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129# 82-2238



British Columbia Securities Commission

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

SUPPL

**Freedom of Information and Protection of Privacy Act:** The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393

|  |                  |                                   |                                |                                      |   |  |  |
|--|------------------|-----------------------------------|--------------------------------|--------------------------------------|---|--|--|
| <b>ISSUER DETAILS</b><br>NAME OF ISSUER<br>SENNEN RESOURCES LTD. |                  | FOR QUARTER ENDED<br>02   07   31 |                                |                                      | DATE OF REPORT<br>Y M D<br>02   09   23 |  |  |
| ISSUER ADDRESS<br>#408 - 837 WEST HASTINGS STREET                |                  |                                   |                                |                                      |   |  |  |
| CITY/<br>VANCOUVER   | PROVINCE<br>B.C. | POSTAL CODE<br>V6C 3N6            | ISSUER FAX NO.<br>604-685-6493 | ISSUER TELEPHONE NO.<br>604-685-6851 |   |  |  |
| CONTACT PERSON<br>IAN ROZIER                                     |                  | CONTACT'S POSITION<br>DIRECTOR    |                                |                                      | CONTACT TELEPHONE NO.<br>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<br> | PRINT FULL NAME<br>IAN T. ROZIER      | DATE SIGNED<br>Y M D<br>02   09   23 |
| DIRECTOR'S SIGNATURE<br> | PRINT FULL NAME<br>DOUGLAS B. HYNDMAN | DATE SIGNED<br>Y M D<br>02   09   23 |

FIN51-901F Rev.2000/12/19

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THOMSON FINANCIAL

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**SENNEN RESOURCES LTD.  
CONSOLIDATED QUARTERLY REPORT  
JULY 31, 2002**

(Prepared by Management without Audit)

**SCHEDULE A: CONSOLIDATED FINANCIAL STATEMENTS**

1. Consolidated Balance Sheets
2. Consolidated Statements of Operations and Deficit
3. Consolidated Statements of Cash Flows
4. Consolidated Deferred Exploration and Development Expenses
5. Notes to the Consolidated Financial Statements

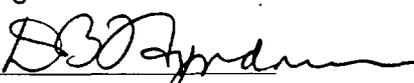
**SENNEN RESOURCES LTD.  
CONSOLIDATED BALANCE SHEETS  
(Prepared by Management without Audit)**

**SCHEDULE A**

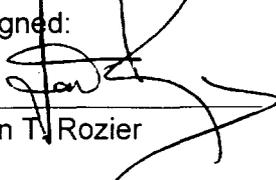
| <b>ASSETS</b>                            | <b><u>Jul. 31, 2002</u></b> | <b><u>Jan. 31, 2002</u></b> |
|--|-----------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                    |                             |                             |
| Cash                                     | \$ 48,685                   | \$ 171,130                  |
| Accounts Receivable                      | 3,963                       | 8,972                       |
| Prepaid Expenses                         | <u>7,620</u>                | <u>6,421</u>                |
| Total Current Assets                     | 60,268                      | 186,523                     |
| <b>DEPOSITS</b>                          | 25,808                      | 35,229                      |
| <b>CAPITAL ASSETS</b>                    | 13,254                      | 15,593                      |
| <b>COAL PROPERTIES</b>                   | 5,396,483                   | 5,396,483                   |
| <b>DEFERRED EXPLORATION COSTS</b>        | <u>263,160</u>              | <u>225,531</u>              |
|  | <b>\$ <u>5,758,973</u></b>  | <b>\$ <u>5,859,359</u></b>  |
| <b>LIABILITIES</b>                       |                             |                             |
| <b>CURRENT LIABILITIES</b>               |                             |                             |
| Accounts Payable and Accrued Liabilities | \$ 91,251                   | \$ 75,880                   |
| Capital Lease                            | 9,479                       | 14,109                      |
| Loan Payable                             | 350,000                     | 350,000                     |
| Due to Related Party                     | <u>-</u>                    | <u>20,000</u>               |
|  | <u>450,730</u>              | <u>459,989</u>              |
| <b>SHAREHOLDERS' EQUITY</b>              |                             |                             |
| Capital Stock                            | 7,735,692                   | 7,735,692                   |
| Deficit                                  | <u>(2,427,449)</u>          | <u>(2,336,322)</u>          |
|  | <u>5,308,243</u>            | <u>5,399,370</u>            |
|  | <b>\$ <u>5,758,973</u></b>  | <b>\$ <u>5,859,359</u></b>  |

