

SENNEN RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2004

(Unaudited – prepared by management)

SENNEN RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
AS AT
(unaudited – prepared by management)

	Apr 30 2004	Jan 31, 2004
ASSETS		
Current		
Cash and cash equivalents	\$ 1,987,424	\$ 2,567,061
Receivables	30,152	22,426
Prepaid expenses and deposits	29,107	29,107
Advances to related parties (Note 8)	<u>22,394</u>	<u>140,010</u>
	2,069,077	2,758,604
Equipment (Note 4)	92,509	96,020
Deposits (Note 5)	25,809	25,809
Mineral properties (Note 6)	1,042,970	1,042,970
Deferred exploration costs (Note 7)	<u>1,334,541</u>	<u>788,742</u>
	\$ 4,564,906	\$ 4,712,145
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	\$ 46,707	\$ 60,050
Current portion of obligation under capital lease	<u>5,773</u>	<u>4,573</u>
	52,480	64,623
Obligation under capital lease (Note 9)	<u>59,220</u>	<u>61,530</u>
	<u>111,700</u>	<u>126,153</u>
Shareholders' equity (deficiency)		
Capital stock (Note 10)	13,083,253	13,083,253
Subscriptions receivable (Note 158)	(15,000)	(15,000)
Contributed surplus	976,887	976,887
Deficit	<u>(9,591,934)</u>	<u>(9,459,148)</u>
	<u>4,453,206</u>	<u>4,585,992</u>
	\$ 4,564,906	\$ 4,712,145

Nature and continuance of operations (Note 1)

Commitments (Note 12)

Subsequent event (Note 15)

On behalf of the Board:

“Ian T. Rozier” Director “Douglas B. Hyndman” Director

The accompanying notes are an integral part of these consolidated financial statements.

SENNEN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
THREE MONTHS ENDED APRIL 30
(Unaudited – prepared by management)

	2004	2003
EXPENSES		
Accounting and audit	\$ 2,025	\$ 400
Administration fees	7,500	-
Amortization	7,396	2,486
Consulting	69,373	21,000
Exploration costs	2,099	-
Interest on obligation under capital lease	1,290	-
Legal	3,046	1,853
Management fees	9,000	-
Office and miscellaneous	14,835	1,441
Rent	17,274	3,600
Shareholder communications	2,642	2,055
Transfer agent and filing fees	4,263	3,564
Travel and auto	<u>4,665</u>	<u>4,663</u>
Loss before other items	<u>(145,408)</u>	<u>(41,062)</u>
OTHER ITEMS		
Interest income	<u>12,622</u>	<u>120</u>
	<u>12,622</u>	<u>120</u>
Loss for the period	(132,786)	(40,942)
Deficit, beginning of period	<u>(9,459,148)</u>	<u>(8,117,431)</u>
Deficit, end of period	<u>\$ (9,591,934)</u>	<u>\$ (8,158,373)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>41,434,893</u>	<u>23,930,727</u>

The accompanying notes are an integral part of these consolidated financial statements.

SENNEN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED APRIL 30
(Unaudited – prepared by management)

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (132,786)	\$ (40,942)
Items not affecting cash:		
Amortization	7,396	2,486
Change in non-cash working capital items:		
(Increase) decrease in receivables	(7,726)	5,649
Decrease in accounts payable and accrued liabilities	<u>(13,343)</u>	<u>(5,751)</u>
Net cash used in operating activities	<u>(146,459)</u>	<u>(38,558)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to related parties	117,616	-
Mineral properties	-	(29,743)
Deferred exploration costs	(545,799)	-
Acquisition of equipment	<u>(3,885)</u>	<u>-</u>
Net cash used in investing activities	<u>(432,068)</u>	<u>(29,743)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from (repayment to) related party	-	(50,000)
Issuance of common shares, net of costs	-	319,000
Repayment of obligation under capital lease	<u>(1,110)</u>	<u>(569)</u>
Net cash provided by financing activities	<u>(1,110)</u>	<u>268,431</u>
Change in cash and cash equivalents during the period	(579,637)	200,130
Cash and cash equivalents, beginning of period	<u>2,567,061</u>	<u>(5,369)</u>
Cash and cash equivalents, end of period	\$ 1,987,424	\$ 194,761

Supplemental disclosure with respect to cash flows (Note 13)

The accompanying notes are an integral part of these consolidated financial statements.

SENNEN RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2004

(Unaudited – prepared by management)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the laws of the Province of British Columbia and its principal business activities include the acquisition and exploration of mineral properties.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to acquire and develop new mineral properties, receive continued financial support, complete public equity financings, or generate profitable operations in the future.

