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BRITISH COLUMBIA SECURITIES COMMISSION

QUARTERLY AND YEAR END REPORT

BC FORM 51-901F

SUPPL



ISSUER DETAILS
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DATE OF REPORT
YY/MM/DD

GGL DIAMOND CORP.

August 31, 2002

02/10/28

ISSUER ADDRESS

#904, 675 WEST HASTINGS STREET

CITY PROVINCE POSTAL CODE ISSUER FAX NO. ISSUSER TELEPHONE NO.

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PROCESSED

DEC 17 2002

THOMSON FINANCIAL

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 YY/MM/DD
	Raymond A. Hrkac	02/10/29
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
	Nick DeMare	02/10/29

Schedule A – Financial Statements

GGL DIAMOND CORP.

Consolidated Balance Sheets As At August 31, 2002
(Unaudited)

	August 31, 2002	November 30, 2001
ASSETS		
Current		
Cash and cash equivalents	\$ 525,007	\$ 132,459
Sundry receivable and prepaids	68,979	26,409
Marketable securities (Note 2)	3,800	7,600
	597,786	166,468
Mineral properties and deferred exploration costs (Note 1)	5,928,805	5,416,492
Capital assets	294,469	308,523
	\$ 6,821,060	\$ 5,891,483
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 310,738	\$ 180,772
Current portion of mortgage loan	10,268	10,268
	321,006	191,040
Mortgage loan	76,095	83,924
	397,101	274,964
SHAREHOLDERS' EQUITY		
Share capital (Note 3)	16,044,709	14,917,958
Deficit	(9,620,750)	(9,301,439)
	6,423,959	5,616,519
	\$ 6,821,060	\$ 5,891,483

Subsequent events (Note 7)

Approved by the Board of Directors:


Director


Director

Please see notes accompanying these financial statements.

Schedule A – Financial Statements**GGL DIAMOND CORP.****Consolidated Statement of Operations and Deficit**
For the three months ended August 31, 2002
(Unaudited)

	August 31,	August 31,
	2002	2001
Administration costs		
Amortization	\$ 367	\$ 1,121
Consulting fees	54,437	12,000
Corporate relations	8,584	2,365
Interest expense	206	151
Legal and audit	19,630	16,408
Licences, taxes, insurance and fees	8,549	9,836
Office services and expenses	24,178	22,348
Shareholders' meetings and reports	2,486	1,602
Travel	16,661	703
Operating loss	(135,098)	(66,534)
Other income (loss)		
Interest income	1,285	7,317
Tax expense	-	(34,247)
Write-off of exploration and mineral property costs	(36,941)	(25,926)
	(35,656)	(52,856)
Loss for the period	(170,754)	(119,390)
Deficit, beginning of period	(9,449,996)	(9,046,231)
Deficit, end of period	\$ (9,620,750)	\$ (9,165,621)
Net loss per share	\$ 0.004	\$ 0.003
Weighted average number of common shares outstanding	44,949,864	39,745,945

Please see notes accompanying these financial statements.

Schedule A – Financial Statements

GGL DIAMOND CORP.

Consolidated Statement of Operations and Deficit
 For the nine months ended August 31, 2002
 (Unaudited)

	August 31, 2002	August 31, 2001
Administration costs		
Amortization	\$ 1,101	\$ 3,363
Consulting fees	78,437	32,000
Corporate relations	18,812	9,797
Interest expense	594	585
Legal and audit	18,711	55,273
Licences, taxes, insurance and fees	16,558	26,009
Office services and expenses	61,386	64,180
Shareholders' meetings and reports	14,109	28,786
Travel	17,204	3,043
Operating loss	(226,912)	(223,036)
Other income (loss)		
Interest income	1,661	36,663
Loss on sale of investment	(161)	-
Tax expense	-	(34,247)
Write-off of exploration and mineral property costs	(93,899)	(193,981)
	(92,399)	(191,565)
Loss for the period	(319,311)	(414,601)
Deficit, beginning of period	(9,301,439)	(8,751,020)
Deficit, end of period	\$ (9,620,750)	\$ (9,165,621)
Net loss per share	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding	44,949,864	39,745,945

Please see notes accompanying these financial statements.