**APPROVED BY THE DIRECTORS:**

Signed:

  
Douglas Hyneman

Signed:

  
Ian T. Rozier

**SENNEN RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
(Prepared by Management without Audit)

**SCHEDULE A**

|                                     | Three Month<br>Period Ended<br><u>Jul. 31, 2002</u> | Three Month<br>Period Ended<br><u>Jul. 31, 2001</u> | Six Month<br>Period Ended<br><u>Jul. 31, 2002</u> | Six Month<br>Period Ended<br><u>Jul. 31, 2001</u> |
|-------------------------------------|---|---|---|---|
| <b>REVENUE</b>                      |   |   |   |   |
| Interest                            | \$ <u>0</u> -                                       | \$ <u>779</u>                                       | \$ <u>0</u> -                                     | \$ <u>2,224</u>                                   |
| <b>EXPENSES</b>                     |   |   |   |   |
| Accounting & Audit                  | 450   | 4,375   | 1,875   | 5,350   |
| Amortization of Capital Assets      | 1,170   | 1,670   | 2,339   | 3,341   |
| Bank Charges & Interest             | 11,002  | 11,096  | 21,808  | 22,352  |
| Consulting                          | 21,300  | 24,000  | 42,300  | 46,004  |
| Currency Exchange (Gain)            | (385)   | 77  | 1,097   | 587   |
| Investor Relations                  | 374   | 3,200   | 374   | 4,773   |
| Legal                               | 947   | 2,152   | 1,251   | 7,044   |
| Listing & Filing Fees               | 1,169   | 1,504   | 3,675   | 2,704   |
| Office Rent                         | 2,400   | -   | 2,400   | -   |
| Office Supplies and Sundry          | 1,085   | 49  | 1,085   | 1,378   |
| Shareholder Information             | 1,712   | 1,617   | 1,712   | 1,969   |
| Transfer Agent Fees                 | 1,806   | 1,919   | 2,294   | 2,471   |
| Travel & Related Costs              | <u>2,382</u>  | <u>6,959</u>  | <u>8,917</u>                                      | <u>30,432</u>                                     |
| <b>TOTAL EXPENSES</b>               | <u>45,412</u>                                       | <u>58,618</u>                                       | <u>91,127</u>                                     | <u>128,405</u>                                    |
| <b>LOSS FOR THE PERIOD</b>          | 45,412  | 57,839  | 91,127  | 126,181   |
| <b>DEFICIT, BEGINNING OF PERIOD</b> | <u>2,382,037</u>                                    | <u>1,734,512</u>                                    | <u>2,336,322</u>                                  | <u>1,666,170</u>                                  |
| <b>DEFICIT, END OF PERIOD</b>       | <u>\$2,427,449</u>                                  | <u>\$1,792,351</u>                                  | <u>\$2,427,449</u>                                | <u>\$1,792,351</u>                                |
| <b>LOSS PER SHARE</b>               | <u>\$ 0.00</u>                                      | <u>\$ 0.00</u>                                      | <u>\$ 0.00</u>                                    | <u>\$ 0.01</u>                                    |

