,531,016 common shares have now been issued in the United Kingdom and are subject to a four month hold (i.e. lock-up) period which expires on February 8, 2003.

In addition to the above noted shares for debt, the Company announced that it had also completed the issuance of 5,219,759 new common shares at a price of GB£0.04 (approximately Cdn\$0.08) per share in settlement of debts of GB£208,791 owed to a number

of parties in Canada and the United Kingdom as announced on May 21, 2002. Out of the 5,219,759 common shares, 17,730 shares were subject to a 12 month hold period expiring on October 11, 2003, while the remaining 5,202,029 were subject to a 4 month hold period expiring on February 12, 2003.

On November 27<sup>th</sup>, Mano announced that it had arranged, subject to regulatory approval, a partially-Brokered **Private Placement** to raise gross proceeds of up to GBP310,000.

The brokered Placing was arranged in the UK and Europe of 7,000,000 common shares at GBP0.02 per share by Loeb Aron & Company Limited for proceeds of GB£140,000. Each share has one half warrant attached, which can be exercised at GBP0.03p for the first twelve months following the closing of the Placement and at GBP0.04p for the subsequent twelve months. Commission of 5% is due to be paid to Loeb with respect to this GBP 140,000 placing. In a concurrent non-brokered placing arranged by the Company, a further 8.1 million shares and 4.05 million warrants were placed on the same terms for gross proceeds of GBP162,000. The shares were subsequently approved by the TSX Venture Exchange and admitted to trading on AIM. The proceeds of the Placing were to be used by Mano to continue the Company's exploration programme over its range of promising gold and diamond targets in the *Mano River Union* countries, and for general working capital purposes. On January 3<sup>rd</sup> 2003, Mano announced that it had closed the Placement raising gross proceeds of GB£302,000.

## Investor Relations

A total of 24 **News Releases** were issued during the year under review, recording material developments affecting the Company. Meanwhile, Mano's very comprehensive website, [www.manoriver.com](http://www.manoriver.com), was totally re-vamped and continues to be given high priority.

Investor relations remain of prime importance to the Company, and in May 2003 Mano announced the appointment of **Britton Financial PR** ("Britton") to handle its Investor Relations. Britton is a financial PR company based in the City of London, dealing with a variety of sectors. Its strengths lie in the personal relationships it has with the media and with the financial community, through the extensive contacts and experience of its staff. Britton's aim is to lift Mano's profile so as to achieve a better understanding in the investment community of the Company's portfolio of gold and diamond exploration projects in West Africa.

## Subsequent Events – Corporate

In May 2003, Mano announced that Seymour Pierce Limited has been appointed as the Company's **Nominated Adviser** on the London Stock Exchange - AIM market with immediate effect. Seymour Pierce Ltd together with Seymour Pierce Ellis Ltd, Mano River's Nominated Broker, are a leading adviser and broker to AIM, with some one hundred retained corporate clients. They are specialists in providing research, corporate broking and corporate finance advice to smaller quoted companies and have a growing specialism in extractive industries.

In June 2003, The Company announced that the board of directors had adopted a **stock option plan** (the "Plan") pursuant to the policies of the TSX Venture Exchange. The Plan is subject to TSX Venture Exchange approval and shareholder approval. The Plan will allow for the reservation of up to 10% of the Company's issued and outstanding shares as at the date of a particular stock option grant (the Company currently has 133,890,216 (10% = 13,389,021) shares issued and outstanding). Options under the Plan may be granted to the Company's directors, officers, employees, management company employees and consultants. Upon receipt of all necessary approvals, the Plan will govern any outstanding stock options previously granted and any new stock options issued.

Also in June 2003, the Company announced that it had arranged, subject to regulatory approval, a brokered **Private Placing** to raise gross proceeds of GBP431,250 from existing and new institutional investors. The brokered Placing was arranged in the UK of 17,250,000 common shares at GBP0.025 per share through Seymour Pierce Ltd. Application will be made for approval of the Placing by the TSX Venture Exchange and for the new shares to be admitted to trading on AIM.

The proceeds of the Placing will be used by Mano to continue the Company's exploration programme over its range of promising gold and diamond targets in the Mano River Union countries, and for general working capital purposes.

### **Subsequent Events – Exploration**

In February 2003, Mano announced further very encouraging results from its mini-bulk sampling of the **Lion-1 kimberlite dyke** within its EPLs in the Kono diamond district of Sierra Leone. Macro-diamonds had already been reported by the Company from a 1.7ton mini-bulk sample of Lion-1, which yielded 5 diamonds in the +2.0mm size fraction weighing in total 0.85-carats, for a minimum grade of **49 carats per hundred tonnes** (49cpht - see Mano news release dated October 2<sup>nd</sup> 2002, [http://www.manoriver.com/news/nr02/nr0200\\_02oct.pdf](http://www.manoriver.com/news/nr02/nr0200_02oct.pdf)).