Schedule A – Financial Statements**GGL DIAMOND CORP.**

Consolidated Statement of Cash Flows
For the three months ended August 31, 2002
(Unaudited)

	August 31, 2002	August 31, 2001
Cash flows from (used in) operating activities		
Loss for the period	\$ (170,754)	\$ (119,390)
Adjustment for items not involving cash:		
- amortization	367	1,121
- write off of exploration and mineral property costs	36,941	25,926
	(133,446)	(92,343)
Change in non-cash working capital items:		
- accounts receivable	(55,696)	21,728
- prepaid expenses	253	(7,516)
- accounts payable and accrued liabilities	153,622	28,018
	(35,267)	(50,113)
Cash flows from (used in) financing activities		
Shares issued for cash	761,875	-
Shares issued for cash – flow through shares	147,500	-
Shares allotted	-	185,600
Share issuance cost	(47,713)	(5,735)
Principal reduction of mortgage loan	(2,792)	(2,589)
	858,870	177,276
Cash flows from (used in) investing activities		
Mineral property costs	(92)	-
Deferred exploration costs	(370,715)	(439,278)
Purchase of capital assets	(4,073)	-
	(374,880)	(439,278)
Increase (decrease) in cash and cash equivalents	448,723	(312,115)
Cash and cash equivalents, beginning of period	76,284	843,672
Cash and cash equivalents, end of period	\$ 525,007	\$ 531,557
Supplementary cash flow information		
Cash paid for interest charges	\$ 2,004	\$ 2,154

Please see notes accompanying these financial statements.

Schedule A – Financial Statements**GGL DIAMOND CORP.**

Consolidated Statement of Cash Flows
For the nine months ended August 31, 2002
(Unaudited)

	August 31, 2002	August 31, 2001
Cash flows from (used in) operating activities		
Loss for the period	\$ (319,311)	\$ (414,601)
Adjustment for items not involving cash:		
- amortization	1,101	3,363
- loss on sale of investment	161	-
- write off of exploration and mineral property costs	93,899	193,981
	(224,150)	(217,257)
Change in non-cash working capital items:		
- accounts receivable	(43,235)	(4,268)
- prepaid expenses	665	(7,796)
- accounts payable	129,966	38,954
	(136,754)	(190,367)
Cash flows from (used in) financing activities		
Shares issued for cash	881,875	255,023
Shares issued for cash – flow-through shares	303,000	1,438,224
Shares allotted	-	185,600
Share issuance cost	(58,124)	(134,639)
Principal reduction of mortgage loan	(7,829)	(7,467)
	1,118,922	1,736,741
Cash flows from (used in) investing activities		
Mineral properties	(43,853)	(33,019)
Deferred exploration costs	(543,862)	(1,191,392)
Proceeds from sale of investment	3,638	-
Purchase of capital assets	(5,543)	(12,448)
	(589,620)	(1,236,859)
Increase in cash and cash equivalents	392,548	309,515
Cash and cash equivalents, beginning of period	132,459	222,042
Cash and cash equivalents, end of period	\$ 525,007	\$ 531,557
Supplementary cash flow information		
Cash paid for interest charges	\$ 5,881	\$ 6,402

Please see notes accompanying these financial statements.

Schedule A – Financial Information

GGL DIAMOND CORP.

Notes to Consolidated Financial Statements August 31, 2002

These notes should be read in conjunction with the Audited Consolidated Financial Statements for the year ended November 30, 2001.

1. Mineral Properties and Deferred Exploration Costs

[—December 1, 2001 to August 31, 2002—]

	Balance November 30, 2001	property cost additions	exploration cost additions	written off	Balance August 31, 2002
Diamond Venture					
- general exploration	\$ -	\$ -	\$ 93,899	\$ (93,899)	\$ -
Doyle Lake	705,705	-	12	-	705,717
Clinton	200,330	-	-	-	200,330
Fishback Lake and Dessert Lake	327,951	-	5,331	-	333,282
Murray	76,720	-	-	-	76,720
Hilltop	14,076	-	61	-	14,137
CH	1,776,001	43,853	448,741	-	2,268,595
Regional, NWT	41,944	-	-	-	41,944
Happy Creek	889,620	-	11,795	-	901,415
McConnell Creek and other	1,384,145	-	2,520	-	1,386,665
	\$5,416,492	\$ 43,853	\$562,359	\$ (93,899)	\$5,928,805

	Balance November 30, 2001	Dec 1/01 to Additions	Aug 31/02 written off	Balance Aug 31, 2002
Mineral property costs	\$ 468,569	\$ 43,853	\$ -	\$ 512,422
Deferred exploration costs	4,947,923	562,359	(93,899)	5,416,383
	\$ 5,416,492	\$ 606,212	\$ (93,899)	\$ 5,928,805

Exploration costs incurred during the nine months ended:

	August 31, 2002	August 31, 2001
Amortization	\$ 18,497	\$ 20,317
Charter Aircraft	147,548	186,499
Drilling, trenching, sampling	65,675	160,513
Licences and recording fees	24,056	8,295
Mortgage interest	5,287	5,817
Project supplies	54,761	185,141
Salaries and wages	80,776	87,999
Survey	-	323,445
Technical and professional services	123,835	160,800
Transportation	41,924	72,883
	\$ 562,359	\$1,211,709

Schedule A – Financial Information

GGL DIAMOND CORP.

