



British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT
 BC FORM 51-901F
 (previously Form 61)

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ISSUER DETAILS NAME OF ISSUER SENNEN RESOURCES LTD.		FOR QUARTER ENDED 03 01 31			DATE OF REPORT Y M D 03 05 12		
ISSUER ADDRESS SUITE 408 – 837 WEST HASTINGS STREET							
CITY/ VANCOUVER	PROVINCE BC	POSTAL CODE V6C 3N6	ISSUER FAX NO. 604-685-6493	ISSUER TELEPHONE NO. 604-685-6851			
CONTACT PERSON IAN ROZIER		CONTACT'S POSITION DIRECTOR			CONTACT TELEPHONE NO. 604-685-6851		
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS					

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 "Ian T. Rozier"	PRINT FULL NAME IAN T. ROZIER	DATE SIGNED Y M D 03 06 12		
DIRECTOR'S SIGNATURE "Douglas B. Hyndman"	PRINT FULL NAME DOUGLAS B. HYNDMAN	DATE SIGNED Y M D 03 06 12		

SENNEN RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2003

AUDITORS' REPORT

To the Shareholders of
Sennen Resources Ltd.

We have audited the consolidated balance sheets of Sennen Resources Ltd. as at January 31, 2003 and 2002 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a consistent basis.

"DAVIDSON & COMPANY"

Vancouver, Canada

Chartered Accountants

May 12, 2003

A Member of SC INTERNATIONAL

SENNEN RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
AS AT JANUARY 31

	2003	2002
ASSETS		
Current		
Cash	\$ -	\$ 171,130
Receivables	7,627	8,972
Prepaid expenses and deposits	<u>16,311</u>	<u>6,421</u>
	23,938	186,523
Capital assets (Note 5)	33,150	15,593
Deposits (Note 6)	25,809	35,229
Mineral properties (Note 7)	1	5,396,483
Deferred development costs (Note 8)	<u>-</u>	<u>225,531</u>
	\$ 82,898	\$ 5,859,359
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Bank overdraft	\$ 5,370	\$ -
Accounts payable and accrued liabilities	31,984	75,880
Loan payable (Note 9)	-	350,000
Due to related party (Note 10)	50,000	20,000
Current portion of obligation under capital lease	<u>3,664</u>	<u>14,109</u>
	91,018	459,989
Obligation under capital lease (Note 11)	<u>23,619</u>	<u>-</u>
	<u>114,637</u>	<u>459,989</u>
Shareholders' equity (deficiency)		
Capital stock (Note 12)	8,085,692	7,735,692
Deficit	<u>(8,117,431)</u>	<u>(2,336,322)</u>
	<u>(31,739)</u>	<u>5,399,370</u>
	\$ 82,898	\$ 5,859,359

Nature and continuance of operations (Note 1)

Commitment (Note 15)

Subsequent events (Note 19)

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
YEAR ENDED JANUARY 31

	2003	2002
EXPENSES		
Accounting and audit	\$ 15,525	\$ 14,300
Amortization	8,189	6,682
Consulting	84,300	99,248
Interest on loan payable	21,000	42,000
Interest on obligation under capital lease	1,805	1,759
Legal	7,949	22,202
Office and miscellaneous	9,495	14,103
Rent	9,600	-
Transfer agent and filing fees	8,972	9,295
Travel and auto expense	<u>18,516</u>	<u>38,892</u>
Loss before other items	<u>(185,351)</u>	<u>(248,481)</u>
OTHER ITEMS		
Loss on disposal of capital asset	(3,775)	-
Recovery of interest on loan payable (Note 9)	77,575	-
Write-down of mineral properties (Note 7)	(5,396,482)	-
Write-down of deferred development costs (Note 8)	(273,076)	-
Provision for write-down of advance receivable (Note 4)	-	(424,120)
Interest income	<u>-</u>	<u>2,449</u>
	<u>(5,595,758)</u>	<u>(421,671)</u>
Loss for the year	(5,781,109)	(670,152)
Deficit, beginning of year	<u>(2,336,322)</u>	<u>(1,666,170)</u>
Deficit, end of year	<u>\$ (8,117,431)</u>	<u>\$ (2,336,322)</u>
Basic and diluted loss per share	<u>\$ (0.26)</u>	<u>\$ (0.03)</u>
Weighted average number of shares outstanding	<u>22,116,343</u>	<u>20,955,727</u>

