



Moydow Mines
INTERNATIONAL INC.

Second Quarter

Interim Report

Three Months Ended June 30, 2002

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Moydow Mines International Inc.
Second Quarter Interim Report, Three Months Ended June 30, 2002

Message to our shareholders

Your Company continues to pursue strategic opportunities while remaining focused on its core business of advancing the development of the Ntotoroso gold project in Ghana. As previously reported, the Company has staked a large block of mining claims in the Botwood Basin region of central Newfoundland.

Importantly, the second quarter has seen a general upswing in the price of gold and gold stocks. The price of gold has averaged \$301 per ounce so far this year compared to an average of \$271 for all of last year. There have also been a series of consolidations and mergers in the gold mining industry, not least that of Newmont Mining Corporation acquiring Normandy Mining Limited earlier this year which has resulted in Newmont becoming the Company's joint venture partner on the Ntotoroso gold project.

Newmont is continuing to review its large portfolio of gold assets including its holdings in Ghana. Moydow Mines is happy to continue working with the new joint venture partner and looks forward to fully realizing the potential of the combined projects at Ntotoroso and Yamfo Sefwi.

In July 2000, your Company successfully negotiated a production agreement with Normandy Mining whereby the ore from Ntotoroso would be treated at a Normandy owned plant which was planned for Yamfo Sefwi. It was originally intended that the agreement lapse if a production decision had not been made by July 24, 2002. It has been agreed by both Moydow and Newmont to extend the term of that agreement for a further two months to September 24, 2002 to allow additional time to determine the optimum way to advance the development plans for the Ntotoroso property.

During the quarter Moydow staked 570 claims in the Botwood Basin region of Newfoundland. This region has been the focus of a major staking rush in the last several months. In early July, the Company completed a private placement of 687,500 flow-through common shares at a price of Cdn\$0.80 per share for net proceeds of Cdn\$504,000. The proceeds from this financing will be used for exploration of the Botwood Basin claims. Although exploration is at the initial phase, we are quite excited at the potential of this group of claims to host a significant gold target. In the next several months we expect to outline potential drill targets.

The Company has curtailed exploration on the unpatented claims in Nevada and on the Mali projects in the interest of concentrating resources on Ghana and Newfoundland where we are most likely to enhance shareholder value in the immediate future. On the Mali projects we are currently seeking alternative ways of funding and increasing the value of these projects.

The next quarter should see the finalization of plans for the development of Ntotoroso, as well as renewed exploration to test both the deep potential of Zone E and to test other significant gold anomalies on this large property. Following discussions with Newmont, we fully expect to see an aggressive exploration effort at Ntotoroso. We will also seek to add value to our other projects in a cost effective manner and we have no doubt that our exploration successes will continue.

"Signed"
Brian Kiernan
President and Chief Executive Officer

July 29, 2002

Management's Discussion and Analysis of Financial Condition

(All results are expressed in United States dollars unless otherwise stated.)

The Company

Moydow Mines International Inc. ("Moydow" or the "Company") is an international exploration and development company with primary interests in precious metals. Exploration and development activities are focused principally on Ghana, West Africa, where Moydow and its subsidiaries have been active since 1992. The Company's main asset is its 50% interest in the Ntoroso gold property held through Rank Mining Company Limited. Moydow trades as a public company on the Toronto Stock Exchange (symbol "MOY").

Overview

Ntoroso Project

Moydow's immediate priorities are the development and operating plans for the proposed Ntoroso mine in Ghana and the financing thereof. With the acquisition of Normandy Mining by Newmont Mining Corporation in early 2002, Newmont became the Company's joint venture partner in the project.

Botwood Basin

In April, Moydow acquired exploration licences covering more than 140 square kilometres of ground in the heart of the Botwood Basin in central Newfoundland, Canada. The 570 claims are contiguous. In early July, Moydow Mines closed a private placement consisting of 687,500 flow-through common shares for net proceeds of Cdn\$504,000. The proceeds will be used for exploration of the Company's Botwood Basin property. Initial exploration has commenced with a view to defining drill targets.

Segmented Information

The Company has one reportable operating segment, being exploration of mineral properties with substantially all of its operations located in West Africa.

