



**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                    | Y                     | M  | D  |
| MANO RIVER RESOURCES INC.    |          | 03                 | 07             | 31                   | 03                    | 09 | 29 |
| ISSUER ADDRESS               |          |                    |                |                      |                       |    |    |
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**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  |
|                      |                 | 03          | 09 | 29 |
| DIRECTOR'S SIGNATURE | PRINT FULL NAME | DATE SIGNED |    |    |
| "GUY E. PAS"         | GUY E. PAS      | Y           | M  | D  |
|                      |                 | 03          | 09 | 29 |

# **MANO RIVER RESOURCES INC.**

## **Schedule "B"**

Supplementary Information

As at July 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

Rod C. McKeen, Secretary and Director

Malcolm Burne, Director

Jonathan Challis, Director

# **Mano River Resources Inc.**

## **Schedule 'C'**

### **Management Discussion and Analysis for the Quarter Ending July 31st, 2003**

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The Consolidated Financial Statements for Mano River Resources Inc. ("Mano" or the "Company") covering the quarter ending July 31st, 2003 are provided herein for your review. Unless otherwise indicated, all amounts herein are in US dollars.

#### **Description of Business**

Mano is engaged in the acquisition, exploration and development of gold and diamond properties. Through its subsidiaries, it holds interests in properties located in Guinea, Liberia and Sierra Leone.

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

The Company completed the second quarter ending July 31<sup>st</sup>, 2003 with a net loss of \$290,126 as compared to a net loss of \$225,230 for the corresponding quarter in 2002. This is a \$64,896 increase in net loss compared to 2002. This increase was due to a write-off of resource property of \$90,090 in the current quarter. The operating expenses excluding the write-off of resource property amounted to \$202,242 for Q2 2003, compared with \$229,737 for Q2 2002. The decrease of \$27,495 over 2002 was due to a decrease in management fees, professional fees and other administrative cost savings. Some administrative expense categories experienced higher costs: bank and interest charges increased mainly due to interest payable on convertible debenture. Investor communications increased significantly during the quarter as the Company focused its effort on expanding investor awareness of the Company's exploration projects. Revenue for the quarter, consisting of interest income, was \$2,206 as compared to \$4,507 in 2002, a decrease of \$2,301. Total assets on July 31, 2003, were \$12,741,546 as compared to \$12,253,662 at year ended January 31, 2003. As at July 31, 2003, the Company had total current liabilities of \$373,630 as compared to \$402,859 at year ended January 31, 2003. Current liabilities include \$253,278 due to related parties for management fees, bridging loan and reimbursable expenses.

As at July 31, 2003, the Company had cash and cash equivalents of \$418,928 as compared to \$203,243 at July 31st 2002. The Company had as at July 31, 2003 working capital of \$54,192 as compared to deficiency of \$168,073 at July 31st 2002.

The Company's ability to continue its operations is dependent on its capacity 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.

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

Exploration activity during the quarter under review was focused on gold and diamonds in Sierra Leone.

### **a) Diamond Exploration – Sierra Leone**

The field teams completed the collection of five one tonne samples of kimberlite from dykes Lion-1, -2, -3 and -5 in the Yengema-Kono district, together with 200 loam samples. The samples were shipped to South Africa for analysis and the results announced during August. See below under *Exploration – Subsequent Events* for the details.

### **b) Gold Exploration – Sierra Leone**

In June 2003, Mano announced the acquisition of the ‘**North Pampana**’ Exclusive Prospecting Licence (EPL), which hosts the high grade Yirisen gold deposit and strategically adjoins Mano’s ‘South Pampana’ EPL.

The North Pampana EPL, in addition to the well known Yirisen gold deposit, contains several further gold anomalies as defined by a 1980s United Nations Development Program (UNDP) funded geochemical programme.

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 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 deposit to depths of up to 15 m, defining a strike length of over 1km to the known mineralization, which remains open in both directions.

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

- i) The Joint Venture (JV) with Golden Prospect Plc (AIM:GOL) over contiguous exploration licences in the Sonfon area, at 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)

## **LIBERIA AND GUINEA**

There was no exploration activity during the period under review. Programmes in Liberia will recommence as soon as an improving security situation allows.

## **CANADA**

Towards the end of the quarter, it was agreed with our partner, International Taurus Resources, that Mano would withdraw from the ManoTaur diamonds JV in Ontario/Quebec. This decision was taken on the grounds that the results from the Company's diamond exploration in Sierra Leone are proving so encouraging, and cost effective, as to merit focussing all available financial resources in the Yengema Kono area in the expectation of more rapidly adding value there than in Canada.