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

SENNEN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JANUARY 31

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (5,781,109)	\$ (670,152)
Items not affecting cash:		
Amortization	8,189	6,682
Loss on disposal of capital asset	3,775	-
Recovery of interest on loan payable	(77,575)	-
Write-down of mineral properties	5,396,482	-
Write-down of deferred development costs	273,076	-
Provision for write-down of advance receivable	-	424,120
Change in non-cash working capital items:		
Decrease in receivables	1,345	3,545
Decrease (increase) in prepaid expenses	(9,890)	1,612
Increase (decrease) in accounts payable and accrued liabilities	<u>33,679</u>	<u>(21,709)</u>
Net cash used in operating activities	<u>(152,028)</u>	<u>(255,902)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deferred development costs	(47,545)	(34,974)
Deposits recovered (paid)	9,420	(2,000)
Acquisition of capital asset	<u>(10,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(48,125)</u>	<u>(36,974)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from related party	30,000	20,000
Issuance of common shares	-	200,000
Repayment of obligation under capital lease	<u>(6,347)</u>	<u>(8,730)</u>
Net cash provided by financing activities	<u>23,653</u>	<u>211,270</u>
Decrease in cash during the year	(176,500)	(81,606)
Cash, beginning of year	<u>171,130</u>	<u>252,736</u>
Cash, end of year	<u>\$ (5,370)</u>	<u>\$ 171,130</u>
Cash is represented by:		
Cash	\$ 1,902	\$ 171,130
Bank overdraft	<u>(7,272)</u>	<u>-</u>
	<u>\$ (5,370)</u>	<u>\$ 171,130</u>

Supplemental disclosures with respect to cash flows (Note 16)

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

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

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 development of mineral properties. The Company is currently seeking new opportunities for the acquisition and development 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.

	2003	2002
Deficit	\$ (8,117,431)	\$ (2,336,322)
Working capital (deficiency)	(67,080)	(273,466)

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, 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.

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.

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 development costs

The Company defers all development expenses relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold or abandoned. 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 development 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.

Capital assets

Capital assets consisting of a vehicle are 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 plan

Effective January 1, 2002, the Company adopted the new CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which recommends the fair value-based methodology for measuring compensation costs. The new section also permits, and the Company has adopted, the use of the intrinsic value-based method, which recognizes compensation cost for awards to employees only when the market price exceeds the exercise price at date of grant, but requires pro-forma disclosure of earnings and earnings per share as if the fair value method had been adopted. Any consideration paid by the option holders to purchase shares is credited to capital stock. There is no effect on the financial statements of either the current period or prior period presented.

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

Income taxes

Future income taxes are recorded for using the asset and liability method whereby future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

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 earnings per 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 share has not been presented separately as this calculation proved to be anti-dilutive.

Loss per share is calculated using the weighted average number of shares outstanding during the year.

Comparative figures

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

3. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, deposits, bank indebtedness, accounts payable and accrued liabilities, loan payable, amounts due to related party 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.

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

4. ADVANCE RECEIVABLE

In fiscal 2001, the Company entered into an agreement with @Kids Corporation ("@Kids") and Safe Explorer Software Corporation ("Safex") to acquire a 100% interest in Safex for consideration of US\$50,000 (paid) and the issuance of 12,000,000 common shares of the Company. In conjunction with this agreement, the Company also advanced CDN\$350,000 to Safex. On October 27, 2000, the Company decided not to proceed with the proposed acquisition of Safex.

On September 24, 2001 the Company filed an order in the Supreme Court of British Columbia against Safex for their failure to repay the CDN\$350,000. On October 19, 2001, a judgment was granted against Safex in the amount of CDN\$361,802 including the costs of the action. During the year ended January 31, 2002, management provided an allowance against the total advances and investment of \$424,120 as the collectability of this amount was uncertain.

5. CAPITAL ASSETS

	2003			2002		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Leased vehicle	\$ 39,000	\$ 5,850	\$ 33,150	\$ 26,206	\$ 10,613	\$ 15,593

6. 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.