**SENNEN RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
(Prepared by Management without Audit)

**SCHEDULE A**

|   | Three Month<br>Period Ended<br><u>Jul. 31, 2002</u> | Three Month<br>Period Ended<br><u>Jul. 31, 2001</u> | Six Month<br>Period Ended<br><u>Jul. 31, 2002</u> | Six Month<br>Period Ended<br><u>Jul. 31, 2001</u> |
|---|---|---|---|---|
| <b>CASH PROVIDED BY (USED FOR):</b>             |   |   |   |   |
| <b>OPERATING ACTIVITIES</b>                     |   |   |   |   |
| Net Loss for the Period                         | \$ (45,412)   | \$ (57,839)   | \$ (91,127)                                       | \$ (126,181)                                      |
| Amortization                                    | 1,170   | 1,670   | 2,339   | 3,341   |
| Change in Non-Cash Operating<br>Working Capital | <u>(1,534)</u>                                      | <u>6,451</u>  | <u>19,181</u>                                     | <u>(39,820)</u>                                   |
|   | <u>(45,776)</u>                                     | <u>(49,718)</u>                                     | <u>(69,607)</u>                                   | <u>(162,660)</u>                                  |
| <b>INVESTING ACTIVITIES</b>                     |   |   |   |   |
| Deferred Exploration Costs-Coal Project         | (9,704)   | (6,206)   | (37,629)  | (15,531)  |
| Deposits  | <u>-</u>  | <u>-</u>  | <u>9,421</u>                                      | <u>-</u>  |
|   | <u>(9,704)</u>                                      | <u>(6,206)</u>                                      | <u>(28,208)</u>                                   | <u>(15,531)</u>                                   |
| <b>FINANCING ACTIVITIES</b>                     |   |   |   |   |
| Advance from Related Party                      | -   | -   | (20,000)  | -   |
| Capital Stock Issued for Cash                   | -   | -   | -   | 242,000   |
| Capital Lease                                   | (2,306)   | (2,160)   | (4,630)   | (4,249)   |
| Share Subscription Received                     | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>(242,000)</u>                                  |
|   | <u>(2,306)</u>                                      | <u>(2,160)</u>                                      | <u>(24,630)</u>                                   | <u>(4,249)</u>                                    |
| <b>INCREASE (DECREASE) IN CASH</b>              | (57,786)  | (58,084)  | (122,245)   | (182,440)   |
| <b>CASH POSITION, BEGINNING OF PERIOD</b>       | <u>106,471</u>                                      | <u>128,380</u>                                      | <u>171,130</u>                                    | <u>252,736</u>                                    |
| <b>CASH POSITION, END OF PERIOD</b>             | <u>\$ 48,685</u>                                    | <u>\$ 70,296</u>                                    | <u>\$ 48,685</u>                                  | <u>\$ 70,296</u>                                  |

Supplemental Disclosure for Non-Cash Investing and Financing Activities: Nil

**SENNEN RESOURCES LTD.  
CONSOLIDATED DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES  
FOR THE SIX MONTHS ENDED JULY 31, 2002**

**SCHEDULE A**

(Prepared by Management without Audit)

|                              |        |                    |
|------------------------------|--------|--------------------|
| BALANCE, BEGINNING OF PERIOD | \$     | <u>225,531</u>     |
| <br><u>EXPENSES</u>          |        |                    |
| Consulting                   |        | 19,394             |
| Licences & Fees              |        | <u>18,235</u>      |
| TOTAL EXPENSES               |        | <u>37,629</u>      |
| <br>BALANCE, END OF PERIOD   | <br>\$ | <br><u>263,160</u> |

**SCHEDULE OF MINERAL PROPERTIES**

At July 31, 2002

Australia

|                           |                             |    |                  |
|---------------------------|-----------------------------|----|------------------|
| Onaview Coal Property     | (70 km <sup>2</sup> )       | \$ | 1,517,145        |
| Middlemount Coal Property | (64 km <sup>2</sup> )       |    | 1,387,026        |
| Collingwood Coal Property | <u>(115 km<sup>2</sup>)</u> |    | <u>2,492,312</u> |
| Total                     | <u>(249 km<sup>2</sup>)</u> | \$ | <u>5,396,483</u> |

**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. To date, the Company has not earned significant revenues and is considered to be in the development stage.

The recoverability of the amounts comprising mineral properties and deferred development costs are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete exploration and development and upon future profitable production.

These financial statements have been prepared by the Company 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 receive continued financial support, complete public equity financings, or generate profitable operations in the future.

**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.

**SENNEN RESOURCES LTD.**  
**QUARTERLY REPORT JULY 31, 2002**  
**(Prepared by Management without Audit)**  
**SCHEDULE B**  
**SUPPLEMENTARY INFORMATION**

1. For the Fiscal Year to Date:

For information on administrative expenditures and deferred exploration, refer to Schedule A.

Related Party Transactions:

- a) Consulting fees of \$30,000 were paid to a company controlled by a director of the Company.
- b) Consulting fees of \$6,000 were paid to an officer of the Company.