	Apr 30, 2004	Jan 31, 2004
Deficit	\$ (9,591,934)	\$ (9,459,148)
Working capital (deficiency)	2,016,597	2,693,981

2. SIGNIFICANT ACCOUNTING POLICIES**Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Huisan Inc., Ribfield Pty. Ltd. and Sennen Resources (Barbados) Ltd. All significant inter-company balances and transactions have been eliminated upon consolidation.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Mineral properties

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties that are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

SENNEN RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2004

(Unaudited – prepared by management)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Mineral properties (cont'd...)

The recorded cost of mineral exploration interests is based on cash paid, the assigned value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependant on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Deferred exploration costs

The Company defers all exploration costs relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold or abandoned or management determines there to be an impairment. These costs will be amortized over the proven reserves available on the related property following commencement of production.

Values

The amounts shown for mineral properties and for deferred exploration costs represent costs to date, and do not necessarily represent present or future values, as they are entirely dependent upon the economic recovery of future reserves.

Cost of maintaining mineral properties

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Equipment

Equipment, consisting of a vehicle, is recorded at cost less accumulated amortization. Amortization is calculated using the declining balance method at an annual rate of 30%.

Foreign currency translation

The Company's subsidiaries are integrated foreign operations and are translated into Canadian dollar equivalents using the temporal method. Monetary items are translated at the exchange rate in effect at the balance sheet date; non-monetary items are translated at historical exchange rates. Income and expense items are translated at the average exchange rate for the period. Translation gains and losses are reflected in the Statement of Operations.

Stock-based compensation

Effective February 1, 2002, the Company adopted the new CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which recommends that stock options granted to employees and non-employees be accounted for at fair value. This section also permits, and the Company adopted, the use of the intrinsic value-based method for valuing stock options granted to employees. Under this method, compensation cost for options granted to employees is recognized only when the market price exceeds the exercise price at date of grant. However, pro-forma disclosure of earnings and earnings per share as if the fair value method had been adopted is required.

During the previous year, the Company adopted, on a prospective basis, the fair value based method of accounting for all stock-based compensation.

SENNEN RESOURCES LTD.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 APRIL 30, 2004
 (Unaudited – prepared by management)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Diluted loss per common share has not been presented separately as this calculation proved to be anti-dilutive.

Basic and diluted loss per common share is calculated using the weighted average number of shares outstanding during the period.

Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

3. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables, amounts due from a related party, deposits, accounts payable and accrued liabilities, and obligation under capital lease. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Financial risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

4. EQUIPMENT

	2004		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 3,885	\$ 194	\$ 3,691
Leased vehicle	96,020	7,202	88,818
	\$ 99,905	\$ 7,396	\$ 92,509

The leased vehicle is for use by a director of the Company.

SENNEN RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2004

(Unaudited – prepared by management)

5. DEPOSITS

Deposits are comprised of amounts paid to the Department of Mines and Energy of Australia as security for the coal deposits in Queensland, Australia.

6. MINERAL PROPERTIES

	2004	2003
Makapa Gold Project, Guyana	\$ 1,042,969	\$ -
Collingwood, Queensland Australia	<u>1</u>	<u>1</u>
	<u>\$ 1,042,970</u>	<u>\$ 1</u>

Makapa Gold Project, Guyana

On March 10, 2003, the Company, through its wholly owned subsidiary, Sennen Resources (Barbados) Ltd., entered into an agreement to acquire an option to purchase the shares of Makapa Mining Inc. (“Makapa”), a Guyana company that owns certain mineral rights in northwestern Guyana from Makapa Minex Inc. (“Minex”), a company incorporated in the British Virgin Islands.

The terms of the acquisition of the Makapa shares are as follows:

- a) A payment of US\$50,000 (paid); and
- b) 15,000,000 common shares of the Company to be issued to the shareholders of Minex.

The shares issued will be by staged release over time based on exploration expenditures on the concession as follows:

- i) 3,000,000 shares within 10 days of approval by the TSX Venture Exchange (issued);
- ii) 3,000,000 shares after expenditures of US\$2,000,000;
- iii) 3,000,000 shares after expenditures of US\$4,000,000 or after 2 years, whichever is the earliest; and
- iv) 6,000,000 shares after expenditures of US\$6,000,000, or after 3 years, whichever is the earliest.

Collingwood, Queensland, Australia

During the year ended January 31, 2003, the mineral property costs and related deferred exploration costs were written down to a nominal value of \$1 in accordance with Accounting Guideline 11, of the Canadian Institute of Chartered Accountants Handbook.

