



British Columbia  
Securities Commission

QUARTERLY REPORT  
BC FORM 51-901F

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INCORPORATED AS PART OF:

- Schedule A
- Schedules B and C

SUPPL

ISSUER DETAILS

NAME OF ISSUER	FOR THE QUARTER ENDED	DATE OF REPORT YY/MM/DD
TRIVALENCE MINING CORPORATION	SEPTEMBER 30, 2003	03/11/28

ISSUER'S ADDRESS

502 - 815 HORNBY STREET

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
VANCOUVER BC		V6Z 2E6	(604) 684-2407	(605) 684-2401
CONTACT PERSON		CONTACT'S POSITION		CONTACT TELEPHONE NO.
OMAIR CHOUDHRY		CHIEF FINANCIAL OFFICER		(604) 684-2401
CONTACT EMAIL ADDRESS			WEB SITE ADDRESS	
tmi@trivalence.com			www.trivalence.com	

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.

PROCESSED

DEC 22 2003

THOMSON  
FINANCIAL

"LUTFUR RAHMAN KHAN"

LUTFUR RAHMAN KHAN

DATE SIGNED  
03/11/28

"ASIF A. SYED, M.D."

ASIF A. SYED, M.D.

DATE SIGNED  
03/11/28

*ASIF A. SYED* 12/16

**TRIVALENCE MINING CORPORATION**  
**Consolidated Balance Sheets**  
(Unaudited) (Expressed in Canadian dollars)

	September 30, 2003	June 30, 2003
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 12,203	\$ 125,303
Accounts receivable	1,092,551	1,010,841
Advances to affiliates	7,740	3,044
Inventory (Note 3)	4,048,618	3,930,243
Prepaid expenses	323,892	58,958
	<b>5,485,004</b>	<b>5,128,389</b>
MINERAL PROPERTIES (Note 4)	12,009,134	12,172,325
PROPERTY, PLANT AND EQUIPMENT (Note 5)	7,402,016	6,427,151
	<b>\$ 24,896,154</b>	<b>\$ 23,727,865</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 1,592,342	\$ 1,455,221
Accrued liabilities	3,610,519	3,194,903
Short-term loans	1,409,412	-
Current portion of obligation under capital lease (Note 7)	430,220	147,443
Income taxes payable	19,890	19,890
	<b>7,062,383</b>	<b>4,817,457</b>
CONVERTIBLE LOANS PAYABLE (Note 6)	13,691,364	13,250,784
OBLIGATION UNDER CAPITAL LEASE (Note 7)	580,967	-
FUTURE INCOME TAX LIABILITIES	154,000	154,000
	<b>21,488,714</b>	<b>18,222,241</b>
NON-CONTROLLING INTEREST (Note 8)	624,547	874,665
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	17,911,673	17,911,673
Equity component of convertible instruments	2,222,771	2,222,771
Additional paid in capital	484,330	484,330
Deficit	(17,835,881)	(15,987,815)
	<b>2,782,893</b>	<b>4,630,959</b>
	<b>\$ 24,896,154</b>	<b>\$ 23,727,865</b>

ON BEHALF OF THE BOARD:

*(Signed) Lutfur Rahman Khan*  
Lutfur Rahman Khan, Director

*(Signed) Asif A. Syed, MD*  
Dr. Asif A. Syed, Director

**TRIVALENCE MINING CORPORATION**  
**Consolidated Statements of Operations and Deficit**  
(Unaudited) (Expressed in Canadian dollars)