2. For the period under review:

- a) Securities Issued: Nil
- b) Options Granted: Nil

3. As at July 31, 2002:

- a) Authorized Capital: 100,000,000 common shares without par value.  
Issued Capital: 21,955,727 common shares without par value.
- b) Employee and director incentive stock options were outstanding enabling the optionee to acquire the following number of shares:

| <u>Number of Shares</u> | <u>Price</u> | <u>Expiry Date</u> |
|-------------------------|--------------|--------------------|
| 2,800,000               | \$0.20       | November 14, 2003  |

- c) The Company has outstanding share purchase warrants to acquire shares as follows:

|           |        |                   |
|-----------|--------|-------------------|
| 1,100,000 | \$0.29 | February 21, 2003 |
| 1,000,000 | \$0.25 | January 27, 2004  |

- d) Total number of shares in escrow or subject to a pooling agreement – Nil

- e) List of Directors and Officers:

Ian T. Rozier, Director  
James Robertson, Director  
Douglas B. Hyndman, President & Director  
Paul A. Ray, Director  
Barbara Dunfield, Secretary

**SENNEN RESOURCES LTD.  
QUARTERLY REPORT JULY 31, 2002  
(Prepared by Management without Audit)**

**SCHEDULE C**

**Management Discussion & Analysis**

**Results of Operations:**

The primary operations of the Company consist of acquiring and maintaining mineral resource properties. The Company has maintained its 100% interest in its core projects located in Queensland, Australia, however, the development of these three large thermal coal deposits has been curtailed at this time.

**Liquidity and Cash Reserves:**

At July 31, 2002 the Company had cash reserves of \$48,685 compared to \$171,130 at January 31, 2002. Liabilities were reduced to \$450,730 from \$459,989.

**Investor Relations:** Nil

**Related Party Transactions:**

Consulting fees of \$30,000 were paid to a company controlled by a director of the Company and \$6,000 was paid to an officer of the Company for services rendered.

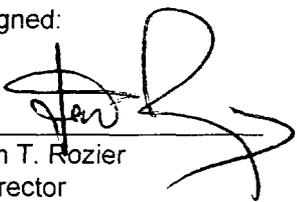
**Subsequent Events:** Nil

**Legal Proceedings:**

During the year ended January 31, 2002 the Company filed a \$350,000 suit against Safe Explorer Software Corp., the developer of a child-safe Internet browser. Sennen advanced a total of \$350,000 to Safe Explorer between August 30 and October 18, 2000, but none of the advances have been repaid, despite demands dating back to November 15, 2000. Under an August 21, 2000 acquisition agreement, the Company agreed to arrange interim financing for Safe Explorer during the months of September and October 2000. Sennen elected not to pursue the proposed vend-in of Safe Explorer on October 27, 2000 and the advances became repayable as of this date. As at January 31, 2002, management has provided an allowance against the total advance receivable of \$424,120 as the collectability of this amount is uncertain. Included in this amount is also an advance of US\$50,000 made to @Kids, a company related to Safe Explorer Software Corp.

Respectfully submitted on behalf of  
the Board of Directors

Signed:

  
\_\_\_\_\_  
Ian T. Rozier  
Director

129-82-2238



British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT

BC FORM 51-901F  
(previously Form 61)

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|                                 |          |                    |                |                       |    |    |
|---------------------------------|----------|--------------------|----------------|-----------------------|----|----|
| <b>ISSUER DETAILS</b>           |          | FOR QUARTER ENDED  |                | DATE OF REPORT        |    |    |
| NAME OF ISSUER                  |          |                    |                | Y                     | M  | D  |
| SENNEN RESOURCES LTD.           |          | 02   07   31       |                | 02                    | 09 | 23 |
| ISSUER ADDRESS                  |          |                    |                |                       |    |    |
| #408 - 837 WEST HASTINGS STREET |          |                    |                |                       |    |    |
| CITY/                           | PROVINCE | POSTAL CODE        | ISSUER FAX NO. | ISSUER TELEPHONE NO.  |    |    |
| VANCOUVER                       | B.C.     | V6C 3N6            | 604-685-6493   | 604-685-6851          |    |    |
| CONTACT PERSON                  |          | CONTACT'S POSITION |                | CONTACT TELEPHONE NO. |    |    |
| IAN ROZIER                      |          | DIRECTOR           |                | 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 | PRINT FULL NAME    | DATE SIGNED |    |    |
|                      | IAN T. ROZIER      | Y           | M  | D  |
|                      |                    | 02          | 09 | 23 |
| DIRECTOR'S SIGNATURE | PRINT FULL NAME    | DATE SIGNED |    |    |
|                      | DOUGLAS B. HYNDMAN | Y           | M  | D  |
|                      |                    | 02          | 09 | 23 |