SENNEN RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2004

(Unaudited – prepared by management)

6. MINERAL PROPERTIES (cont'd...)Collingwood, Queensland, Australia (cont'd...)

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

7. DEFERRED EXPLORATION COSTS

April 30, 2004	Makapa
Balance, beginning of period	\$ 788,742
Camp costs	221,794
Consultants	931
Contractors	4,246
Drilling	222,013
Field supplies	2,150
Fuel	1,180
Geology	9,513
Geophysics	38,127
Project supervision	39,148
Travel and related	6,697
	<u>545,799</u>
Balance, end of period	\$ 1,334,541

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- Paid or accrued consulting fees of \$36,000 to a company with a common director.
- Paid or accrued consulting fees of \$9,000 to a company controlled by an officer of the Company.
- Paid or accrued management fees of \$9,000 to a company controlled by an officer of the Company.
- Paid or accrued rent of \$7,500 to a company controlled by a director.
- Paid or accrued project supervision fees of \$40,500 to a director of the Company which have been capitalized to deferred exploration costs.

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount established and agreed to by the related parties.

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2004
(Unaudited – prepared by management)

8. RELATED PARTY TRANSACTIONS (cont'd...)

The amounts advanced to related parties of \$22,394 are to companies controlled by a director is for exploration advances. The amounts are unsecured, bear no interest, and have no fixed terms of repayment, and accordingly the fair value cannot be determined.

9. OBLIGATION UNDER CAPITAL LEASE

	2004
Obligation under capital lease with imputed interest at 7.85 % per annum over a term expiring December 15, 2006, secured by a leased vehicle.	\$ 64,993
Less: current portion	<u>(5,773)</u>
Balance of obligation	\$ 59,220

Required minimum payments over the next 3 years are as follows:

2005	\$ 10,560
2006	10,560
2007	<u>10,560</u>
	<u>\$ 31,680</u>

10. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Capital Stock		
	Number of Shares	Amount	Contributed Surplus
Authorized 99,711,539 common shares without par value			
Issued Balance as at January 31, 2004 and April 30, 2004	41,434,893	\$ 13,083,253	\$ 976,887

SENNEN RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2004

(Unaudited – prepared by management)

11. STOCK OPTIONS AND WARRANTS

The Company has a stock option plan that provides for the issuance of options to its directors, officers, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, options vest on grant and have a maximum term of five years.

At April 30, 2004, the Company had incentive stock options and warrants outstanding enabling holders to acquire the following:

	Number of Shares	Exercise Price	Expiry Date
Options:	6,010,000	\$ 0.40	December 28, 2005
Warrants:	11,189,506	0.40 then at 0.50	September 16, 2004 September 16, 2005

12. COMMITMENTS

- a) The Company leases office premises under terms of an operating lease with a company controlled by a director. The lease provides for annual basic lease payments through expiry approximately as follows:

2005	\$ 30,000
2006	30,000
2007	30,000
2008	<u>10,000</u>
	<u>\$ 100,000</u>

- b) The Company entered into a consulting contract with a company with a common director. The Company has agreed to pay the company \$12,000 per month until August 31, 2005. The contracts can be terminated by the Company by providing 30 days written notice.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2004
Cash paid for income taxes	\$ -
Cash paid for interest	\$ 1,290

There were no significant non-cash transactions for the period ended April 30, 2004.

SENNEN RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2004

(Unaudited – prepared by management)

14. SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of mineral properties.

The Company's identifiable assets are located in the following countries:

	2004
Australia	\$ 3,249
Canada	2,184,146
Guyana	<u>2,377,511</u>
	<u>\$ 4,564,906</u>

15. SUBSEQUENT EVENT

Subsequent to April 30, 2004, subscriptions receivable of \$15,000 were cancelled resulting in 50,000 common shares being returned to treasury.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTH PERIOD ENDED APRIL 30, 2004

The following discussion and analysis, prepared as of June 28, 2004, should be read together with the unaudited consolidated financial statements for the three month period ended April 30, 2004 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the annual audited financial statements for the year ended January 31, 2004 and 2003, and the Management Discussion and Analysis for those years.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Description of Business

The Company is a natural resource company engaged in acquisition, exploration, and development of mineral properties. It currently holds properties in Guyana. The Company trades on the TSX Venture Exchange under the symbol SN.

Performance Summary

The Company did not raise funds or issue shares during the period.

Mineral Properties

A one-month I.P. survey program conducted by TMC Geophysique of Quebec, over the Makapa Zone was completed in March and on February 16, 2004 diamond drilling commenced on the Makapa Zone.