Notes to Consolidated Financial Statements August 31, 2002

1. Mineral Properties and Deferred Exploration Costs (continued)

CH Northwest Territories, Canada

During the period ended August 31, 2002, the Company staked 26 additional claims. The Company now has a 100% interest in 134 claims in the CH project area.

2. Marketable Securities

	August 31, 2002	November 30, 2001
Hornby Bay Exploration Ltd.	20,000 shares	40,000 shares

Marketable Securities are stated at the lower cost or market value.

3. Share Capital

- (a) Authorized: 250,000,000 common shares without par value.
- (b) Issued:

	Shares	Amount
Balance, November 30, 2001	41,742,510	\$14,917,958
For cash:		
Private placement, net of share issued costs	6,900,000	808,822
Issued pursuant to flow-through share agreements	2,538,333	287,929
Warrants exercised	150,000	30,000
Balance, August 31, 2002	51,330,843	\$16,044,709

- (c) During the period ended August 31, 2002, the Company:

- i) completed a private placement of 1,555,000 flow through shares at \$0.10 per share and 425,000 non-flow through units at \$0.10 per unit for gross proceeds of \$155,500 and \$42,500, respectively. The proceeds from the 1,555,000 flow through shares are to be spent on Canadian Exploration Expenses. Each non-flow through unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share during the first year at \$0.15 per share and during the second year at \$0.20 per share;

Schedule A – Financial Information

GGL DIAMOND CORP.

Notes to Consolidated Financial Statements

August 31, 2002

3. Share Capital, (c) continued,

- ii) completed a private placement of 983,333 flow through shares at \$0.15 per share and 6,475,000 non-flow through units at \$0.125 per unit for gross proceeds of \$147,499.95 and \$809,375, respectively. Each non-flow through unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share at \$0.20 per share for two years.
- As at August 31, 2002, the Company has spent all of the flow through funds on Canadian Exploration Expenses;
- iii) issued 150,000 common shares pursuant to the exercise of warrants at \$0.20 per common share for gross proceeds of \$30,000; and
- iv) granted stock options for 1,376,000 common shares to directors, senior officers, employees and consultants exercisable at \$0.20 per common share expiring July 18, 2007.
- (d) At August 31, 2002, the following warrants remained unexercised:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,237,332	0.20 (1 st yr)	September 4, 2002
	0.30 (2 nd yr)	September 4, 2003
400,000	0.30	December 21, 2002
5,913,600	0.30	December 29, 2002
440,000	0.25	December 29, 2002
125,000	0.15 (1 st yr)	January 3, 2003
	0.20 (2 nd yr)	January 2, 2004
300,000	0.15 (1 st yr)	January 17, 2003
	0.20 (2 nd yr)	January 16, 2004
620,000	0.20	May 31, 2004
475,000	0.20	June 24, 2004
<u>5,380,000</u>	0.20	July 11, 2004
<u>14,890,932</u>		

4. Related Party Transactions

During the nine months ended August 31, 2002, the Company was billed \$41,600 (\$36,000 of which is included in accounts payable) by one director (August 31, 2001– \$56,450 of which \$22,600 is included in accounts payable) for consulting fees and technical and professional services. The fees for the period ended August 31, 2002 are recorded as follows in the financial statements: \$36,000 in Consulting fees and \$5,600 as Technical and professional services on the Exploration costs schedule included as part of note 1 – Mineral Properties and Deferred Exploration Costs. As at August 31, 2002, the Company has accrued \$52,000 owing to one director for consulting fees and technical and professional services.

GGL DIAMOND CORP.

Notes to Consolidated Financial Statements
August 31, 2002

5. Segmented information

The Company is involved in mineral exploration and development activities, which are conducted principally in Canada and the United States. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for each of the nine months ended August 31, 2002 and August 31, 2001.

The Company's total assets are segmented geographically as follows:

	August 31, 2002	August 31, 2001
Canada	\$ 5,919,645	\$5,200,631
United States	901,415	889,488
	<u>\$ 6,821,060</u>	<u>\$6,090,119</u>

6. Comparative Figures

Certain 2001 comparative figures have been reclassified to conform to the financial statement presentation adopted for August, 2002.

