

MANSON CREEK RESOURCES LTD.

INTERIM FINANCIAL STATEMENTS

**2nd Quarter Reports
March 31, 2003**

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MANSON CREEK RESOURCES LTD.
INTERIM BALANCE SHEETS

(Unaudited - prepared by management)

	March 31, 2003	September 30, 2002
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 368,374	\$ 328,136
Accounts receivable	25,952	118,856
Prepays	4,135	9,721
	<u>398,461</u>	<u>456,713</u>
INVESTMENTS AND OTHER ASSETS Note 2	32,241	32,241
MINERAL PROPERTIES AND EQUIPMENT schedule	<u>957,619</u>	<u>1,295,598</u>
	<u>\$ 1,388,321</u>	<u>\$ 1,784,552</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ <u>35,064</u>	\$ <u>40,011</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK note 3	7,019,199	7,110,533
CONTRIBUTED SURPLUS note 3	91,334	-
DEFICIT	<u>(5,757,276)</u>	<u>(5,365,992)</u>
	<u>1,353,257</u>	<u>1,744,541</u>
	<u>\$ 1,388,321</u>	<u>\$ 1,784,552</u>

Approved on behalf of the Board

"G.A.J.Devonshire" Director

"J.P.Jutras" Director

See accompanying notes to the financial statements

MANSON CREEK RESOURCES LTD.
INTERIM STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited - prepared by management)

	Three months ended March 31,		Six months ended March 31,	
	2003	2002	2003	2002
REVENUE				
Interest and other	\$ <u>1,437</u>	\$ 3,132	\$ <u>2,173</u>	\$ <u>7,968</u>
EXPENSES				
General and administrative	32,303	29,278	55,184	58,587
Reporting to shareholders	8,724	12,520	8,724	12,520
Professional fees	2,355	1,541	7,349	7,028
Stock exchange and transfer agent fees	2,363	2,099	3,931	3,071
Depreciation	467	1,521	934	3,010
	<u>46,212</u>	<u>46,959</u>	<u>76,122</u>	<u>84,216</u>
LOSS BEFORE THE UNDERNOTED	(44,775)	(43,827)	(73,949)	(76,248)
Write-down of mineral properties	(317,335)	(1,749)	(317,335)	(7,208)
Gain on sale of assets	-	-	-	3,321
NET LOSS	(362,110)	(45,576)	(391,284)	(80,135)
DEFICIT, beginning of period	(5,395,166)	(5,247,520)	(5,365,992)	(5,212,961)
DEFICIT, end of period	\$ (5,757,276)	\$ (5,293,096)	\$ (5,757,276)	\$ (5,293,096)
LOSS PER SHARE				
-basic and diluted	\$ <u>(0.03)</u>	\$ (0.01)	\$ <u>(0.03)</u>	\$ (0.01)
WEIGHTED AVERAGE SHARES				
OUTSTANDING - basic and diluted	<u>15,370,402</u>	<u>15,570,402</u>	<u>15,427,545</u>	<u>15,570,402</u>

See accompanying notes to the financial statements.

MANSON CREEK RESOURCES LTD.
INTERIM STATEMENT OF CASH FLOW
(Unaudited - prepared by management)

	Three months ended March 31,		Six months ended March 31	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Increase (decrease) in cash and cash equivalents				
OPERATING ACTIVITIES				
Interest and other income received	\$ 1,437	\$ 3,132	\$ 2,173	\$ 7,968
Cash operating expenses	<u>(51,826)</u>	<u>(45,638)</u>	<u>(79,050)</u>	<u>(61,489)</u>
	<u>(50,389)</u>	<u>(42,506)</u>	<u>(76,877)</u>	<u>(53,521)</u>
FINANCING ACTIVITIES				
Exploration incentives received	<u>134,446</u>	<u>-</u>	<u>134,446</u>	<u>-</u>
INVESTING ACTIVITIES				
Mineral property additions	<u>(9,717)</u>	<u>(12,629)</u>	<u>(17,331)</u>	<u>(37,932)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	74,340	(55,135)	40,238	(91,453)
CASH AND CASH EQUIVALENTS:				
Beginning of period	<u>294,034</u>	<u>742,595</u>	<u>328,136</u>	<u>778,913</u>
End of period	<u>\$ 368,374</u>	<u>\$ 687,460</u>	<u>\$ 368,374</u>	<u>\$ 687,460</u>

Supplementary Information:

No cash was expended on interest or taxes during the periods ended March 31, 2003 and March 31, 2002.

See accompanying notes to the financial statements.