A 31-line km Time-Domain I.P. survey was conducted covering an area of 3.2 km by 1.3 km at approximately 200 meter line spacing. Objectives included: definition of the limits of the alteration envelope, identification of quartz vein zones and areas with significant sulphides. Work was done over the known Makapa high-grade zone to allow characterization of the I.P. signature, and to trace extensions of the known zone and other anomalous zones that may not have such a strong rock and geochemical signature as the main zone. The I.P. survey was successful in that chargeability anomalies were obtained over the main vein zone and extended over a strike length of 0.9 km. Most significantly, the survey also showed a similar, sub-parallel and fairly continuous zone to the north with approximately 0.8 km strike length. At the west end of this zone surface vein samples assayed between 4.5 and 13.7 gm/t gold. The soil geochemistry envelope has an overall strike length of 3.7 km.

Diamond drilling commenced using a hydraulic drill rig rated to a depth of 300 meters for NQ core. The first hole was completed to 290 meters and targeted the southeast extension of the main high-grade zone. Samples were assayed at Triad Labs in Venezuela, with check assaying in Canada. The second hole was collared 100 meters to the NW of Hole #1, and targeted to intersect the main zone below the saprolite. The drill averages 750 meters of NQ per month.

A program of soil auguring was started in March over a number of the I.P. targets. Anomalous zones were trenched, sampled and mapped in preparation for diamond drilling. Other rock and geochemical anomalies on the Makapa PL were augured and trenched from March to June. Trenching will commence on the Erakiri prospect where deep auguring has outlined a number of anomalous zones. Stream sediment sampling results are expected shortly from the Otomong area and sampling will begin in the recently acquired Kartuni PL. Data compilation with respect to several other prospects on the Company's concessions in Guyana were conducted in order to further delineate other drill targets.

In April the Company announced assays from the first two out of a total of five holes drilled. DDH 16 was drilled to a depth of 291m and intersected a 4m wide zone that reported 10 g/t gold, including 2m at 18 g/t. The high-grade intercepts occur within a

broad zone of strong silica alteration with abundant fine magnetite. DDH 17 intersected a 6m wide zone with a reported assayed grade of 2.5 g/t gold. Several 0.5 to 0.9 g/t intercepts were also encountered in a similar silica-magnetite altered zone as that encountered in DDH 16.

Assay results from Holes 18, 19, 20 and 21 will be reported when received from Triad Labs in Venezuela. Holes 19, 20 and 21 were located to investigate shear zones identified from the interpretation of I. P. Survey results. Of particular interest will be a 30-40m wide shear zone with hydrothermal alteration and sulphides and quartz-carbonate veining intersected in DDH 19 that appears to be along strike to the NW from the known mineralization previously identified in DDH 15. Similarly, a 30-40m wide zone of hydrothermal alteration was also intersected in DDH 20 and suggests that the total zone of interest is wider than previously thought. DDH 21, currently in progress, has already intersected two quartz-carbonate cemented breccia zones, as well as a silica-magnetite altered zone similar to that encountered in DDH 16.

Results to date are encouraging. Holes 19, 20 and 21 targeted the "Wenot Style porphyry-at-shear-contact" hosted mineralization using the results of the I. P. Survey and holes 19 and 20 intersected their geological targets; DDH 21 intersected two breccia zones which may be the source of the geophysical anomaly. Associated gold mineralization will only be confirmed by the receipt of assay results.

Drilling will continue to be focused on the best geologically supported I. P. targets. The Company moved heavy equipment onto the Makapa site in order to conduct a deep trenching program to confirm the suspected northeasterly strike of the high-grade vein system. A stream sediment-sampling program was conducted on the Kartuni Prospecting Licences and other anomalies on the Makapa PL were investigated.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	Year Ended January 31, 2004	Year Ended January 31, 2003	Year Ended January 31, 2002
Total revenues	\$ 23,267	\$ -	\$ 2,449
Net loss	1,341,717	5,781,109	670,152
Basic and diluted loss per share	(0.05)	(0.26)	(0.03)
Total assets	4,712,145	82,898	5,859,359
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

The Company earns interest revenue from cash held in banks and guaranteed investments held as short term investments. During the fiscal year ended 2002, the Company decided to write-off various mineral property claims and deferred exploration costs resulting in a decrease in total assets and an increase in net loss over the period. During the 2002 fiscal year end, the Company actively sought after new acquisitions. In 2003, the Company completed a \$3.2 million private placement financing and acquired its current project in Guyana.