	Three months ended Sept. 30,	
	2003	2002
<b>REVENUE</b>		
Diamond sales	\$ 2,817,020	\$ 784,988
Interest and other	6,943	4,800
	<b>2,823,963</b>	<b>789,788</b>
<b>EXPENSES</b>		
Production costs (Note 10)	3,224,649	2,198,273
Selling, general and administrative (Note 14)	840,058	650,974
Interest on long-term debt	453,973	283,420
Exploration	113,957	(30,974)
Depletion and depreciation	373,409	745,912
	<b>5,006,046</b>	<b>3,847,605</b>
<b>LOSS BEFORE UNDERNOTED ITEMS</b>	<b>(2,182,083)</b>	<b>(3,057,817)</b>
Gain on sale of equipment	87,765	-
<b>LOSS BEFORE INCOME TAXES</b>	<b>(2,094,318)</b>	<b>(3,057,817)</b>
Current income tax provision	(3,866)	(8,000)
Future income tax recovery (expense)	-	1,008,000
<b>LOSS BEFORE NON-CONTROLLING INTEREST</b>	<b>(2,098,184)</b>	<b>(2,057,817)</b>
Non-controlling interest (Note 8)	250,118	280,972
<b>NET LOSS</b>	<b>(1,848,066)</b>	<b>(1,776,845)</b>
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>(15,987,816)</b>	<b>(9,105,838)</b>
<b>DEFICIT, END OF PERIOD</b>	<b>\$ (17,835,881)</b>	<b>\$ (10,882,683)</b>
<b>LOSS PER SHARE</b>		
Basic and fully diluted	\$ (0.11)	\$ (0.10)
Weighted average number of common shares used to calculate basic and fully diluted loss per share		
	<b>17,290,984</b>	<b>17,290,984</b>

# TRIVALENCE MINING CORPORATION

## Consolidated Statements of Cash Flows

(Unaudited) (Expressed in Canadian dollars)

	Three months ended Sept. 30,	
	2003	2002
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (1,848,065)	\$ (1,776,845)
Add non-cash items		
Depletion and depreciation	535,089	745,912
Accretion of debt discount	148,094	-
Interest added to debt principal	292,486	283,248
Future income tax recovery	-	(1,008,000)
Non-controlling interest	(250,118)	(280,972)
	(1,122,514)	(2,036,657)
Net change in non-cash working capital items relating to operations (Note 15)	83,022	957,092
	(1,039,492)	(1,079,565)
<b>FINANCING ACTIVITIES</b>		
Obligation under capital lease	863,744	-
Short-term loans	1,409,412	515,385
	2,273,156	515,385
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of equipment	87,765	-
Purchase of property, plant and equipment	(1,434,528)	(231,243)
	(1,346,763)	(231,243)
(DECREASE) INCREASE IN CASH	(113,100)	(795,423)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	125,303	949,636
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 12,203	\$ 154,213

**TRIVALENCE MINING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
Three months ended September 30, 2003  
(unaudited, expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS AND CONTINUING OPERATIONS**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown in the financial statements should the Company be unable to continue as a going concern.

Cash flows from operating activities are expected to become positive, as the company has obtained equity financing for the purpose of purchasing additional heavy equipment in order to operate its plants at rated capacities. These consolidated financial statements do not reflect adjustments in the carrying value of the assets and liabilities, income statement items, and balance sheet classifications that would be necessary if the going concern assumption were not appropriate.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The accounting policies followed in preparing these financial statements are those used by the Company as set out in the audited financial statements for the year ended June 30, 2003. Certain information and note disclosure normally included in financial statements prepared in accordance with generally accepted financial principles have been omitted. These interim financial statements should be read together with the Company's audited financial statements for the year ended June 30, 2003. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements.

**3. INVENTORY**

	<u>September 30,</u> <u>2003</u>	<u>June 30,</u> <u>2003</u>
Diamonds	\$ 234,996	\$ 261,793
Stockpiles	18,729	80,796
Fuel, oil and grease	40,054	38,183
Parts and supplies	3,447,068	3,285,606
In transit	307,771	263,865
	<u>\$ 4,048,618</u>	<u>\$ 3,930,243</u>

**TRIVALENCE MINING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
**Three months ended September 30, 2003**  
**(unaudited, expressed in Canadian dollars)**

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**7. OBLIGATIONS UNDER CAPITAL LEASE**

Included in capital assets is mining equipment that the Company has acquired pursuant to a three-year lease agreement terminating on December 15, 2003 at an interest rate of 8.46% compounded monthly, as well as a three-year lease agreement and a two-year lease agreement, terminating August 10, 2006 and August 5, 2005 respectively, both at an interest rate of 8.50% compounded monthly. Future minimum lease payments are as follows:

	<u>September 30, 2003</u>	<u>June 30, 2003</u>
FY2004	\$ 430,222	\$ 147,443
FY2005	301,016	-
FY2006	208,351	-
FY2007	71,599	-
<u>Total minimum lease payments</u>	<u>1,011,187</u>	<u>147,443</u>
<u>Less interest portion</u>	<u>103,294</u>	<u>6,234</u>
Present value of capital lease obligation	907,893	141,208
<u>Current portion</u>	<u>430,220</u>	<u>147,443</u>
<u>Non-current portion</u>	<u>\$ 580,967</u>	<u>\$ -</u>

**8. NON-CONTROLLING INTEREST**

Non-controlling interest represents the interests in the net assets of Aredor FCMC S.A. ("Aredor") attributable to the 15% equity interest of Aredor not owned by the Company.