Results of Operations

Net losses for the three months to June 30, 2002 and 2001 were \$0.165 million or \$0.006 per share and \$0.147 million or \$0.005 per share, respectively.

The Company received operator fees of \$0.003 million in the second quarter of 2002 as compared to nil in the same period in 2001. During 2001, a feasibility study was undertaken on the Ntoroso project and the operator fees were suspended during this period. General and administrative expenses were \$0.177 million in the second quarter of 2002 compared with \$0.196 million in the same quarter of 2001.

The foreign exchange gains for the three months ended June 30, 2002 and 2001 were \$0.011 million and \$0.016 million, respectively.

The Company earned deposit interest income of \$0.007 million, and \$0.032 million during the second quarter of 2002 and 2001, respectively. Interest income is dependent on available cash balances and prevailing interest rates.

Net losses for the six months to June 30, 2002 and 2001 were \$0.301 million or \$0.011 per share and \$0.295 million or \$0.011 per share, respectively.

The Company received operator fees of \$0.041 million in the first half of 2002 as compared to nil in the same period in 2001. During 2001, a feasibility study was undertaken on the Ntotoroso project and the operator fees were suspended during this period.

During the six month period ending June 30, 2002, the Company wrote off mineral property expenditures in the amount of \$0.029 million which were incurred on a number of minor projects.

General and administrative expenses were \$0.336 million in the first six months of 2002 compared with \$0.344 million in the same period of 2001.

The foreign exchange gain for the six months ended June 30, 2002 was \$0.011 million compared to a loss of \$0.005 million for the same period in 2001.

The Company earned deposit interest income of \$0.015 million, and \$0.075 million during the first six months of 2002 and 2001, respectively. The reduction year over year is due to the decrease in the Company's cash and the decrease in interest rates.

Liquidity and Capital Resources

At June 30, 2002, the Company had cash and cash equivalents of \$1.419 million compared with \$1.933 million at December 31, 2001. In early July, the Company closed a private placement consisting of 687,500 flow-through common shares at a price of Cdn\$0.80 per share for net proceeds of Cdn\$0.504 million.

Cash flow used in operating activities in the three month period ended June 30, 2002, including changes in non-cash working capital, totaled \$0.102 million compared with \$0.183 million in the same period in 2001. In the three months ended June 30, 2002 and 2001 cash used in investing activities (exploration of mineral properties) was \$0.147 million and \$0.129 million, respectively.

Cash flow used in operating activities in the six month period ended June 30, 2002, including changes in non-cash working capital, totaled \$0.235 million compared with \$0.028 million in the same period in 2001. In the six months ended June 30, 2002 and 2001 cash used in investing activities (exploration of mineral properties) was \$0.279 million and \$0.796 million, respectively.

At June 30, 2002, the Company had stock options outstanding under its stock option plan for the purchase of an aggregate of 3,431,667 common shares, and warrants outstanding, for the acquisition of 66,667 common shares. The warrants expired on July 1, 2002.

MOYDOW MINES INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS

(expressed in United States dollars, unless otherwise stated)

As at	June 30, 2002 (unaudited)	December 31, 2001 (audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$1,419,026	\$1,933,038
Accounts receivable and prepaid expenses	32,181	33,320
Total current assets	1,451,207	1,966,358
Mineral properties	4,643,198	4,384,518
Other assets	57,795	71,234
Total assets	\$6,152,200	\$6,422,110
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$326,974	\$295,560
Total liabilities	326,974	295,560
Shareholders' equity		
Capital stock	15,165,390	15,165,390
Deficit	(9,340,164)	(9,038,840)
Total shareholders' equity	5,825,226	6,126,550
Total liabilities and shareholders' equity	\$6,152,200	\$6,422,110

MOYDOW MINES INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT (UNAUDITED)
 (expressed in United States dollars, unless otherwise stated)