7. MINERAL PROPERTIES

The Company's coal deposits in Queensland, Australia are as follows:

	2003	2002
Onaview	\$ -	\$ 1,517,145
Middlemount	-	1,387,026
Collingwood	<u>1</u>	<u>2,492,312</u>
	\$ 1	\$ 5,396,483

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

7. MINERAL PROPERTIES (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 historic 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.

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

8. DEFERRED DEVELOPMENT COSTS

2003	Onaview	Middlemount	Collingwood	Total
Balance, beginning of year	\$ 64,980	\$ 59,503	\$ 101,048	\$ 225,531
Consulting	7,164	6,550	11,770	25,484
Licenses	13,043	5,058	3,960	22,061
	20,207	11,608	15,730	47,545
Write-down	85,187 (85,187)	71,111 (71,111)	116,778 (116,778)	273,076 (273,076)
Balance, end of year	\$ -	\$ -	\$ -	\$ -

2002	Onaview	Middlemount	Collingwood	Total
Balance, beginning of year	\$ 53,883	\$ 50,417	\$ 86,257	\$ 190,557
Consulting	7,954	7,272	13,068	28,294
Licenses	3,143	1,814	1,723	6,680
	11,097	9,086	14,791	34,974
Balance, end of year	\$ 64,980	\$ 59,503	\$ 101,048	\$ 225,531

9. LOAN PAYABLE

During the year ended January 31, 2001, the Company obtained a loan in the amount of \$350,000, bearing interest at 12% per annum, to help finance its intended acquisition of Safex (Note 4). As a result of the termination of the Safex acquisition, the Company repaid the lender during the current year, by issuing 875,000 common shares of the Company at a conversion price of \$0.40 per share and recovered accrued interest of \$77,575 on the loan payable.

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

10. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid consulting fees of \$60,000 (2002 - \$60,000) to a company with a common director.
- b) Paid consulting fees of \$12,000 (2002 - \$11,000) to a company controlled by an officer of the Company.
- c) Paid rent of \$9,600 (2002 - \$Nil) to a company controlled by a director.

The amount due to related party of \$50,000 (2002 - \$20,000) is payable to a company controlled by a director. The amount is unsecured, bears no interest, and has no fixed terms of repayment, and accordingly the fair value cannot be determined.

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

11. OBLIGATION UNDER CAPITAL LEASE

	2003	2002
Obligation under capital lease with imputed interest at 9.76% per annum over a term expiring May 1, 2002, secured by the leased vehicle.	\$ -	\$ 14,109
Obligation under capital lease with imputed interest at 8.60% per annum over a term expiring August 1, 2005, secured by the leased vehicle.	27,283	-
	27,283	14,109
Less: current portion	(3,664)	(14,109)
	\$ 23,619	\$ -

The future minimum lease payments through the lease term are as follows:

2004	\$ 5,868
2005	5,868
2006	20,434
	32,170
Less: imputed interest	(4,887)
Balance of obligation	\$ 27,283

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

12. CAPITAL STOCK

	Number of Shares	Amount
Authorized		
99,711,539 common shares without par value		
Issued		
Balance as at January 31, 2001	19,855,727	\$ 7,293,692
Private placements	<u>2,100,000</u>	<u>442,000</u>
Balance as at January 31, 2002	21,955,727	7,735,692
Repayment of loan (Note 9)	<u>875,000</u>	<u>350,000</u>
Balance as at January 31, 2003	<u>22,830,727</u>	<u>\$ 8,085,692</u>

13. 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 January 31, 2003, the Company had incentive stock options and warrants outstanding enabling holders to acquire the following:

	Number of Shares	Exercise Price	Expiry Date
Options	2,800,000	\$ 0.20	November 14, 2003
	100,000	0.25	October 7, 2004
Warrants:	1,100,000	0.29	February 21, 2003 (subsequently exercised)
	1,000,000	0.25	December 20, 2003

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

13. STOCK OPTIONS AND WARRANTS (cont'd...)

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding as at January 31, 2001	2,745,000	\$	0.33
Granted	2,800,000		0.20
Expired/cancelled	<u>(2,745,000)</u>		0.33
Outstanding as at January 31, 2002	2,800,000		0.20
Granted	100,000		0.25
Expired /cancelled	<u>-</u>		-
Outstanding as at January 31, 2003	2,900,000	\$	0.20
Exercisable as at January 31, 2003	2,900,000	\$	0.20

14. STOCK-BASED COMPENSATION

The Company has elected to measure compensation costs using the intrinsic value-based method for employee stock options.