Balance June 30, 2002	\$ 931,224.00
15% interest in capitalization of advance by the Company to Aredor FCMC S.A	910,904
<u>Share of net loss of Aredor FCMC</u>	<u>(967,463)</u>
Balance June 30, 2003	\$ 874,665
<u>Share of net loss of Aredor FCMC</u>	<u>(250,118)</u>
<u>Balance September 30, 2003</u>	<u>\$ 624,547</u>

**TRIVALENCE MINING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
 Three months ended September 30, 2003  
 (unaudited, expressed in Canadian dollars)

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**9. SHARE CAPITAL**

(a) *Authorized*

100,000,000 common shares with no par value

(b) *Issued and outstanding*

	<u>Number of common shares</u>	<u>Amount</u>
Outstanding at June 30, 2001	17,290,984	\$ 17,760,994
Recognition of premium on cancellation of own shares	-	<u>150,679</u>
Issued and outstanding at June 30, 2002, June 30, 2003 and September 30, 2003	<u>17,290,984</u>	<u>\$ 17,911,673</u>

(c) *Share purchase options*

At September 30, 2003, there were 572,000 options outstanding under the Company's stock option plan. Under the Toronto Venture Exchange ("TSX-V") policies, the Company can grant stock options to purchase up to 10% of the outstanding common shares of the Company. The options are exercisable for a period of five years from the date of grant and the exercise price cannot be less than the last price on the TSX-V immediately preceding the grant of the option less a sliding scale discount permitted by the TSX-V. The Board of Directors determines at the date of grant the time at which any option may vest.

**TRIVALENCE MINING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
Three months ended September 30, 2003  
(unaudited, expressed in Canadian dollars)

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**9. SHARE CAPITAL (Continued)**

*(d) Share purchase options (continued)*

The following table summarizes stock option activity for each of the years in the two year period ended June 30, 2003 and the three month period ended September 30, 2003:

	<u>Number of Shares</u>	<u>Weighted Average Price per Share</u>
Balance, June 30, 2002	1,374,000	0.80
Cancelled	(687,000)	0.88
Exercised	-	
Balance, June 30, 2003	687,000	0.80
Granted	-	
Cancelled	(115,000)	0.89
Exercised	-	
Balance, September 30, 2003	572,000	\$ 0.76

As at September 30, 2003 the following stock options were outstanding:

<u>Number of Shares</u>	<u>Expiry date</u>	<u>Exercise Price</u>
50,000	January 7, 2004	0.85
20,000	August 26, 2004	1.00
35,000	February 7, 2005	1.15
55,000	March 17, 2005	1.70
25,000	June 20, 2005	1.60
50,000	February 8, 2006	1.30
337,000	April 24, 2007	0.40
<u>572,000</u>		

**TRIVALENCE MINING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
**Three months ended September 30, 2003**  
**(unaudited, expressed in Canadian dollars)**

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**10. PRODUCTION COST OF DIAMOND SALES**

	Three months ended September 30,	
	<u>2003</u>	<u>2002</u>
Opening inventory	\$ 3,930,243	\$ 5,023,339
Guinean mining tax (10% of rough diamond sales)	192,713	-
Fuel, labour, parts, supplies and other	2,948,001	2,770,511
Reclamation	26,189	60,186
Foreign exchange (gain)	176,120	(87,516)
<u>Less closing inventory</u>	<u>(4,048,618)</u>	<u>(5,568,247)</u>
	<u>\$ 3,224,649</u>	<u>\$ 2,198,273</u>