Subsequent sorting of the +0.71mm to –2.0mm kimberlite concentrate in South Africa yielded a further 17 macrodiamonds weighing a total of 49.69mg or **0.25 carats**. The calculated grade for the 1.7 tonne mini-bulk sample of Lion-1 is therefore now **64.6 cpht**. These diamonds were weighed and described by John Gurney's Laboratory, Mineral Services, in Cape Town, the complete results of which are shown in **Table 1**.

In summary, the February, 2003 Kono Lion 1 exploration programme highlights are as follows:

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- The Lion-1 kimberlite dyke has been mapped discontinuously along strike for approximately 5km.
- A mini-bulk sample of kimberlite material from Lion-1 of approximately 1.7 tons, including significant dilution by granite, was collected, washed and gravitated on site. The sample yielded 22 diamonds for a total weight of 1.1-carats from the +0.71mm size fraction, suggesting an initial minimum grade of 64.6 cpht
- The largest stone recovered from the Lion-1 mini-bulk sample weighed 0.32 carats and is of gem quality
- Lion-1 is associated with abundant G10 garnets and a petrographic analysis of this kimberlite confirms its high interest potential
- Kimberlite has been identified elsewhere throughout the area, many occurrences coinciding with significant artisanal diamond workings and high interest indicator mineral chemistry
- Loam sampling and microprobe results from Mano's EPLs are expected by early February 2003
- Diamonds of 110-carats (officially reported) and 400-carats and 1,400-carats (both unofficially reported) have been recovered during 2002 from the area immediately adjacent to Mano's EPLs in Kono.

In February 2003, Mano also reported highly encouraging results from its **Sonfon Joint Venture** gold exploration programme in Sierra Leone. The Sonfon district contains Sierra Leone's richest and most prolific historic gold fields, across the country's pre-eminent Sula

Mountains greenstone gold belt. (See map  
[www.manoriver.com/properties/sl\\_lakesonfon.html](http://www.manoriver.com/properties/sl_lakesonfon.html).)

A 3 km long northwest trending gold-in-soil anomaly identified by a 25ppb contour, was defined by a geochemical soil sampling programme and termed the Yanfarina-Dalakuru-Sende (YDS) gold zone. The programme included 879 samples, covering an area of approximately 50km<sup>2</sup>, which were assayed by SGS Laboratories in Ghana. The YDS zone is coincident with an area of extensive artisanal gold workings and is within a prominent structure, approximately 9km long by 5km wide. Trenching within the anomalous zone has identified a series of high grade gold-bearing narrow veins (stockwork) that could represent a highly significant bulk tonnage gold target. Results from a previous regional soil geochemical programme conducted by Mano identified certain gold anomalies assaying up to 3,227ppb (3.2 g/t) coincident with and up to 5km north and 4km south of the YDS zone.

A series of recent trenches targeting primary vein gold mineralization on the side of the Yanfarina River north of Dalakuru, returned the following highly encouraging results.

Phase-1 YDS Zone Trench Samples		
Trench	Length (m)	Grade (g/t) Au
DT-1	3.5	3.6
DT-2	0.9	1.6
DT-3*	1.9	24.9
DT-4	6.0	0.5
DT-5	2.0	0.2
DT-6	7.3	7.4
DT-7	5.9	3.6
*including	0.45	108

The mineralised quartz tourmaline veins trend north westerly and range between 0.1m and 1m wide. The vein stockwork has been traced continuously over a distance of at least 75m with artisans having masked its continuation through their mining activities. It is considered likely that the veins exposed in Trench DT-4 along strike are part of the same system suggesting a minimum length of 150m. Grab samples from a 3m wide highly silicified outcrop 5km northeast of the YDS gold zone, range from 1 to 12.6 g/t for an average of 6.3 g/t. A previous channel sample taken by IMC Mackay & Schnellman (IMC) assayed 3m@10.3 g/t. IMC reported the area to be “highly prospective for primary gold targets”.

Phase-1 Yisangba Grab Samples	
Sample No.	Gold g/t
50901	5.6
50902	2.9
50903	1.0
50904	12.6
50905	9.1

The Yisangba target is located within the ‘Bongone block’, where previous drilling of a geochemical anomaly in the 1960’s reportedly intersected an 85m wide zone of sulphide mineralization (2-3% sulphides).

Previous work has identified gold occurrences related to major shear structures in areas with extensive artisanal gold workings. The presence of gold in the Sonfon area has historical reference, with the name of the local river ‘Sende’, translating to “gold bearing water”. Active

artisanal gold workings are found extensively across the Sonfon district. The prospect has reportedly been described by independent consultants IMC as hosting the 'potential for the discovery of gold deposits of significant size'.

In June 2003, Mano announced the acquisition of the '**North Pampana**' EPL, which hosts the high grade Yirisen gold deposit and strategically adjoins Mano River's 'South Pampana' EPL in central Sierra Leone.