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Revenues				
Operator's fees	<u>\$2,590</u>	\$-	<u>\$40,754</u>	\$-
	<u>2,590</u>	=	<u>40,754</u>	=
Expenses				
Write-down of mineral properties	<u>8,000</u>	-	<u>29,069</u>	-
General and administrative expenses	<u>176,713</u>	195,790	<u>335,727</u>	343,881
Amortization of capital assets	<u>1,588</u>	2,832	<u>4,327</u>	5,550
Foreign exchange (gain)/loss	<u>(11,072)</u>	(15,881)	<u>(11,086)</u>	<u>4,888</u>
	<u>175,229</u>	<u>182,741</u>	<u>358,037</u>	<u>354,319</u>
Other income and expenses				
Gain/(loss) on sale of other assets, net of impairment	-	3,837	-	(15,911)
Interest income	<u>7,491</u>	<u>31,918</u>	<u>15,959</u>	<u>75,000</u>
	<u>7,491</u>	<u>35,755</u>	<u>15,959</u>	<u>59,089</u>
Net loss for period	<u>(165,148)</u>	<u>(146,986)</u>	<u>(301,324)</u>	<u>(295,230)</u>
Consolidated statements of deficit				
Deficit, beginning of period	(9,175,016)	(8,617,791)	(9,038,840)	(8,469,547)
Net loss for period	<u>(165,148)</u>	<u>(146,986)</u>	<u>(301,324)</u>	<u>(295,230)</u>
Deficit, end of period	<u>\$(9,340,164)</u>	<u>\$(8,764,777)</u>	<u>\$(9,340,164)</u>	<u>\$(8,764,777)</u>
Basic and diluted loss per common share	<u>\$(0.006)</u>	<u>\$(0.005)</u>	<u>\$(0.011)</u>	<u>\$(0.011)</u>
Weighted average number of common shares outstanding	<u>27,026,514</u>	<u>27,026,514</u>	<u>27,026,514</u>	<u>27,026,514</u>

MOYDOW MINES INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)
(expressed in United States dollars, unless otherwise stated)

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Operating activities				
Net loss for the period	\$ (165,148)	\$ (146,986)	\$ (301,324)	\$ (295,230)
Adjustments for non-cash items:				
Write-down of mineral properties	8,000	-	29,069	-
Amortization of capital assets	1,588	2,832	4,327	5,550
(Gain)/loss on sale of other assets	=	<u>(3,875)</u>	=	<u>15,873</u>
	<u>(155,560)</u>	<u>(148,029)</u>	<u>(267,928)</u>	<u>(273,807)</u>
Changes in non-cash working capital:				
Accounts receivable and prepaid expenses	556	3,423	1,139	38,480
Accounts payable and accrued liabilities	<u>52,674</u>	<u>(37,978)</u>	<u>31,414</u>	<u>207,562</u>
	<u>53,230</u>	<u>(34,555)</u>	<u>32,553</u>	<u>246,042</u>
Cash flow used in operating activities	<u>(102,330)</u>	<u>(182,584)</u>	<u>(235,375)</u>	<u>(27,765)</u>
Investing activities				
Purchase of capital assets	-	(374)	-	(374)
Exploration of mineral properties	(146,714)	(128,985)	(278,637)	(797,365)
Proceeds from sale of other assets	=	<u>33</u>	=	<u>2,033</u>
Cash flow used in investing activities	<u>(146,714)</u>	<u>(129,326)</u>	<u>(278,637)</u>	<u>(795,706)</u>
(Decrease) in cash and cash equivalents	(249,044)	(311,910)	(514,012)	(823,471)
Cash and cash equivalents at beginning of period	<u>1,668,070</u>	<u>2,849,974</u>	<u>1,933,038</u>	<u>3,361,535</u>
Cash and cash equivalents at end of period	<u>\$1,419,026</u>	<u>\$2,538,064</u>	<u>\$1,419,026</u>	<u>\$2,538,064</u>

MOYDOW MINES INTERNATIONAL INC.