Had the compensation costs been determined based on the fair value of the options at the grant date using the Black-Scholes option-pricing model, additional compensation expense would have been recorded in the statement of operations for the year, with pro-forma results as presented below. Under the transitional provisions of Section 3870, comparative figures are not required.

	2003
Loss for the year as reported	\$ (5,781,109)
Compensation expense under Section 3870	<u>(11,677)</u>
Pro-forma loss for the year	\$ (5,792,786)
Pro-forma basic and diluted loss per share	<u>\$ (0.26)</u>

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

14. STOCK-BASED COMPENSATION (cont'd...)

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the year:

Risk-free interest rate	3.39%
Expected life of options	2 years
Annualized volatility	132.56%
Dividend rate	0%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

15. COMMITMENT

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:

2004	\$	14,400
2005		14,400
2006		14,400
2007		14,400
2008		4,800

16. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	2003	2002
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ 1,805	\$ 1,759

Significant non-cash transactions for the year ended January 31, 2003 consisted of:

- The Company issuing 875,000 common shares as repayment of loan payable of \$350,000.
- The Company leasing a vehicle with a value of \$39,000 and assuming an obligation under capital lease of \$29,000.
- The Company disposed of a leased vehicle with a net book value of \$13,254 and a related obligation under a capital lease of \$9,479.

The significant non-cash transaction for the year ended January 31, 2002 consisted of the Company converting subscriptions received in advance of \$242,000 into common shares of the Company with a value of \$242,000.

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

17. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2003	2002
Loss before income taxes	\$ (5,781,109)	\$ (670,152)
Expected income tax recovery	\$ (2,191,041)	\$ (265,380)
Other	6,747	4,000
Write-down of advance receivable	-	84,000
Write-down of mineral property and deferred development costs	2,148,763	-
Unrecognized benefits of non-capital losses	<u>35,531</u>	<u>177,380</u>
Total income taxes	<u>\$ -</u>	<u>\$ -</u>

Details of the Company's future income tax assets are as follows:

	2003	2002
Future income tax assets:		
Mineral properties and deferred development costs	\$ 2,162,000	\$ 265,000
Capital loss carryforwards	76,000	84,000
Non-capital loss carryforwards	<u>306,000</u>	<u>330,000</u>
	2,544,000	679,000
Valuation allowance	<u>(2,544,000)</u>	<u>(679,000)</u>
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>

The Company has non-capital losses carried forward of approximately \$865,000 which expire through to 2009. They may be utilized to offset future taxable income. Subject to certain restrictions, the Company also has net capital losses of approximately \$200,000 and resource expenditures of approximately \$6,070,000 available to reduce income in future years. Future tax benefits, which may arise as a result of these losses and resource expenditures have not been recognized in these financial statements and have been offset by a valuation allowance.

SENNEN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2003

18. SEGMENTED INFORMATION

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

	2003	2002
Australia	\$ 34,417	\$ 5,657,243
Canada	<u>48,481</u>	<u>202,116</u>
	<u>\$ 82,898</u>	<u>\$ 5,859,359</u>

The Company's loss was incurred in the following countries:

	2003	2002
Australia	\$ (5,669,558)	\$ -
Canada	<u>(111,551)</u>	<u>(670,152)</u>
	<u>\$ (5,781,109)</u>	<u>\$ (670,152)</u>

19. SUBSEQUENT EVENTS

Subsequent to January 31, 2003, the Company:

- a) Issued 1,100,000 common shares for gross proceeds of \$319,000 pursuant to the exercise of warrants.
- b) Through its wholly owned subsidiary, Sennen Resources (Barbados) Ltd., entered into an agreement to acquire an option to purchase 100% of the shares of Makapa Mining Inc. ("Makapa"). As consideration, the Company is required to (i) pay US\$50,000 upon regulatory approval and (ii) issue 15,000,000 common shares of the Company over a period of three years based on exploration expenditures of up to US\$6,000,000; and (iii) complete a private placement to raise at least CDN\$3,000,000.