**SENNEN RESOURCES LTD.  
CONSOLIDATED QUARTERLY REPORT  
JULY 31, 2002**

(Prepared by Management without Audit)

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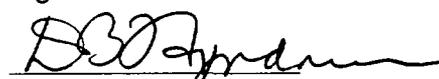
**SENNEN RESOURCES LTD.  
CONSOLIDATED BALANCE SHEETS  
(Prepared by Management without Audit)**

**SCHEDULE A**

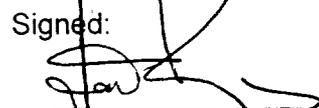
| <b>ASSETS</b>                            | <u>Jul. 31, 2002</u>       | <u>Jan. 31, 2002</u>       |
|--|----------------------------|----------------------------|
| <b>CURRENT ASSETS</b>                    |                            |                            |
| Cash                                     | \$ 48,685                  | \$ 171,130                 |
| Accounts Receivable                      | 3,963                      | 8,972                      |
| Prepaid Expenses                         | <u>7,620</u>               | <u>6,421</u>               |
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| Capital Stock                            | 7,735,692                  | 7,735,692                  |
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**APPROVED BY THE DIRECTORS:**

Signed:

  
Douglas Hyneman

Signed:

  
Ian T. Rozier

**SENNEN RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
(Prepared by Management without Audit)

**SCHEDULE A**

|                                     | Three Month<br>Period Ended<br><u>Jul. 31, 2002</u> | Three Month<br>Period Ended<br><u>Jul. 31, 2001</u> | Six Month<br>Period Ended<br><u>Jul. 31, 2002</u> | Six Month<br>Period Ended<br><u>Jul. 31, 2001</u> |
|-------------------------------------|---|---|---|---|
| <b>REVENUE</b>                      |   |   |   |   |
| Interest                            | \$ <u>      -</u>                                   | \$ <u>   779</u>                                    | \$ <u>      -</u>                                 | \$ <u>  2,224</u>                                 |
| <b>EXPENSES</b>                     |   |   |   |   |
| Accounting & Audit                  | 450   | 4,375   | 1,875   | 5,350   |
| Amortization of Capital Assets      | 1,170   | 1,670   | 2,339   | 3,341   |
| Bank Charges & Interest             | 11,002  | 11,096  | 21,808  | 22,352  |
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| Legal                               | 947   | 2,152   | 1,251   | 7,044   |
| Listing & Filing Fees               | 1,169   | 1,504   | 3,675   | 2,704   |
| Office Rent                         | 2,400   | -   | 2,400   | -   |
| Office Supplies and Sundry          | 1,085   | 49  | 1,085   | 1,378   |
| Shareholder Information             | 1,712   | 1,617   | 1,712   | 1,969   |
| Transfer Agent Fees                 | 1,806   | 1,919   | 2,294   | 2,471   |
| Travel & Related Costs              | <u>2,382</u>  | <u>6,959</u>  | <u>8,917</u>                                      | <u>30,432</u>                                     |
| <b>TOTAL EXPENSES</b>               | <u>45,412</u>                                       | <u>58,618</u>                                       | <u>91,127</u>                                     | <u>128,405</u>                                    |
| <b>LOSS FOR THE PERIOD</b>          | 45,412  | 57,839  | 91,127  | 126,181   |
| <b>DEFICIT, BEGINNING OF PERIOD</b> | <u>2,382,037</u>                                    | <u>1,734,512</u>                                    | <u>2,336,322</u>                                  | <u>1,666,170</u>                                  |
| <b>DEFICIT, END OF PERIOD</b>       | <u>\$2,427,449</u>                                  | <u>\$1,792,351</u>                                  | <u>\$2,427,449</u>                                | <u>\$1,792,351</u>                                |
| <b>LOSS PER SHARE</b>               | <u>\$ <u>   0.00</u></u>                            | <u>\$ <u>   0.00</u></u>                            | <u>\$ <u>   0.00</u></u>                          | <u>\$ <u>   0.01</u></u>                          |