7. Subsequent Events

Subsequent to August 31, 2002:

- (a) the Company completed a private placement of 1,500,000 common shares at \$0.20 per share for gross proceeds of \$300,000. The Company paid a cash finders fee of \$24,000.
- (b) The Company announced a private placement of up to 10,000,000 common shares at \$0.20 per share for gross proceeds of up to \$2,000,000. A finders fee of 8% will be paid on the subscription proceeds. This private placement is subject to regulatory approval and is required to close by November 12, 2002.
- (c) 50,000 warrants were exercised at \$0.20 per share for gross proceeds of \$10,000.

Schedule B – Supplementary Info

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

1. Analysis of expenses and deferred costs:

For General and administrative expenses incurred during the period see Consolidated Statement of Operations and Deficit for August 31, 2002.

For Deferred exploration costs incurred during the period see note 1 Mineral Properties and Deferred Exploration Costs attached to the consolidated financial statements for August 31, 2002.

2. Related party transactions:

Please see note 4 related party transactions attached to the consolidated financial statements for August 31, 2002.

3. Summary of securities issued and options granted during the period:

(a) Securities issued during the period:

Issue Date	Type	Type of Issue	Number	Price	Total Proceeds	Consideration	Commission
Jan. 02, 2002	Common Shares	Private Placement	125,000)	\$0.10	\$12,500	Cash	-
	Warrants		125,000)				
Jan. 02, 2002	Common Shares	Private Placement Flow through units	485,000	\$0.10	\$48,500	Cash	-
Jan. 16, 2002	Common Shares	Private Placement Flow-through units	1,070,000	\$0.10	\$107,000	Cash	-
Jan. 16, 2002	Common Shares	Private Placement	300,000)	\$0.10	\$30,000	Cash	-
	Warrants		300,000)				
May 31, 2002	Common Shares	Private Placement	620,000)	\$0.125	\$77,500	Cash	-
	Warrants		620,000)				
June 24, 2002	Common Shares	Private Placement	475,000)	\$0.125	\$59,375	Cash	-
	Warrants		475,000)				
June 24, 2002	Common Shares	Private Placement Flow-through shares	150,000	\$0.15	\$22,500	Cash	-
July 11, 2002	Common Shares	Private Placement	5,380,000)	\$0.125	\$672,500	Cash	-
	Warrants		5,380,000)				
July 11, 2002	Common Shares	Private Placement Flow through shares	833,333	\$0.15	\$124,999.95	Cash	-
Aug. 20, 2002	Common Shares	Exercise of warrants	100,000	\$0.20	\$20,000	Cash	-
Aug. 21, 2002	Common Shares	Exercise of warrants	50,000	\$0.20	\$10,000	Cash	-

Subsequent to August 31, 2002, the Company completed a private placement and issued 1,500,000 common shares at \$0.20 per share for gross proceeds of \$300,000. The Company paid a cash finders fee of \$24,000.

Financial Information

Schedule B -

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

4. As at the end of the period:

(a) and (b) Authorized and issued share capital at August 31, 2002:

Class	Par Value	Authorized	Issued	
			Number	Value
Common	No par value	250,000,000	51,330,843	\$16,044,709

(c) Summary of options outstanding as at August 31, 2002:

Security	Number	Exercise Price	Expiry Date
Options	15,000	\$0.30	Nov. 17, 2002
Options	738,500	\$0.30	Apr. 20, 2003
Options	1,685,000	\$0.30	Mar. 5, 2004
Options	669,000	\$0.25	June 29, 2005
Options	100,000	\$0.25	Aug. 8, 2005
Options	100,000	\$0.30	Sept. 5, 2005
Options	120,000	\$0.25	Nov. 14, 2005
Options	150,000	\$0.30	Jan. 16, 2006
Options	600,000	\$0.30	March 1, 2006
Options	305,000	\$0.20	July 16, 2006
Options	1,376,000	\$0.20	July 18, 2007
Total	5,858,500		

(c) Summary of warrants outstanding as at August 31, 2002:

Security	Number	Exercise Price	Expiry Date
Warrants	400,000	\$0.30	December 21, 2002
Warrants	5,913,600	\$0.30	December 29, 2002
Warrants	440,000	\$0.25	December 29, 2002
Warrants	1,237,332	\$0.20-\$0.30	September 4, 2003
Warrants	125,000	\$0.15-\$0.20	January 2, 2004
Warrants	300,000	\$0.15-\$0.20	January 16, 2004
Warrants	620,000	\$0.20	May 31, 2004
Warrants	475,000	\$0.20	June 24, 2004
Warrants	5,380,000	\$0.20	July 11, 2004
TOTAL	14,890,932		

During the period 150,000 warrants at \$0.20 per share were exercised and 1,367,000 warrants expired unexercised.

