



QUARTERLY AND YEAR END REPORT

BC FORM 51-901F  
(previously Form 61)

British Columbia Securities Commission

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<b>ISSUER DETAILS</b>		FOR QUARTER ENDED			DATE OF REPORT		
NAME OF ISSUER					Y M D		
ENDEAVOUR MINING CAPITAL CORP.		03   02   28			03   04   08		
ISSUER ADDRESS							
3 <sup>rd</sup> Floor, Global Life Building, North Church Street.							
CITY/		Country		POSTAL CODE		ISSUER FAX NO.	ISSUER TELEPHONE NO.
Georgetown		Cayman Islands		P.O. Box 1087GT		345-946-7604	345-946-7603
CONTACT PERSON				CONTACT'S POSITION			CONTACT TELEPHONE NO.
<b>BILL KOUTSOURAS</b>				DIRECTOR, CFO & SECRETARY			345-946-7603
CONTACT EMAIL ADDRESS				WEB SITE ADDRESS			
bkoutsouras@endeavourfinancial.com				www.endeavourminingcapital.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.*

DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED		
"BILL KOUTSOURAS"		BILL KOUTSOURAS		Y M D		
				03   04   08		
DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED		
"WAYNE W. MCMANUS"		WAYNE W. MCMANUS		Y M D		
				03   04   08		

*Unaudited Consolidated Financial Statements of*

**ENDEAVOUR MINING CAPITAL CORP.**

*February 28, 2003*

*(Expressed in United States Dollars)*

**ENDEAVOUR MINING CAPITAL CORP.**  
**Unaudited Consolidated Balance Sheet**  
(Expressed in United States Dollars)

	February 28, 2003	August 31, 2002
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,150,019	\$ 8,545,482
Investments (cost: \$16,645,708 - Aug/02 - \$9,675,036) (Note 2)	20,386,075	13,499,474
Receivables	393,713	19,681
Income taxes recoverable (Note 3 (a))	877,278	-
	<u>28,807,085</u>	<u>22,064,637</u>
Deferred acquisition costs	-	355,220
	<u>\$ 28,807,085</u>	<u>\$ 22,419,857</u>
<b>LIABILITIES</b>		
Investment advisor fees payable	\$ 47,113	\$ 36,725
Performance fees payable	71,335	2,032,195
Accrued expenses and other liabilities	22,230	345,530
Future income taxes (Note 3 (b))	517,318	-
	<u>657,996</u>	<u>2,414,450</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 4)	33,665,487	29,411,370
Accumulated deficit	(5,535,750)	(9,405,963)
Currency translation reserve (Note 1 (a))	19,352	-
	<u>28,149,089</u>	<u>20,005,407</u>
	<u>\$ 28,807,085</u>	<u>\$ 22,419,857</u>

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

**ENDEAVOUR MINING CAPITAL CORP.****Unaudited Consolidated Statement of Operations and Accumulated Deficit****(Expressed in United States Dollars)**

	Three Months Ended February 28,		Six Months Ended February 28,	
	2003	2002	2003	2002
<b>INVESTMENT INCOME</b>				
Net realized gain on investments	\$ 3,100,093	\$ 511,035	\$ 4,170,038	\$ 394,402
Change in net unrealized appreciation (depreciation) of investments and foreign currencies	4,938,931	1,780,224	(24,791)	2,210,143
Interest	39,691	190	135,871	498
Dividends, net of withholding taxes	-	3,203	8,770	13,790
Loan facility fees	175,000	-	350,000	-
	<u>8,253,715</u>	<u>2,294,652</u>	<u>4,639,888</u>	<u>2,618,833</u>
<b>EXPENSES</b>				
Performance fee accrual	71,335	108,831	71,335	108,831
Investment advisory fee	135,654	61,103	241,807	112,114
General office and administrative (Note 5 (a))	92,089	29,486	206,995	52,698
Professional fees (Note 5(b))	67,646	27,637	249,538	38,318
	<u>366,724</u>	<u>227,057</u>	<u>769,675</u>	<u>311,961</u>
NET INCOME	7,886,991	2,067,595	3,870,213	2,306,872
ACCUMULATED DEFICIT, BEGINNING OF PERIOD	(13,422,741)	(18,083,208)	(9,405,963)	(18,322,485)
ACCUMULATED DEFICIT, END OF PERIOD	<u>\$ (5,535,750)</u>	<u>\$ (16,015,613)</u>	<u>\$ (5,535,750)</u>	<u>\$ (16,015,613)</u>
<b>BASIC EARNINGS PER SHARE</b>				
	\$ 0.51	\$ 0.16	\$ 0.25	\$ 0.18
<b>DILUTED EARNINGS PER SHARE</b>				
	\$ 0.49	\$ 0.16	\$ 0.24	\$ 0.18
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING</b>				
	15,592,868	12,958,058	15,584,535	12,724,344
<b>DILUTED WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING</b>				
	16,201,201	12,958,058	16,226,201	12,724,344