The agreement is subject to regulatory approval.

SENNEN RESOURCES LTD.

FORM 51-901F – QUARTERLY AND YEAR END REPORT
JANUARY 31, 2003

SCHEDULE A: FINANCIAL INFORMATION

See attached audited consolidated financial statements for the year ended January 31, 2003.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. See attached audited consolidated financial statements for the year ended January 31, 2003.
2. See Note 10 of the attached audited consolidated financial statements for the year ended January 31, 2003.
3. a) Summary of securities issued during the year ended January 31, 2003:

Date of Issue	Type of Security	Type of Issue	Number	Price	Total Proceeds	Type of Consideration
November 25, 2002	Common shares	Repayment of loan	875,000	\$ 0.40	\$ 350,000	Repayment of loan

- b) Summary of options granted during the year ended January 31, 2003:

Date of Grant	Optionee	Number	Price	Expiry Date
October 7, 2002	Don Myers	100,000	\$ 0.25	October 7, 2004

4. a) See Note 12 of the attached audited consolidated financial statements for the year ended January 31, 2003.
- b) Issued and outstanding:

	Number of Shares	Amount
Balance at January 31, 2003	22,830,727	\$ 8,085,692

- c) See Note 13 of the attached audited consolidated financial statements for the year ended January 31, 2003.
 - d) There are no shares held in escrow or subject to a pooling agreement.
5. Directors and officers:
 - Ian Rozier (Director)
 - Douglas B. Hyndman (Director and President)
 - James Robertson (Director)
 - Paul A. Ray (Director)
 - Barbara Dunfield (Secretary)

SENNEN RESOURCES LTD.

FORM 51-901F – QUARTERLY AND YEAR END REPORT
JANUARY 31, 2003

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis:

The following discussion of the operating results and financial position of the Company should be read in conjunction with the consolidated financial statements and related notes thereto

Results of Operations:

The primary operations of the Company consist of acquiring and maintaining mineral resource properties.

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 mineral rights over 803,410 acres in northwestern Guyana. The acquisition of the Five Star Geological and Geophysical Survey Permit covering 764,000 acres, and the Makapa Prospecting Licence covering 2,500 acres will be through the acquisition of 100% of the shares in Makapa Mining Inc. (“MMI”) from Makapa Minex Inc. (“Minex”), a company incorporated in the British Virgin Islands.

The Five Star/Makapa Mining Project is located in northwest Guyana, adjacent to the border with Venezuela. The property, like most of the known gold deposits discovered in the region, lies immediately north of the most significant structural corridor of the Guiana Shield, the Central Guiana Shear Zone, and its western expression in Guyana, the Makapa-Kuribrong Shear Zone. The presence of several intrusions mapped within the greenstone sequences at Makapa and their proximity to major structures are key to the discovery of large tonnage gold deposits in Guyana such as Omai.

On the Makapa P.L., quartz reefs and breccias in shears with very high-grade mineralization have been identified and will be explored to determine their potential for high-grade gold lode deposits. Potential analogues include shear-zone hosted (high-grade; low tonnage) deposits such as La Camorra. Also, a number of intrusives associated with the Makapa-Kuribrong deformation zone are considered targets for intrusive-hosted gold deposits such as Omai. At the Rosebel gold mine under construction by Cambior, the ore bodies occur in a network of cigar-shaped ore shoots in close proximity to shear zones; this setting is evident in both the Makapa Hills/Otumong River area and in the Barama East/Piai sectors of the concession. Five prospective areas have already been prioritized for immediate detailed exploration with one prospect targeted for mechanized trenching and drilling.

Approximately US\$7,000,000 was expended on the concession in the mid 1990's and a vast amount of technical data was accumulated. The Company has been conducting technical due diligence on these data for over four months in order to evaluate the technical merits of the project and to determine an appropriate valuation for acquisition purposes.