(d) There are no escrowed or pooled shares.

Schedule B – Supplementary Information

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

5. Directors: Raymond A. Hrkac, J. Haig Farris, Nick DeMare,
W. Wolodarsky, William Meyer, John S. Auston

Senior Officers: Raymond A. Hrkac, President
Nick DeMare, Corporate Secretary

Schedule C – Management Discussion and Analysis

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

The Company is a mineral exploration company and has been engaged in the acquisition, exploration and development of mineral properties in North America since 1981. The Company was engaged in a variety of exploration projects, representing primarily gold and porphyry copper-gold prospects. In 1992, the company began diamond exploration on the Slave Craton in the Northwest Territories of Canada, an effort that has become the Company's primary exploration focus. Between 1992 and 1995 the Company initiated joint ventures with Teck/Cominco, the Slave Diamond Syndicate, and De Beers Canada Exploration Inc. (formerly Monopros Limited) ("De Beers") on five project areas, of these, one, the Doyle Project with De Beers is still in progress.

Diamond Exploration, Slave Craton, Northwest Territories, Canada

The highlights of this reporting period are, the discovery by drilling of a cluster of three kimberlites 40 km SSW of the Ekati Diamond Mine on the Company's 100% owned Seahorse claims, and the completion of the most extensive exploration program undertaken by the Company on its wholly owned claims. The latter, the third of the yearly exploration programs, is expected to focus our kimberlite drill targets for 2003 while exploring new areas for drilling in 2004.

The three kimberlites appear to be irregular pipe-like intrusions that model plus or minus one hectare however further drilling is required to delineate the actual size of each pipe. A piece of drill core from the first magnetic anomaly was sent to Roger H. Mitchell FRSC, D.Sc., Ph.D., Consultant Petrologist, for identification. His Petrographic Report to the Company under the heading Classification states "On basis of thin section petrographic examination this rock is classified as a hypabyssal spinel phlogopite serpentine kimberlite. ..."

The locations and descriptions of the drill holes are as follows:

Drill Hole CH02-08SE located 40 km SSW of Ekati, Azimuth 287.2 degrees at -45 degrees.

FROM (metres)	TO (metres)	DESCRIPTION
0	77.0	Metasediments
77.0	88.5	broken Metasediment and breccia
88.5	119.0	Kimberlite
119.0	120.6	Metaasediment
120.6	134.5	Kimberlite
134.5	138.8	Metasediment
138.8	177.7	Kimberlite
177.7	226.0	Metasediment, End of Hole

Schedule C – Management Discussion and Analysis

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

Drill Hole CH02-09SE located 670 m SSE of above, Azimuth 001.5 degrees at –45 degrees.

FROM (metres)	TO (metres)	DESCRIPTION
Collar	38.50	Metasediments
38.5	70.47	Kimberlite
70.47	92.00	Metasediment
92.00	116.45	Kimberlite
116.45	200.00	Metasediment, End of Hole

Drill Hole CH02-10SE located 350m SSE of above, Azimuth 311.3 degrees at –45 degrees.

FROM (metres)	TO (metres)	DESCRIPTION
Collar	113.50	Metasediments
113.5	147.00	Kimberlite
147.00	151.20	Metasediment
151.2	157.70	Kimberlite
157.70	222.00	Medisediment
222.00	222.17	Kimberlite
222.17	275.00	Medisediment, End of Hole

2002 Sampling Program

Heavy Mineral sampling for kimberlite indicator minerals during 2000 and 2001 was successful on the Seahorse, Starfish, Mackay, Winter Lake North and Courageous claims within the CH Project Area south and west of Lac de Gras. This season follow-up indicator mineral sampling was completed on the Seahorse (161 samples), Starfish (261 samples), Mackay (49 samples), Winter Lake North (128 samples), and new sampling was completed on Winter Lake South (89 samples) and the G Claims (152 samples).

A total of 874 heavy mineral samples and 971 soil samples were collected including the above areas and elsewhere in the Slave Craton of the Northwest Territories, Canada. In addition, several ground geophysical surveys, geophysical anomaly ground checks and surficial mapping were completed over portions of the claims.

2002 Drill Program

Four geophysical targets were drilled for a total of 1150 metres. One target was drilled on the G Claims and three, the three kimberlites, on the Seahorse claims.

Schedule C – Management Discussion and Analysis

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

Future Programs

The Company's future plans will be directed by the results of the work completed in 2002. In this regard the three kimberlites have been logged and split and the split core delivered to SRC for microdiamond analysis, results are expected in October/November this year. Results from the heavy mineral samples are expected over the period of November, 2002 to March, 2003. Soil sample results have now been received and are being evaluated. To date the northwest portion of the Courageous claims have exceptionally strong soil sample signatures for an ultrabasic rock, possibly kimberlite.