The Company's accounting policy is to record its mineral properties at cost. Exploration and development expenditures relating to mineral properties are deferred until either the properties are brought into production, at which time they are amortized on a unit of production basis, or until the properties are sold or abandoned, at which time the deferred costs are written off.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

Results of Operations

The Company incurred a loss of \$132,786 (2003 - \$40,942) during the period. Some of the significant expenses are as follows: paid or accrued \$69,373 (2003 - \$21,000) in consulting fees, \$7,500 (2003 - \$Nil) in administration fees, rent of \$17,274 (2003 - \$3,600), and management fees of \$9,000 (2003 - \$Nil).

The current period overall administration expenses increased over the previous period because there was significantly more activity within the Company as a result of the completed financing and property acquisition that completed in late fiscal 2003.

The Company also earned \$12,622 (2003 - \$120) from its cash and short term investments during the period.

Summary of Quarterly Results

	Three Months Ended April 30, 2004	Three Months Ended January 31, 2004	Three Months Ended October 31, 2003	Three Months Ended July 31, 2003
Total assets	\$ 4,564,906	\$ 4,712,145	\$ 4,038,221	\$ 309,307
Mineral properties and deferred costs	2,377,511	1,831,712	1,165,429	39,326
Working capital (deficiency)	2,016,597	2,693,981	2,683,090	186,167
Shareholders' equity	4,453,206	4,585,992	3,944,796	257,814
Revenues	12,622	19,171	3,312	664
Net Loss	(132,786)	1,000,010	(257,885)	(42,880)
Earnings (loss) per share	(0.01)	(0.03)	(0.01)	(0.01)

	Three Months Ended April 30, 2003	Three Months Ended January 31, 2003	Three Months Ended October 31, 2002	Three Months Ended July 31, 2002
Total assets	\$ 299,267	\$ 82,898	\$ 5,751,674	\$ 5,758,973
Mineral properties and deferred costs	29,744	1	5,666,124	5,659,643
Working capital (deficiency)	183,152	(67,080)	(386,307)	(390,462)
Shareholders' equity	246,318	(31,739)	5,340,238	(5,308,243)
Revenues	120	2,449	-	-
Net Income (loss)	(40,942)	(611,020)	(31,995)	(45,412)
Earnings (loss) per share	(0.01)	(0.03)	(0.01)	(0.01)

Significant changes in key financial data from 2003 to 2002 can be attributed to the acquisition of the Company's mineral property and from the closing of its private placement during 2003. Also in 2002 the Company wrote down to a nominal value of \$1 the associated costs in relation to the coal deposits in Queensland, Australia. This write-down was in accordance with Accounting Guideline 11 of the CICA Handbook.

Liquidity

The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	April 30, 2004	January 31, 2004
Working capital	\$ 2,016,597	\$ 2,693,981
Deficit	(9,591,934)	(9,459,148)

Net cash used in operating activities for the three month period ended April 30, 2004 was \$158,893 compared to net cash used of \$38,558 during the three month period ended April 30, 2003. The cash used in operating activities for the period consists primarily of the operating loss.

Net cash used in investing activities for the three month period ended April 30, 2004 was \$432,068 compared to net cash used in investing activities of \$29,743 during the three month period ended April 30, 2003. Cash used during the current period consists primarily of expenditures on the Company's mineral property in Guyana.

Financing activities used cash of \$1,110 during the three month period ended April 30, 2004, compared to \$268,431 for the three month period ended April 30, 2003. Cash provided during the previous period consisted of the exercise of share purchase warrants.

Capital Resources

The Company has sufficient funds to meet its property exploration commitments for 2004 and cover anticipated administrative expenses throughout the year. It will continue to focus exploration and development efforts in Guyana.

Related Party Transactions

Included in advance to related parties at April 30, 2004 is \$22,394 (January 31, 2004 - \$140,010) due from a company controlled by a director, is for exploration advances.

The Company entered into the following transactions with related parties during the period:

- a) Paid or accrued consulting fees of \$36,000 to a company with a common director.
- b) Paid or accrued rent of \$7,500 to a company controlled by a director.
- c) Paid or accrued consulting fees of \$9,000 to a company controlled by a director.
- d) Paid or accrued management fees of \$9,000 to a company controlled by a director.
- e) Paid or accrued project supervision fees of \$40,500 to a director of the Company which have been capitalized to deferred exploration costs.

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

The Company's financial instruments consist of cash, receivables and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Subsequent Events

Subsequent to April 30, 2004, subscriptions receivable of \$15,000 were cancelled resulting in 50,000 common shares being returned to treasury.