## **Investor Relations**

**Press Releases** issued during the quarter covered such issues as the change of nominated adviser on AIM, the appointment of Britton PR as investor relations adviser, acquisition of the North Pampana licence in Sierra Leone, the successful completion of a Private Placement and changes to the Mano board.

The engagement of **Britton Financial PR** ("Britton") has seen a marked rise in Mano's profile with increased coverage of the Company's activities in both the specialized and general press, the most recent example being articles in the Financial Times of London which mentioned Mano as a credible participant in the context of the future development of Liberia.

## **Corporate**

In May 2003, Mano announced that Seymour Pierce Limited has been appointed as the Company's new **Nominated Adviser** on the London Stock Exchange - AIM market. Seymour Pierce Ltd together with 100% affiliate Seymour Pierce Ellis Ltd, Mano's Nominated Broker since its AIM listing in 1997, are a leading adviser and broker to AIM, with some one hundred retained corporate clients.

In June 2003, The Company announced that the board of directors had adopted a **stock option plan** (the "Plan") which subsequently received TSX Venture Exchange and shareholder approval. The Plan will allow for the reservation of up to 10% of the Company's issued and outstanding shares for the grant of Stock Options (the Company at the time having 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. The Plan will govern any outstanding stock options previously granted and any new stock options issued.

Also in June 2003, the Company completed a brokered **Private Placing** to raise gross proceeds of GBP431,250 (approximately US\$698,000) 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. The TSX Venture Exchange approved the placing and the new shares were admitted to trading on AIM.

The proceeds of the Placing are being 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.

At its 2003 Annual General Meeting in Vancouver, Jonathan Challis (51) was elected in place of Peter Dwerryhouse, who had previously indicated he would not be continuing as a director. The Board expressed its appreciation to Mr Dwerryhouse for his valuable contribution to the Company. Mr Challis is a mining engineer with over 30 years experience in the operation, management, financing and analysis of mining projects around the world. A past President of Shore Gold Inc., he has a degree in Mineral Exploitation from University College, Cardiff, and an MBA from Cranfield University, England.

### **Subsequent Events – Corporate**

On 7<sup>th</sup> August 2003, Mano announced that it had received notice of the conversion of warrants over 1,250,000 fully paid common shares in the Company at 3p per share for total proceeds of £37,500. The Company then made application for the 1,250,000 new common shares to be admitted to trading on AIM and dealings commenced on Tuesday 12 August 2003.

As agreed with the parties concerned at the time of the June Placement, the Board announced in August that it had approved arrangements to satisfy accrued amounts totalling GB£70,485 due for payment as of 31 January 2003 with Mano shares at the same price as the placement, i.e. GB£0.025.

The debt settlement subsequently received regulatory approval by the Canadian Venture Exchange and the 2,819,397 new shares resulting from the settlement were admitted to trading on AIM.

The shares for debt settlement, in combination with the recent private placement, was seen as strengthening Mano's financial position as it aggressively pursues exploration of its promising mineral properties, especially now that it appears Liberia is following Sierra Leone on the way to become a stable and acceptable investment environment.

The debt settlement represented amounts mainly incurred up to the end of the 2002-03 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 loan advances supporting exploration. The Board considers that the settlement of these amounts in shares helps to preserve the Company's cash as it continues to advance exploration of its properties.

On August 14th, 2003, under the Stock Option Plan previously announced on 5<sup>th</sup> June 2003, the Company granted a total of 905,000 incentive stock options ("Options") to certain employees and directors to purchase common shares in the capital stock of the Company, including 100,000 each to directors Malcolm Burne and Jonathan Challis. The Options are exercisable at a price of Cdn\$0.10 per share for a period of five years ending on August 14th 2008 and were subsequently approved by the Canadian Venture Exchange.

## Subsequent Events – Exploration

In August 2003, Mano announced that it had received further very encouraging results from diamond exploration within its two Exclusive Prospecting Licences (EPLs) in the Kono diamond district of Sierra Leone, the highlights of which were as follows:

- **Five 1 tonne Mini-Bulk Samples collected from Lion-1, 2, 3 and 5 dykes**
- **Macrodiamonds recovered from Lion-1, 2 and 5 samples**
- **Preliminary (diluted) grades of up to 94 cpht (in Lion-5)**
- **Additional 200 loam samples collected over high interest stream anomalies in area of no previously known kimberlites**

The first mini-bulk sample from the Lion-1 dyke having returned an encouraging grade of 65cpht, Mano then embarked on further mini-bulk sampling of the Lion-1, 2, 3 and 5 kimberlite dykes. These samples, each comprising 1 tonne of kimberlite, were washed and jigged on site to recover diamonds in the +0.71 to –2.0mm and +2.0mm size fractions. The results are set out in Table 1 below:

**Table 1 – Results of Mini-Bulk Samples**

| <b>Kimberlite</b> | <b>Sample Number</b> | <b>No. +0.71mm Diamonds</b> | <b>No. +2.0mm Diamonds</b> | <b>Total Weight (carats)</b> | <b>Calculated Grade (cpht)</b> |
|-------------------|----------------------|-----------------------------|----------------------------|------------------------------|--------------------------------|
| <b>Lion-1</b>     | 50225                | 2                           | 1                          | 0.15                         | <b>15</b>                      |
| <b>Lion-2</b>     | 50223                | 12                          | 3                          | 0.46                         | <b>46</b>                      |
| <b>Lion-2</b>     | 50231                | 35                          | 5                          | 0.45                         | <b>45</b>                      |
| <b>Lion-3</b>     | 50227                | 0                           | 0                          | 0                            | <b>0</b>                       |
| <b>Lion-5</b>     | 50229                | 15                          | 5                          | 0.94                         | <b>94</b>                      |

All of the diamonds recovered from these samples were weighed and described by John Gurney’s Mineral Services laboratory in Cape Town.

A significant grade of 94cpht was obtained for a sample of the Lion-5 dyke, which has been mapped for a distance of approximately 1km. Mano’s stream and loam sample results show that this dyke extends in a westerly direction well into Mano’s EPL and eastwards into the immediately adjacent DiamondWorks ground, where it links with the latter’s Koidu Pipes and Dykes project on which commercial mining is expected to commence soon.

In the release, Mano’s CEO, Dr Tom Elder commented: “The recovery of macrodiamonds from these mini-bulk samples is very encouraging and suggests that these dykes have economic potential. Mano intends, subject to financing and the acquisition of the required expertise in dyke/fissure mining, to embark on a bigger scale bulk sampling exercise on the Lion dykes in order to obtain a preliminary diamond value for these potential resources, as well as obtain a more confident grade assessment through the processing of larger tonnage samples.”

Sampling of a further loam block in the Yengema East EPL was completed and the 200 samples exported to South Africa for analysis. During the course of the sampling large blocks of hypabyssal kimberlite float were identified which no doubt represent an undiscovered kimberlite in an area where there are no previous kimberlites identified. Intensive artisanal mining within the block points to these as yet undiscovered kimberlites being diamond bearing.

In September 2003, Mano announced that a review of historic data had defined high-grade drill targets at the Yirisen gold project in Pampana and extended its potential strike length. The key highlights were:

- **Drill targets defined beneath high grade gold zone with best trench intersect of 6.4m@23g/t**
- **Total inferred strike of Yirisen gold system extends over 4km and remains open**

The Yirisen project is located 150km east of Freetown, within Mano's North Pampana Exclusive Prospecting Licence (EPL) which, together with the Company's contiguous South Pampana EPL targets crustal scale gold mineralised shear zones across 140km<sup>2</sup> of the southern end of the Sula Mountains greenstone gold belt. The EPLs include stretches of the Pampana River comprising one of Sierra Leone's richest alluvial gold mining districts.

Reconnaissance work undertaken in May 2003 by independent consultants ACA Howe International Ltd, indicates that artisanal mine workings currently extend for 1.5km to the southwest of the project, to depths of up to 15m. The total inferred strike length for the Yirisen gold system is currently estimated to be in excess of 4km and remains open along strike. A targeted follow up programme including drilling, trenching and soil surveying is currently being planned and, subject to financing, will be undertaken to test the vertical continuation of gold mineralization and the strike extension of the mineralized system. Detailed maps are available on the following webpage [http://www.manoriver.com/mano/projects/gold\\_sl\\_pampana.shtml](http://www.manoriver.com/mano/projects/gold_sl_pampana.shtml).

In the release, on the subject of the results from the historic survey data, Mano's CEO, Dr Tom Elder commented: "The availability of such a comprehensive exploration database for a project which exhibits the apparent high potential seen at Yirisen is rare. The extensive gold in soil anomalies, which indicate the gold system is open along strike and which are coincident in places with high grade trench and drill results, means the Yirisen gold project is at the drill ready stage. Mano's benchmark for gold exploration is high grade deposits grading at least 4g/t with potential for greater than one million ounces and amenable to open pit mining. Such deposits typically require large structures in which to form, carry significant surface geochemical signatures and are proximal to extensive primary or secondary artisanal gold workings. Certain parallels in terms of the style and extent of shear zone hosted mineralization at Yirisen can be drawn with Mano's KGL gold deposit, located approximately 350km to the south east, in western Liberia, where an initial indicated and inferred gold resource of 610,000 ounces at an average 4.8 g/t has been defined. The results from the historic database indicate that Yirisen has many of the hallmarks of a significant gold deposit with excellent exploration potential".