The Company has a number of geophysical targets, some with indicator mineral support, selected for drilling, these will be re-evaluated on the basis of results from this year's work. Geophysical surveys both ground and airborne are planned for the early winter of 2003.

Doyle Lake LA 1-25 Mineral Claim

This property adjoins the Mountain Province claims approximately 275 kilometres ENE of Yellowknife. De Beers has earned a 60% interest in the claims and is project operator (the Company has a 40% carried interest).

Results from 136 glacial sediment samples taken in 2001 have now been reported. Two samples in the Squiggly Lake indicator dispersion train (formerly named the Ken (Carl) Hicks train) contain counts of ten and three garnets and were followed up with 32 samples this year. In addition, one sample in the east portion of the claims, containing four garnets was followed up with 16 samples. Results are pending.

Legal Proceedings: Doyle Lake LA 26-30, Easy 1-3 claims, Section 84 Judicial Review

The LA 26-30 mineral claims containing 12,717 acres and the Easy 1, 2 and 3 claims containing 7,747 acres in the Doyle Lake area, Northwest Territories, were located on ground occupied by earlier claims filed by a third party. The Company asserted these earlier claims had been located in contravention of the Canada Mining Regulations. The Supervising Mining Recorder appointed under the Canada Mining Regulations made a decision dated May 10, 1996 agreeing with the position taken by the Company and the LA 26-30 and Easy 1, 2 and 3 mineral claims were recorded in the name of the Company subject to an appeal filed by the third party pursuant to Section 84 of the Canada Mining Regulations.

Schedule C – Management Discussion and Analysis

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

Legal Proceedings: Doyle Lake LA 26-30, Easy 1-3 claims, Section 84 Judicial Review (continued)

On appeal, the Supervising Mining Recorder's decision was overturned by the Assistant Deputy Minister's ('ADM') decision dated November 20, 1997. The Company filed for judicial review by the Federal Court of the November 20, 1997 decision, and on February 24, 1999, that decision was set aside and the Supervising Mining Recorder's May 10, 1996 decision was restored subject to another ministerial review by a person other than the one who conducted the review which was set aside; such new review to be conducted in accordance with the reasons given by the Federal Court. On March 24, 1999, the Company was served with a Notice of Appeal for the appeal of the Federal Court decision to the Federal Court of Appeal. On September 12, 2000, the Federal Court of Appeal set aside the decision of the ADM of Indian Affairs and Northern Development of November 20, 1997 where the ADM overturned the May 10, 1996 decision of the Supervising Mining Recorder. The Federal Court of Appeal remitted the matter to the Minister or his delegate other than the one who conducted the review which was set aside for "redetermination de novo in accordance with the reasons for judgement of this Court". This quarter, the Company was advised that the Minister had appointed a tribunal. The tribunal has contacted our lawyers and has set the first time lines for submissions and replies to be completed by October 15, 2002, this has been done and the tribunal will shortly inform us as to the time lines for the final brief and reply. It is expected that these will be completed by December of this year at which time we expect the Tribunal to inform us if further proceedings are required.

The LA 26-30 claims are subject to the De Beers Agreement.

Exploration and General and Administrative Expenditures

As at August 31, 2002, the Company had incurred exploration costs on mineral properties of \$562,359 (drilling, trenching and sampling \$65,675, licences and recording fees \$24,056, salaries and wages \$80,776, technical and professional services \$123,835 transportation \$41,924 and project supplies of \$54,761).

On a per project basis, the Company spent the \$562,359 exploration costs as follows: \$93,899 on the Diamond Venture, \$61 on the Hilltop property, \$12 on the Doyle Lake property, \$5,331 on Fishback and Dessert Lake properties, \$448,741 on the CH project, \$11,795 on the Happy Creek Gold/Silver Property and \$2,520 on McConnell Creek and other.

The Company reported a net loss of \$319,311 for the period ended August 31, 2002 compared to a net loss of \$414,601 for the period ended August 31, 2001. General administration expenses for the period ended August 31, 2002 were \$226,912 compared to \$223,036 for the period ended August 31, 2001. The increase in general administration expenses was primarily due to an increase in consulting fees (2002 - \$78,437; 2001 - \$32,000), corporate relations (2002 - \$18,812; 2001 - \$9,797) and travel (2002 - \$17,204; 2001 - \$3,043).

Revenue for the period ended August 31, 2002 was \$1,688 consisting of interest income compared with \$36,663 for the period ended August 31, 2001.