**SENNEN RESOURCES LTD.  
CONSOLIDATED STATEMENTS OF CASH FLOW  
(Prepared by Management without Audit)**

**SCHEDULE A**

|   | Three Month<br>Period Ended<br><u>Jul. 31, 2002</u> | Three Month<br>Period Ended<br><u>Jul. 31, 2001</u> | Six Month<br>Period Ended<br><u>Jul. 31, 2002</u> | Six Month<br>Period Ended<br><u>Jul. 31, 2001</u> |
|---|---|---|---|---|
| <b>CASH PROVIDED BY (USED FOR):</b>             |   |   |   |   |
| <b>OPERATING ACTIVITIES</b>                     |   |   |   |   |
| Net Loss for the Period                         | \$ (45,412)   | \$ (57,839)   | \$ (91,127)                                       | \$ (126,181)                                      |
| Amortization                                    | 1,170   | 1,670   | 2,339   | 3,341   |
| Change in Non-Cash Operating<br>Working Capital | <u>(1,534)</u>                                      | <u>6,451</u>  | <u>19,181</u>                                     | <u>(39,820)</u>                                   |
|   | <u>(45,776)</u>                                     | <u>(49,718)</u>                                     | <u>(69,607)</u>                                   | <u>(162,660)</u>                                  |
| <b>INVESTING ACTIVITIES</b>                     |   |   |   |   |
| Deferred Exploration Costs-Coal Project         | (9,704)   | (6,206)   | (37,629)  | (15,531)  |
| Deposits  | <u>-</u>  | <u>-</u>  | <u>9,421</u>                                      | <u>-</u>  |
|   | <u>(9,704)</u>                                      | <u>(6,206)</u>                                      | <u>(28,208)</u>                                   | <u>(15,531)</u>                                   |
| <b>FINANCING ACTIVITIES</b>                     |   |   |   |   |
| Advance from Related Party                      | -   | -   | (20,000)  | -   |
| Capital Stock Issued for Cash                   | -   | -   | -   | 242,000   |
| Capital Lease                                   | (2,306)   | (2,160)   | (4,630)   | (4,249)   |
| Share Subscription Received                     | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>(242,000)</u>                                  |
|   | <u>(2,306)</u>                                      | <u>(2,160)</u>                                      | <u>(24,630)</u>                                   | <u>(4,249)</u>                                    |
| <b>INCREASE (DECREASE) IN CASH</b>              | (57,786)  | (58,084)  | (122,245)   | (182,440)   |
| <b>CASH POSITION, BEGINNING OF PERIOD</b>       | <u>106,471</u>                                      | <u>128,380</u>                                      | <u>171,130</u>                                    | <u>252,736</u>                                    |
| <b>CASH POSITION, END OF PERIOD</b>             | <u>\$ 48,685</u>                                    | <u>\$ 70,296</u>                                    | <u>\$ 48,685</u>                                  | <u>\$ 70,296</u>                                  |

Supplemental Disclosure for Non-Cash Investing and Financing Activities: Nil

SENNEN RESOURCES LTD.  
CONSOLIDATED DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES  
FOR THE SIX MONTHS ENDED JULY 31, 2002

SCHEDULE A

(Prepared by Management without Audit)

|                              |        |                    |
|------------------------------|--------|--------------------|
| BALANCE, BEGINNING OF PERIOD | \$     | <u>225,531</u>     |
| <br><u>EXPENSES</u>          |        |                    |
| Consulting                   |        | 19,394             |
| Licences & Fees              |        | <u>18,235</u>      |
| TOTAL EXPENSES               |        | <u>37,629</u>      |
| <br>BALANCE, END OF PERIOD   | <br>\$ | <br><u>263,160</u> |

SCHEDULE OF MINERAL PROPERTIES

At July 31, 2002

Australia

|                           |                             |    |                  |
|---------------------------|-----------------------------|----|------------------|
| Onaview Coal Property     | (70 km <sup>2</sup> )       | \$ | 1,517,145        |
| Middlemount Coal Property | (64 km <sup>2</sup> )       |    | 1,387,026        |
| Collingwood Coal Property | <u>(115 km<sup>2</sup>)</u> |    | <u>2,492,312</u> |
| Total                     | <u>(249 km<sup>2</sup>)</u> | \$ | <u>5,396,483</u> |

**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. To date, the Company has not earned significant revenues and is considered to be in the development stage.