The acquisition will be through the purchase of 100% of the shares in Makapa by Sennen Resources (Barbados) Ltd. from Makapa Minex Inc. (“Minex”). The terms of the acquisition of the Makapa shares are as follows;

- a) A payment of Fifty Thousand United States Dollars (US\$50,000) to be paid on approval of the transaction by the TSX Venture Exchange (the “Exchange”); and
- b) Fifteen Million (15,000,000) common shares of Sennen to be issued to the shareholders of Minex, the three shareholders of Minex each receiving five million (5,000,000) shares, subject to the rules and provisions of the Exchange and/or any other regulatory restrictions that may apply.

c) The Company must complete a Private Placement to raise at least Three Million (3,000,000) Canadian dollars prior to completion in order to meet the estimated costs of work programs in the first year.

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

- i) Three Million (3,000,000) shares (20%) within 10 days of approval by the Exchange.
- ii) Three Million (3,000,000) shares after expenditures of US\$2,000,000.00.
- iii) Three Million (3,000,000) shares after expenditures of US\$4,000,000.00 or after 2 years, whichever is the earliest.
- (iv) Six Million (6,000,000) shares after expenditures of US\$6,000,000.00, or after 3 years, whichever is the earliest.

There are no finders fee applicable for this transaction.

One of the vendors, Mr. Hilbert Shields, will be appointed to the Board of Directors and Vice President, Operations of the Company. Mr. Shields is a highly qualified geologist with over twenty years experience in prospecting, exploration and property acquisitions and development in the Guiana Shield region of South America. He is regarded as an expert on the geology of the Guiana Shield and has designed and managed several successful exploration campaigns in the region.

The Company currently has 23,930,727 shares issued and outstanding, and 25,722,727 on a fully diluted basis. The Company anticipates that after completion of the Private Placement to raise \$3,000,000 it will have approximately 29,000,000 shares issued and outstanding, and 34,000,000 on a fully diluted basis. If after three years all the vendor shares are issued the Company would have approximately 44,000,000 shares issued and outstanding and 49,000,000 on a fully diluted basis, provided that no further shares are issued for property acquisitions and/or financings. When issued, the total vendor consideration of 15,000,000 shares would represent approximately 34% of the issued capital, and 30% of the fully diluted capital. When all the vendor shares have been issued, each of the three shareholders of Minex would own approximately 10% of the issued capital and of the fully diluted share capital. All percentages are based on no further shares being issued during the next three years other than those issued for the Proposed Private Placement (and the exercise of attached warrants) in the near term to raise \$3,000,000.

The Company has already retained a Qualified Person to prepare a 43-101 Technical Report and a valuation suitable for the Exchange transaction approval process. The proposed acquisition of the Makapa project is a significant event in the affairs of the Company as it represents one of the most desirous exploration concessions in the Guiana Shield region of South America where several gold deposits have already been discovered in Guyana (Omai), in Venezuela (La Cristinas and La Camorra) and in Surinam (Gros Rosebel).

The Company continues to retain three coal deposits in Queensland Australia which, although in good standing, have been written down to a nominal value of \$1 in accordance with Accounting Guideline 11 of the Canadian Institute of Chartered Accountants Handbook. Therefore, the exploration of the Makapa project in Guyana will be the main focus of the Company in the near term.

Liquidity and Cash Reserves:

At January 31, 2003 the Company had a cash deficit of \$5,370 compared with \$171,130 at January 31, 2002. Accounts payables were reduced from \$75,880 to \$31,984 while due to related party increased from \$20,000 to \$50,000. The loan of \$350,000 at January 1, 2002 was repaid through the issuance of 875,000 common shares of the Company.

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Investor Relations:

The Company has no formal agreement in this regard.

Subsequent Events:

See Note 19.

Legal Proceedings:

None

Related Party Transactions:

During the year, the Company entered into the following transactions with related parties:

- a) Paid consulting fees of \$60,000 (2001 - \$60,000) to a company with a common director.
- b) Paid consulting fees of \$12,000 (2002 - \$11,000) to a company controlled by a director of the Company.
- c) Paid rent of \$9,000 (2002 – Nil) to a company controlled by a director.
- d) Amount due to related party of \$50,000 (\$2002 - \$20,000) is payable to a company controlled by a director of the Company. The amount is unsecured, bears no interest, and has no fixed terms of repayment. The amount was repaid on February 6, 2003.

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