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

**ENDEAVOUR MINING CAPITAL CORP.**  
**Unaudited Consolidated Statement of Cash Flows**  
(Expressed in United States Dollars)

	Three Months Ended February 28,		Six Months Ended February 28,	
	2003	2002	2003	2002
<b>OPERATING ACTIVITIES</b>				
Net income	\$ 7,886,991	\$ 2,067,595	\$ 3,870,213	\$ 2,306,872
Item not affecting cash:				
Stock-based compensation (Note 5 (b))	20,961	\$ -	41,922	\$ -
Adjustments to reconcile net income to net cash provided from (used in) operating activities (net of effects of acquisition of Welcome Opportunities Ltd.) :				
Net realized gain on investments	(3,100,093)	(511,035)	(4,170,038)	(394,402)
Change in net unrealized (appreciation) depreciation of investments and foreign currencies	(4,938,931)	(1,780,224)	24,791	(2,210,143)
(Increase) decrease in receivables	(200,046)	-	(374,032)	62,937
Increase (decrease ) in investment advisor fees payable	14,690	(14,316)	10,388	(3,616)
Increase (decrease) in accrued performance fees	71,335	108,831	(1,960,860)	108,831
Decrease in accrued expenses and other liabilities	(30,565)	(2,484)	(329,355)	(22,517)
Purchase of investments	(4,056,000)	(10,392,545)	(10,073,330)	(10,656,218)
Sale of investments	8,309,146	9,550,563	14,572,796	10,153,364
	3,977,488	(973,615)	1,612,495	(654,892)
<b>INVESTING ACTIVITIES</b>				
Deferred acquisition costs	-	-	30,000	-
Proceeds from the redemption of Welcome Opportunities Ltd. common shares (Note 3 (b))	-	-	1,962,042	-
			1,992,042	-
<b>FINANCING ACTIVITY</b>				
Paid on redemption of shares	-	-	(5,000,000)	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,977,488</b>	<b>(973,615)</b>	<b>(1,395,463)</b>	<b>(654,892)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>3,172,531</b>	<b>1,928,520</b>	<b>8,545,482</b>	<b>1,609,797</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 7,150,019</b>	<b>\$ 954,905</b>	<b>\$ 7,150,019</b>	<b>\$ 954,905</b>

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

**ENDEAVOUR MINING CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
February 28, 2003 and 2002  
(Unaudited)  
(Expressed in United States Dollars)

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**1. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and they follow the same accounting policies and methods of application as the audited consolidated financial statements of Endeavour Mining Capital Corp. (the "Corporation") for the fiscal period ended August 31, 2002. These unaudited interim consolidated financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited consolidated financial statements and the notes below.

*(a) Currency translation reserve*

These unaudited interim consolidated financial statements include the net assets and results of operations of Welcome Opportunities Ltd. ("Welcome"), the Corporation's wholly owned subsidiary. The Currency Translation Reserve is a result of exchange gains from the translation of the net assets and results of operations of Welcome from Canadian Dollars to United States Dollars.

*(b) Comparative figures*

Certain comparative figures have been reclassified to be consistent with the current period's presentation.

**ENDEAVOUR MINING CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**February 28, 2003 and 2002**  
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**2. INVESTMENTS**

Investments are comprised of the following:

Investments by location	February 28, 2003		August 31, 2002	
	Value	% of Investments	Value	% of Investments
Equities:				
Canada	\$ 10,109,063	49.59%	\$ 4,178,483	30.95%
Canada (short position)	-	0.00%	(23,099)	-0.17%
United Kingdom	1,791,632	8.79%	3,165,953	23.45%
United Kingdom (short position)	(53,213)	-0.26%	-	0.00%
United States of America	893,250	4.38%	1,496,306	11.08%
United States of America (short position)	-	0.00%	(39,600)	-0.29%
<b>Total equities</b>	<b>12,740,732</b>	<b>62.50%</b>	<b>8,778,043</b>	<b>65.02%</b>
Convertible Loans and Debentures				
Canada	2,000,000	9.80%	128,329	0.95%
United States of America	-	0.00%	869,552	6.44%
South Africa	-	0.00%	572,192	4.24%
<b>Total Convertible Loans and Debentures</b>	<b>2,000,000</b>	<b>9.80%</b>	<b>1,570,073</b>	<b>11.63%</b>
Warrants				
Canada	5,644,153	27.69%	2,214,704	16.41%
United Kingdom	1,190	0.01%	868,840	6.44%
United States of America	-	0.00%	67,814	0.50%
<b>Total Warrants</b>	<b>5,645,343</b>	<b>27.70%</b>	<b>3,151,358</b>	<b>23.35%</b>
<b>Total Investment Portfolio</b>	<b>\$ 20,386,075</b>	<b>100.00%</b>	<b>\$ 13,499,474</b>	<b>100.00%</b>

Consistent with the Corporation's merchant banking business plan, the Corporation appoints directors to some of the companies in which it invests.