The recoverability of the amounts comprising mineral properties and deferred development costs are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete exploration and development and upon future profitable production.

These financial statements have been prepared by the Company 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 receive continued financial support, complete public equity financings, or generate profitable operations in the future.

**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.

**SENNEN RESOURCES LTD.**  
**QUARTERLY REPORT JULY 31, 2002**  
**(Prepared by Management without Audit)**  
**SCHEDULE B**  
**SUPPLEMENTARY INFORMATION**

1. For the Fiscal Year to Date:

For information on administrative expenditures and deferred exploration, refer to Schedule A.

Related Party Transactions:

- a) Consulting fees of \$30,000 were paid to a company controlled by a director of the Company.
- b) Consulting fees of \$6,000 were paid to an officer of the Company.

2. For the period under review:

- a) Securities Issued: Nil
- b) Options Granted: Nil

3. As at July 31, 2002:

- a) Authorized Capital: 100,000,000 common shares without par value.  
Issued Capital: 21,955,727 common shares without par value.
- b) Employee and director incentive stock options were outstanding enabling the optionee to acquire the following number of shares:

| <u>Number of Shares</u> | <u>Price</u> | <u>Expiry Date</u> |
|-------------------------|--------------|--------------------|
| 2,800,000               | \$0.20       | November 14, 2003  |

- c) The Company has outstanding share purchase warrants to acquire shares as follows:

|           |        |                   |
|-----------|--------|-------------------|
| 1,100,000 | \$0.29 | February 21, 2003 |
| 1,000,000 | \$0.25 | January 27, 2004  |

- d) Total number of shares in escrow or subject to a pooling agreement – Nil

- e) List of Directors and Officers:

Ian T. Rozier, Director  
James Robertson, Director  
Douglas B. Hyndman, President & Director  
Paul A. Ray, Director  
Barbara Dunfield, Secretary

**SENNEN RESOURCES LTD.**  
**QUARTERLY REPORT JULY 31, 2002**  
**(Prepared by Management without Audit)**

**SCHEDULE C**

**Management Discussion & Analysis**

**Results of Operations:**

The primary operations of the Company consist of acquiring and maintaining mineral resource properties. The Company has maintained its 100% interest in its core projects located in Queensland, Australia, however, the development of these three large thermal coal deposits has been curtailed at this time.

**Liquidity and Cash Reserves:**

At July 31, 2002 the Company had cash reserves of \$48,685 compared to \$171,130 at January 31, 2002. Liabilities were reduced to \$450,730 from \$459,989.

**Investor Relations:** Nil

**Related Party Transactions:**

Consulting fees of \$30,000 were paid to a company controlled by a director of the Company and \$6,000 was paid to an officer of the Company for services rendered.

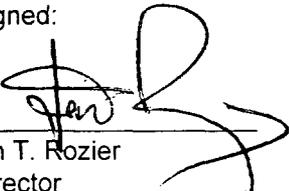
**Subsequent Events:** Nil

**Legal Proceedings:**

During the year ended January 31, 2002 the Company filed a \$350,000 suit against Safe Explorer Software Corp., the developer of a child-safe Internet browser. Sennen advanced a total of \$350,000 to Safe Explorer between August 30 and October 18, 2000, but none of the advances have been repaid, despite demands dating back to November 15, 2000. Under an August 21, 2000 acquisition agreement, the Company agreed to arrange interim financing for Safe Explorer during the months of September and October 2000. Sennen elected not to pursue the proposed vend-in of Safe Explorer on October 27, 2000 and the advances became repayable as of this date. As at January 31, 2002, management has provided an allowance against the total advance receivable of \$424,120 as the collectability of this amount is uncertain. Included in this amount is also an advance of US\$50,000 made to @Kids, a company related to Safe Explorer Software Corp.

Respectfully submitted on behalf of  
the Board of Directors

Signed:

  
\_\_\_\_\_  
Ian T. Rozier  
Director