MANSON CREEK RESOURCES LTD
INTERIM SCHEDULE OF MINERAL PROPERTIES AND EQUIPMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2003 AND MARCH 31, 2002
(Unaudited - prepared by management)

2003	Yukon					Unstaked Property and Other
	Total	NAD	Rusty/ KLA	Tanner	JRS	
Exploration and development expenditures:						
Balance September 30, 2002	\$ 1,205,419	\$ 509,119	\$ 274,721	\$ 204,191	\$ 215,352	\$ 2,036
Geological consulting	17,181	2,206	872	6,692	410	7,001
Project field costs and miscellaneous	5,372	564	-	3,086	1,689	33
Exploration incentives	(43,446)	(1,746)	(11,300)	(15,600)	(14,800)	-
Abandonments and write-downs	(273,363)	-	(264,293)	-	-	(9,070)
Balance March 31, 2003	911,163	510,143	-	198,369	202,651	-
Property acquisition costs:						
Balance September 30, 2002	81,873	22,991	40,982	15,190	885	1,825
Costs incurred	1,182	17	1,165	-	-	-
Abandonments and write-downs	(43,972)	-	(42,147)	-	-	(1,825)
Balance March 31, 2003	39,083	23,008	-	15,190	885	-
Total mineral properties March 31, 2003	\$ 950,246	\$ 533,151	\$ -	\$ 213,559	\$ 203,536	\$ -
Equipment	12,209					
Accumulated depreciation	(4,836)					
Total mineral properties and equipment March 31, 2003	\$ 957,619					

2002	Yukon					Unstaked Property and Other
	Total	NAD	Rusty/ KLA	Tanner	JRS	
Exploration and development expenditures:						
Balance September 30, 2001	\$ 929,267	\$ 501,671	\$ 203,525	\$ 102,935	\$ 120,505	\$ 631
Geological consulting	23,973	3,773	4,264	5,719	5,007	5,210
Project field costs and miscellaneous	2,177	-	405	405	-	1,367
Abandonments and write-downs	(7,208)	-	-	-	-	(7,208)
Balance March 31, 2002	948,209	505,444	208,194	109,059	125,512	-
Property acquisition costs:						
Balance September 30, 2001	71,259	22,991	40,875	5,610	286	1,497
Costs incurred	5,000	-	-	5,000	-	-
Balance March 31, 2002	76,259	22,991	40,875	10,610	286	1,497
Total mineral properties March 31, 2002	\$ 1,024,468	\$ 528,435	\$ 249,069	\$ 119,669	\$ 125,798	\$ 1,497
Equipment	46,762					
Accumulated depreciation	(26,466)					
Total mineral properties and equipment March 31, 2002	\$ 1,044,764					

MANSON CREEK RESOURCES LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
March 31, 2003
(Unaudited – prepared by management)

1. Accounting Policies

Basis of presentation

These interim financial statements should be read in conjunction with the audited financial statements for the year ended September 30, 2002 as not all disclosures required by Generally Accepted Accounting Principles for annual financial statements are presented. The interim financial statements follow the same accounting policies and methods of computation as the audited financial statements for the year ended September 30, 2002, except that the Company has adopted a new accounting policy regarding stock-based compensation as described below.

Stock-based compensation

Effective October 1, 2002, in accordance with the recommendations of the Canadian Institute of Chartered Accountants, (CICA), the Company has prospectively adopted, with no restatement or disclosure pertaining to awards granted prior to October 1, 2002, new rules for the accounting for, and disclosure of, stock-based compensation.

The new recommendations of the CICA establish financial accounting and reporting standards for stock-based compensation plans as well as transactions in which an entity issues its equity instruments to acquire goods or services from non-employees. The Company has elected to follow the "fair value" method of accounting for stock-based compensation arrangements, whereby the excess of the fair value of the common shares at the date of grant over the option grant price is recorded as compensation cost. The fair value is determined using an option-pricing model that takes into account the exercise price and expected life of the option, the current price of the underlying stock, its expected volatility, the expected dividends on the stock, and the current risk-free interest rate for the expected life of the option. As no stock options were granted during the six months ended March 31, 2003, no compensation expense has been recorded, nor has additional disclosure pertaining to the option pricing model assumptions been provided.

2. Investments and other assets

	<u>March 31, 2003</u>	<u>September 30, 2002</u>
Investments(fair value\$26,000, Sept30\$26,000)	\$26,000	\$26,000
Non-current prepaid expenses	6,241	6,241
	<u>\$32,241</u>	<u>\$32,241</u>

3. Capital Stock

a) Issued

The following summarizes capital stock transactions during the six months ended March 31, 2003:

	<u>Number of shares</u>	<u>Amount</u>
Balance September 30, 2002	15,570,402	\$7,110,533
Escrow shares cancelled	(200,000)	(91,334)
Balance March 31, 2003	<u>15,370,402</u>	<u>\$7,019,199</u>

The escrow shares were cancelled for no consideration. The average carrying value of the shares of \$91,334 reduced capital stock and increased contributed surplus.

b) Stock options and warrants

No warrants were outstanding at March 31, 2003. No options were granted, exercised or cancelled during the six months ended March 31, 2003. The following summarizes outstanding options at March 31, 2003:

<u>Number of options</u>	<u>Price</u>	<u>Expiry date</u>
1,000,000	\$0.10	July 19, 2006
455,000	\$0.11	May 29, 2007
<u>1,455,000</u>		