**11. COMMITMENTS**

- (a) The Company's lease for office premises expires in January 2004, and the remaining obligation is \$38,304. As of the date of issuance of these financial statements, no further leases have been entered into, except as stated elsewhere in this report.
- (b) The Company is obligated under the terms of the Aredor concession agreement to pay US\$40,000 per month for rental of equipment and other assets situated on the concession during the tenancy of the concession. At September 30, 2003 the Company had withheld 31 months' rent (US\$1,240,000 which is included as a liability) pending resolution of US\$969,627 in value added tax refunds and US\$252,383 in fuel exoneration refunds due to the Company from the Guinea Ministry of Finance.
- (c) The Company is obligated under certain employment and management agreements. The Company has entered into a management agreement with a Company owned by a director and the President of the Company for an annual fee of US\$120,000. Employment agreements provide for payments of up to one year's salary on the termination of certain senior officers' employment.

**TRIVALENCE MINING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
**Three months ended September 30, 2003**  
**(unaudited, expressed in Canadian dollars)**

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**12. RELATED PARTY TRANSACTIONS**

Significant related party transactions not disclosed elsewhere in these financial statements include:

- (a) management fees of \$123,999 (2002 - \$138,361) were paid during the three months ended September 30, 2003 to directors or shareholders of the Company (or its subsidiaries) or companies controlled by them.
- (b) compensation not included in management fees, paid to directors and officers of the company during the three months ended September 30, 2003 was \$52,500 (2002 - \$100,500).
- (c) accounts receivable of \$7,740 (\$3,044 at June 30, 2003) due from companies with a common director.
- (d) borrowing of \$1,409,412 (2002 - NIL) from related parties or from companies with a common director. The loans are due on demand, bear interest at 11% and are unsecured.

**13. SEGMENTED INFORMATION**

The Company operates in one industry segment, that being the acquisition, exploration and development of diamond and mineral properties.

The Company currently operates in four geographic areas. The Company's revenues are derived from its operations as follows:

	<u>Three months ended Sept. 30,</u>	
	<u>2003</u>	<u>2002</u>
Republic of Guinea	\$ 1,926,914	\$ 1,281
South Africa	896,764	788,237
Canada	285	270
	<u>\$ 2,823,963</u>	<u>\$ 789,788</u>

The location of the Company's long-lived assets is as follows:

	<u>Sept. 30,</u>	<u>June 30,</u>
	<u>2003</u>	<u>2003</u>
Republic of Guinea	\$ 16,587,492	\$ 15,677,712
South Africa	2,724,355	2,821,577
Canada	62,557	63,442
Botswana	36,745	36,745
	<u>\$ 19,411,150</u>	<u>\$ 18,599,476</u>

**TRIVALENCE MINING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
**Three months ended September 30, 2003**  
**(unaudited, expressed in Canadian dollars)**

**14. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>Three months ended Sept. 30,</u>	
	<u>2003</u>	<u>2002</u>
Auditing and legal	\$ 54,985	\$ 49,943
Management fees	90,879	138,361
Investor relations	152,888	100,185
Consulting fees	157,214	56,998
Rent	50,821	41,971
Communications	35,174	43,742
Travel	56,330	71,302
Salaries and wages	186,395	265,025
Commissions on diamond sales	69,353	(115,805)
Office and other	(3,847)	22,974
Cost recoveries	(10,133)	(23,721)
	<u>\$ 840,058</u>	<u>\$ 650,975</u>

**15. CHANGES IN NON-CASH WORKING CAPITAL ITEMS**

	<u>Three months ended September 30,</u>	
	<u>2003</u>	<u>2002</u>
Accounts receivable and prepaid expenses	\$ (346,644)	\$ 348,915
Advances to affiliates	(4,696)	(5,311)
Inventory	(118,375)	(544,908)
Accounts payable	137,121	844,482
Accrued liabilities	415,617	305,914
Income taxes payable	-	8,000
	<u>\$ 83,022</u>	<u>\$ 957,092</u>

**16. SUBSEQUENT EVENTS**

Subsequent to September 30, 2003:

- (a) the Company borrowed US\$138,773 from companies with a common director. The loans are due on demand, bear interest at 11% and are unsecured.
- (b) The Company closed a private placement of 6,080,000 units at a price of 50 cents per unit for gross proceeds of \$3,040,000. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one common share until November 28, 2005 at a price of 75 cents per share.