Schedule C – Management Discussion and Analysis

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

Acquisition and Disposition of Resource Properties and Write offs

During the winter of 2001-2002, the Company staked 26 more claims in the CH Project area. The Company now has a 100% interest in 134 claims in the CH project area.

The write off of exploration and mineral property costs for the period ended August 31, 2002 was composed of \$93,899 Diamond Venture general exploration.

Related Party Transactions

During the nine months ended August 31, 2002, the Company was billed \$41,600 (\$36,000 of which is included in accounts payable) by one director (August 31, 2001 – \$56,450) for consulting fees and technical and professional services. The fees for the period ended August 31, 2002 are recorded as follows in the financial statements: \$36,000 in Consulting fees and \$5,600 as Technical and professional services on the Exploration costs schedule included as part of Note 1 – Mineral Properties and Deferred Exploration Costs in the Notes to the Consolidated Financial Statements. As at August 31, 2002, the Company has accrued \$52,000 owing to the director for consulting fees and technical and professional services.

Commitments

During the period ended August 31, 2002, the Company entered into an operating lease agreement with respect to its office premises. Minimum payments of \$26,161 in 2002 and \$27,802 in 2003, \$27,802 in 2004 and \$4,868 in 2005 are required under the agreement.

Financial Condition and Liquidity

The Company had working capital at August 31, 2002 of \$267,780 compared with a working deficit of \$24,572 as at November 30, 2001. The Company has no material income from operations and any improvement in working capital results primarily from the issuance of share capital.

As at August 31, 2002 the Company had \$76,095 of long-term debt (mortgage loan) outstanding.

For the period ended August 31, 2002, the Company experienced a negative cash flow of \$224,150 (before allowing for changes in non-cash operating working capital balances) from operating activities. Changes in operating activities resulted primarily from an increase in administration costs such as consulting fees, corporate relations and travel. (See Exploration and General and Administrative Expenditures for further information.)

During the period ended August 31, 2002, the Company completed two private placements for combined gross proceeds of \$1,184,875 and issued common shares pursuant to the exercise of warrants. See note 3 – Share Capital in the Notes to the Consolidated Financial Statements for August 31, 2002.

The Company's cash position as at August 31, 2002 was \$525,007. The increase in cash position compared to November 30, 2001 was due principally to the completion of two private placements. See note 3 – Share Capital in Notes to the Consolidated Financial Statements.

As at August 31, 2002, the Company has spent all of the funds raised for Canadian Exploration Expenses.

Schedule C – Management Discussion and Analysis

GGL DIAMOND CORP.

Quarterly Report For The Nine Months Ended August 31, 2002

Investor Relations Arrangements

The Company provides information packages to investors; the package consists of materials filed with regulatory authorities. Corporate relations are handled by Susan de Stein, who answers investor and shareholder inquiries and other communications activities. The amount billed by Ms. de Stein's company for the period ended August 31, 2002 was \$2,921.25, which includes the reimbursement of expenses incurred. The Company updates its web site (www.ggldiamond.com) on a continuous basis.

Subsequent Events

Subsequent to August 31, 2002:

- (a) the Company completed a private placement of 1,500,000 common shares at \$0.20 per share for gross proceeds of \$300,000. The Company paid a cash finders fee of \$24,000.;
- (b) the Company announced a private placement of up to 10,000,000 common shares at \$0.20 per share for gross proceeds of up to \$2,000,000. A finders fee of 8% will be paid on the subscription proceeds. This private placement is subject to regulatory approval and is required to close by November 12, 2002.; and
- (c) 50,000 warrants were exercised at \$0.20 per share for gross proceeds of \$10,000.

GGL DIAMOND CORP.

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November 6, 2002

PRESS RELEASE

DIAMOND EXPLORATION, SLAVE CRATON, NORTHWEST TERRITORIES, CANADA

Raymond A. Hrkac, **President of GGL Diamond Corp.** (GGL.TSX Venture) reports:

The highlights of this year's exploration are, the discovery by drilling of a cluster of three kimberlites 40 km SSW of the Ekati Diamond Mine on the Company's 100% owned Seahorse claims, and the completion of the most extensive exploration program undertaken by the Company on its wholly owned claims. The latter, the third of the yearly exploration programs, is expected to focus our kimberlite drill targets for 2003 while exploring new areas for drilling in 2004.