The North Pampana EPL contains the well known Yirisen gold deposit and several further gold anomalies as defined by a 1980's United Nations Development Programme (UNDP) funded geochemical programme. Mano will be integrating the extensive results of the UNDP programme in to the Company's Geographical Information System, which includes satellite imagery and structural analysis of the Pampana district, with the aim of generating further gold targets and extensions to the known gold mineralized trend.

In February 2003, Mano River reported grab sample gold results of up to 4.5 grams per tonne (g/t) gold taken from quartz veins within talc schists in the South Pampana EPL, from a phase-1 reconnaissance survey 3km east of the town of Massamank, 10km southwest of Yirisen and in a area of active artisanal gold workings (see [www.manoriver.com/mano/investor/nr/nr0305\\_17feb.pdf](http://www.manoriver.com/mano/investor/nr/nr0305_17feb.pdf)). Satellite imagery and UNDP mapping indicates the mineralization encountered in the South Pampana EPL lies within the same lithostructural unit as the Yirisen deposit.

Mineralisation was first noted at Yirisen by the Geological Survey of Sierra Leone in 1958. Seven north easterly trending sub-vertical lodes of quartz veining, averaging 150m in length were identified and returned gold values of between 5.5 and 48 g/t over widths of between 0.7 and 6.4 metres. The host rocks are predominantly talc schists with extensive pervasive sulphide mineralization.

Artisanal miners are currently working the Yirisen gold deposit to depths of up to 15 metres. In one exceptional instance a narrow (one metre wide) shaft has been sunk to an estimated depth of over 75 metres. Artisanal gold workings currently define a strike length of over 1km to the known mineralization, which remains open in both directions.

The North Pampana licence acquisition completes Mano River's portfolio of gold targets in Sierra Leone, comprising:

- i) The Joint Venture (JV) with Golden Prospect Plc (AIM:GOL) over two contiguous exploration licences in the Sonfon area, within the northern end of the Sula Mountains greenstone gold belt. The JV has defined a 3km long gold in soil anomaly, below which trenching has revealed a gold-bearing stockwork vein system with a best trench intersection of 7.3m @ 7.4g/t (see [www.manoriver.com/mano/projects/gold\\_sl\\_sonfon.shtml](http://www.manoriver.com/mano/projects/gold_sl_sonfon.shtml)).
- ii) The two strategically located Nimini Central and Nimini South EPLs within the Nimini Hills greenstone gold belt (see [www.manoriver.com/mano/projects/gold\\_sl\\_nimini.shtml](http://www.manoriver.com/mano/projects/gold_sl_nimini.shtml)) which host parts of known lode gold deposits shared with two EPLs held by AfCan Mining (TSX-V:AFK), namely Nimini East and Nimini West and over which AfCan recently announced the signature of a Heads of Agreement for a Joint Venture with Ashanti Goldfields
- iii) The North and South Pampana EPLs containing the Yirisen gold deposit within the Yirisen-Massamank mineralised trend, 30km north of the Baomahun gold deposit

where a joint venture was recently announced between Mr Ronald Winston and Caldera Resources (TSX:CDR)

**In the few years since its reverse takeover in 1998, Mano has made considerable progress in advancing in exploration programme. The fundamental strategy of being geologically-driven has been fully justified by, for example, the identification of a potentially major new Archaean gold belt in western Liberia, and the discovery of the first known diamondiferous kimberlites in that country. In neighbouring Sierra Leone, work is still at a very early stage, but Mano's diamond programme has already produced very promising results and a first class portfolio of greenstone gold properties is being assembled.**

**Looking to the future, the Company's strategy will continue to be one of seeking high quality partners, like Trans Hex, its joint venture partner in Liberia, to help advance the diamonds programme. For gold, it is already clear that, once the security problems are resolved, one or more of Mano's discoveries in western Liberia has the potential to be put into production by the Company at a modest scale, given the continued support of its investors and access to adequate debt financing facilities. While contemplating this course of action, due consideration will also be paid to the alternative strategy of conducting further exploration in order to increase the resource/reserve to a level where production of ±100,000 oz of gold per year becomes a viable proposition. Two flagship projects discovered to date at KGL and Weaju, display clear potential for increased resources in both strike and depth extensions. Given that these projects and several new prospects lie within a central trucking distance (25km) of each other and may possess the same good (>90%) free milling metallurgy, Mano have the option of developing several deposits simultaneously using a centrally placed treatment facility (see [www.manoriver.com/properties/liberia\\_bea.html](http://www.manoriver.com/properties/liberia_bea.html)).**

**The way forward for Mano will lie in striving to achieve the optimum mix of joint venture partnerships and self-funding, while adding to the portfolio value through in-house application of sound exploration methodology in this highly prospective West African terrain.**

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
Gary Middleton	Britton Financial	UK +44 20 7251 2544
Guy Pas	Co-Chairman	Switzerland +41 22 758 2151
Anthony Rhatigan	Co-Chairman	Mobile +44 (0)7785 297 348