Investments for which the Corporation has directors in common totaled \$9,526,000 at February 28, 2003 (August 31, 2002 - \$8,148,000).

**ENDEAVOUR MINING CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**February 28, 2003 and 2002**  
**(Unaudited)**  
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**3. INCOME TAXES**

In connection with the acquisition of Welcome Opportunities Ltd. ("Welcome") on September 9, 2002 the Corporation acquired certain tax assets and liabilities. The tax assets and liabilities arise from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet. These tax assets and liabilities will be settled in the ensuing year.

*(a) Income taxes recoverable*

Income taxes recoverable represent the anticipated recovery of taxes paid in prior years by carrying back losses incurred in the current year. Welcome incurred losses of \$2,188,000 for the period from January 1, 2002 to September 9, 2002 (date of acquisition). Consequently a tax asset in the amount of \$877,278 has been recorded on the balance sheet. The Corporation expects to receive these funds in the current year.

*(b) Future income taxes*

Future income taxes represent a liability as a result of investments that were held in the Welcome portfolio with a lower tax basis than the carrying amount on the balance sheet. The Corporation repatriated the net assets of Welcome to the Cayman Islands on September 23, 2002, which resulted in a deemed sale of these Welcome assets at fair market value. The lower tax basis on the underlying investments in the Welcome portfolio resulted in a tax liability of \$517,318.



**ENDEAVOUR MINING CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
February 28, 2003 and 2002  
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**4. SHARE CAPITAL**

*Voting shares*

Authorized

100,000,000 voting shares of \$0.01 par value

100,000,000 undesignated shares

	February 28, 2003		August 31, 2002	
	Number of Shares	Amount	Number of Shares	Amount
Issued				
Opening balance	13,028,129	\$ 29,411,370	12,958,058	\$ 29,016,748
Issued in connection with acquisition of Welcome	4,466,748	7,140,174	-	-
Issued, for shares	1,348,966	2,072,021	1,052,631	1,500,000
Redeemed, for cash	(3,250,975)	(5,000,000)	(982,560)	(1,105,378)
Stock Options Granted (Note 5 (b))	-	41,922	-	-
Closing balance	15,592,868	\$ 33,665,487	13,028,129	\$ 29,411,370

**5. EXPENSES**

(a) *Operating expenses*

The Corporation entered into a Cost Share Agreement (the "Cost Share Agreement"), in April 2001 with the Investment Advisor and other related companies with whom the Corporation shares its premises and resources. In conducting its day-to-day operations, the Corporation incurs costs benefiting specifically the Corporation ("specific costs") and costs benefiting both the Corporation, the Investment Advisor and other related companies ("general costs"). Under the Cost Share Agreement, specific costs are recovered in full from the Corporation. General costs are shared among the respective beneficiaries in accordance with a ratio, based on a use of premises and resources estimate, which is agreed in writing by representatives of all parties and may be amended from time to time in accordance with the Cost Share Agreement. The ratio during the period ended August 31, 2002 had been set at 50/50 whereby 50% of general costs were charged to the Corporation and 50% to the Investment Advisor and other related companies. The ratio for fiscal 2003 has been set at 66.66/33.33 whereby 66.66% of costs are charged to the Corporation and 33.33% to the investment advisor and other related companies. The amount of \$15,495 remains payable under the Cost Share Agreement to the Investment Advisor and other related companies at February 28, 2003 (August 31, 2002 - \$15,530).

**ENDEAVOUR MINING CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**February 28, 2003 and 2002**  
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**5. EXPENSES (continued)**

*(b) Professional fees*

Non-employee share options are measured and recognized using a fair value based method. When non-employee share purchase options are granted, the fair value is credited to shareholders equity. The company uses the Black-Scholes model to estimate a fair value. Share purchase options with a fair value of \$84,000 were granted to consultants in 2003 (2002 – nil). The expense is allocated over the life of the services contract, which is one year. Accordingly, professional fees expense for the six month period ended February 28, 2003 include \$42,000 (2002 – nil) of costs relating to share options.

The following weighted-average assumptions were used in calculating the fair value of stock options granted using the Black-Scholes option pricing model:

Risk-free interest rate	3.463%
Expected life of options	2 years
Annualized volatility	48.45%
Dividend rate	0.00%