Three sets of historic data have been integrated into Mano's Geographical Information System (GIS), as detailed below.

**i) Geological Survey of Sierra Leone – 1958**

Hard rock gold mineralization first noted at Yirisen by the Geological Survey of Sierra Leone in 1958 during mapping and sampling of the country's major hard rock artisanal gold mines. Seven north easterly trending sub-vertical lodes of gold mineralised quartz veining, averaging 150m in length identified. Sampling returned numerous gold intersections in trenches, the significant values being listed in Table 1 below.

Table 1.

| <b>Lode</b> | <b>Length metres</b> | <b>g/t Gold</b> |
|-------------|----------------------|-----------------|
| 3 mid S     | 2.69                 | 20.97           |
| 4N          | 2.29                 | 44.08           |
| 4midN       | 2.36                 | 15.92           |
| 4mid        | 6.38                 | 22.96           |
| 4midS       | 5.28                 | 24.80           |
| 5mid        | 0.69                 | 83.27           |
| 7N          | 1.37                 | 20.97           |
| 7S          | 0.46                 | 30.61           |

**ii) Northern Province Prospecting Venture (NPPV) - mid 1960s**

In the mid 1960s, the NPPV undertook mapping, soil geochemical surveying, trenching and drilled three holes at Yirisen giving the results listed in Table 2 below.

Table 2.

| <b>Hole</b> | <b>From (m)</b> | <b>To (m)</b> | <b>Intercept (m)</b> | <b>Au (g/t)</b> | <b>Ag (g/t)</b> |
|-------------|-----------------|---------------|----------------------|-----------------|-----------------|
| K-1         | 86.04           | 86.72         | 0.67                 | 5.51            | 74.69           |
| K-1         | 89.18           | 89.69         | 0.51                 | 24.49           | 277.96          |
| K-1         | 92.35           | 92.74         | 0.38                 | 7.65            | 42.55           |
| K-1         | 95.39           | 95.48         | 0.09                 | 7.96            | 94.29           |
| K-2         | 159.03          | 159.11        | 0.08                 | 14.69           | 22.96           |
| K-3         | 11.53           | 11.84         | 0.30                 | 4.90            | 46.53           |
| K-3         | 28.37           | 28.73         | 0.36                 | 3.37            | 102.55          |
| K-3         | 33.45           | 33.78         | 0.33                 | 31.53           | 221.94          |
| K-3         | 41.20           | 41.30         | 0.10                 | 3.98            | 7.96            |
| K-3         | 57.61           | 57.99         | 0.38                 | 11.63           | 7.35            |
| K-3         | 63.60           | 63.96         | 0.36                 | 0.31            | 0.92            |

Mano considers it significant that drill hole K-1 shows narrow high grade intercepts occurring over a drilled width of some 20m. The distribution of results from the drill holes suggests that only zones containing visible gold may have been sampled, while the host rock material between these intercepts which contains pervasive sulphide mineralization and possible disseminated gold mineralization appears to have not been sampled. Based on maps prepared by NPPV, it is considered likely by Mano that drill hole K-2 was collared too far east to have intersected the zone of mineralization.

### **iii) United Nations Revolving Fund (UNRF) - mid 1980s**

Between December 1984 and May 1987, the United Nations Revolving Fund (UNRF) for Natural Resources Exploration undertook an extensive regional programme of gold exploration in the Pampana district, designed to identify the source rocks of the alluvial gold being mined extensively by artisanal miners. Stream sediment sampling, soil sampling, topographic surveying, mapping, pitting and trenching were undertaken. Two areas namely, Yirisen and Masamank (South Pampana EPL), were targeted for detailed follow up.

At Yirisen, soil sampling grids were extended 2.5km north-eastward from the northern limit of known gold mineralization. Two anomalous gold zones were defined by a 50 parts per billion (ppb) gold-in-soil contour. The most southerly anomaly comprised three parallel mineralised trends, one of which continues for 700m from the mapped extent of the Yirisen project. Some 1,200m north-east of the known mineralization, a second 1,500m by 200m gold anomaly extends along the contact between amphibolite and talc schist lithologies. A second grid, 400m east of the main Yirisen grid at Kalmoro, identifies a 750m by 500m northeast trending anomalous gold zone, parallel to the trend of the Yirisen gold system.

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        |
| Guy Pas          | Co-Chairman       | Switzerland +41(0)22 758 2151 |
| Anthony Rhatigan | Co-Chairman       | Mobile +44 (0)7785 297 348    |
| Dru Edmonstone   | Seymour Pierce    | UK 020 7107 8000              |
| Gary Middleton   | Britton Financial | UK +44 20 7251 2544           |