The three kimberlites appear to be irregular pipe-like intrusions that model plus or minus one hectare in size. A piece of drill core was sent to Roger H. Mitchell FRSC, D.Sc., Ph.D., Consultant Petrologist, for identification. His Petrographic Report to the Company under the heading Classification states "On basis of thin section petrographic examination this rock is classified as a hypabyssal spinel phlogopite serpentine kimberlite. ...". Diamond analysis from SRC have been received today for all three kimberlites. No microdiamonds and no macrodiamonds are reported. Sample sizes were: drill Hole CH02-08SE 163.75 kilograms, drill hole CH02-09SE 97.15 kilograms and drill hole CH02-10SE 78.50 kilograms.

2002 Sampling Program

Heavy Mineral sampling for kimberlite indicator minerals during 2000 and 2001 was successful on the Seahorse, Starfish, Mackay, Winter Lake North and Courageous claims within the CH Project Area south and west of Lac de Gras. This season follow-up indicator mineral sampling was completed on the Seahorse (161 samples), Starfish (261 samples), Mackay (49 samples), Winter Lake North (128 samples), and new sampling was completed on Winter Lake South (89 samples) and the G Claims (152 samples)

A total of 874 heavy mineral samples and 971 soil samples were collected including the above areas and elsewhere in the Slave Craton of the Northwest Territories, Canada. In addition, several ground geophysical surveys, geophysical anomaly ground checks and surficial mapping were completed over portions of the claims.

Future Programs

The Company's future plans will be directed by the results of the work completed in 2002. Results from the heavy mineral samples are expected over the period of November, 2002 to March, 2003. Soil sample results have now been received and are being evaluated. To date the northwest portion of the Courageous claims have exceptionally strong soil sample signatures for an ultrabasic rock, possibly kimberlite.

The Company has a number of geophysical targets, with indicator mineral support, selected for drilling. These will be prioritized on the basis of results from this year's work. Geophysical surveys both ground and airborne are planned for the early winter of 2003.

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November 6, 2002

GGL DIAMOND CORP.

Doyle Lake LA 1-25 Mineral Claim

This property adjoins the Mountain Province claims approximately 275 kilometres ENE of Yellowknife. De Beers has earned a 60% interest in the claims and is project operator (the Company has a 40% carried interest).

Results from 136 glacial sediment samples taken in 2001 have now been reported. Two samples in the Squiggly Lake indicator dispersion train (formerly named the Ken (Carl) Hicks train) contain counts of ten and three garnets and were followed up with 32 samples this year. In addition, one sample in the east portion of the claims, containing four garnets was followed up with 16 samples. Results are pending.

Legal Proceedings: Doyle Lake LA 26-30, Easy 1-3 claims, Section 84 Judicial Review

The LA 26-30 mineral claims containing 12,717 acres and the Easy 1, 2 and 3 claims containing 7,747 acres in the Doyle Lake area, Northwest Territories, were located on ground occupied by earlier claims filed by a third party. The Company asserted these earlier claims had been located in contravention of the Canada Mining Regulations. The Supervising Mining Recorder appointed under the Canada Mining Regulations made a decision dated May 10, 1996 agreeing with the position taken by the Company and the LA 26-30 and Easy 1, 2 and 3 mineral claims were recorded in the name of the Company subject to an appeal filed by the third party pursuant to Section 84 of the Canada Mining Regulations.

On appeal, the Supervising Mining Recorder's decision was overturned by the Assistant Deputy Minister's ('ADM') decision dated November 20, 1997. The Company filed for judicial review by the Federal Court of the November 20, 1997 decision, and on February 24, 1999, that decision was set aside and the Supervising Mining Recorder's May 10, 1996 decision was restored subject to another ministerial review by a person other than the one who conducted the review which was set aside; such new review to be conducted in accordance with the reasons given by the Federal Court. On March 24, 1999, the Company was served with a Notice of Appeal for the appeal of the Federal Court decision to the Federal Court of Appeal. On September 12, 2000, the Federal Court of Appeal set aside the decision of the ADM of Indian Affairs and Northern Development of November 20, 1997 where the ADM overturned the May 10, 1996 decision of the Supervising Mining Recorder. The Federal Court of Appeal remitted the matter to the Minister or his delegate other than the one who conducted the review which was set aside for "redetermination de novo in accordance with the reasons for judgement of this Court". This year the Company was advised that the Minister had appointed a tribunal. The tribunal has contacted our lawyers and has set the first time lines for submissions and replies to be completed by October 15, 2002. This has been done and the tribunal has instructed the applicants to have their final brief in by November 30, 2002. The Company will have to December 30, 2002 to reply, at which time we expect the Tribunal to inform us if further proceedings are required.

GGL DIAMOND CORP.



Raymond A. Hrkac

President

For more information, please check our web site at www.ggdiamond.com. If you would like to speak to someone or have questions, please contact Marsha D'Angelo or Susan de Stein at (604)684-3376.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.