NOTES TO CONSOLIDATED FINANCIALS STATEMENTS (expressed in United States dollars, unless otherwise stated)

1. Basis of presentation and consolidation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, which conform, in all material respects, with the measurement principles of generally accepted accounting principles in the United States, except as explained in Note 4. The consolidated financial statements include the accounts of the Company, its subsidiaries and a proportionate share of the Company's interests in joint ventures. Interests in associated companies, which are not controlled but over which the Company has the ability to exercise significant influence, are accounted for using the equity method. All significant inter-company accounts and transactions have been eliminated. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended June 30, 2002 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2002. For further information, see the Company's consolidated financial statements including the notes thereto included in the Annual Report for the year ended December 31, 2001.

2. Ntotoroso Gold Project, Ghana

In February 2002, Newmont Mining Corporation acquired Normandy Mining Limited together with its subsidiary, Normandy LaSource SAS("LaSource"). The Company holds a 50% joint venture interest in Rank Mining Company Limited ("Rank"). Rank holds a thirty year mining lease on the Ntotoroso property in the Yamfo-Sefwi gold belt in Ghana. Under the terms of the Rank Farm-In Shareholders Agreement ("the RFS Agreement") with LaSource, LaSource agreed to invest \$2,500,000 in Rank to fund exploration and development activities in respect of the Ntotoroso license area to earn a 40% interest in Rank. The RFS Agreement provided LaSource with the right to earn up to a 50% interest in Rank by funding a further \$4 million of exploration expenditures. LaSource have advanced a further US\$4 million under the RFS Agreement, and as a result has earned a 50% interest in Rank. Moydow and LaSource are now funding the Ntotoroso Gold project on an equal basis.

During 2000, the Company entered into the Rank Development and Production Agreement (the "RDP Agreement") with LaSource and its affiliate Normandy Ghana Gold Limited ("Normandy Ghana"). Normandy Ghana holds concessions adjacent to Rank's Ntotoroso property that are the subject of a detailed feasibility study under preparation by Normandy Ghana. The RDP Agreement sets forth the terms under which, subject to completion of acceptable feasibility studies by Rank and Normandy Ghana on their respective properties, the Company and Normandy Ghana would participate in the development, mining and processing of ore from Rank's Ntotoroso property. The RDP Agreement modifies portions of the RFS Agreement such that the Company may elect to share in development and mining costs, or be carried through to economic completion and have Rank ore milled in consideration of a toll treatment charge. The RDP Agreement which would have expired on July 24, 2002 has been extended with mutual agreement to September 24, 2002. Rank has completed a feasibility study on the Ntotoroso property that indicates the existence of reserves that may be economically recoverable.

3. Investment in Equity Associate-Wassa Mining Lease, Ghana

The Company owns a 34% interest in Wassa Holdings Limited ('Wassa Holdings'), which owns a 90% interest in Satellite Goldfields Limited ('Satellite'). Because the Company's share of the losses in Wassa Holdings for 1999 exceeded the carrying value of its equity investment, the Company has written down the carrying value of its investment to nil. Satellite subsequently went

into receivership in November 2001 and is currently concluding an agreement for the purchase by Golden Star Resources Limited of certain of the assets and business comprising the Wassa gold mine in Ghana.

4 Difference between Canadian and United States generally accepted accounting principles

As disclosed in Note 1, these financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") which, for purposes of the Company, conform in all material respects except for as described below. For further information, see the Company's consolidated financial statements including the Notes thereto included in the Annual Report for the year ended December 31, 2001. The effect of the measurement differences between Canadian GAAP and United States GAAP on the Company's financial statements is summarized as follows:

As at	June 30, 2002 (unaudited)	December 31, 2001 (audited)
Total assets under Canadian GAAP	\$6,152,200	\$6,422,110
Adjustments:		
Deferred exploration costs of the Company	(4,643,198)	(4,384,518)
Unrealized holding gain on investment	13,356	450
Total assets under United States GAAP	\$1,522,358	\$2,038,042
	June 30, 2002 (unaudited)	December 31, 2001 (audited)
Shareholders' equity under Canadian GAAP	\$5,825,226	\$6,126,550
Adjustments:		
Deferred exploration costs of the Company	(4,643,198)	(4,384,518)
Unrealized holding gain on investment	13,356	450
Shareholders' equity under United States GAAP	\$1,195,384	\$1,742,482
For the three months ended June 30 (unaudited)	2002	2001
Net loss under Canadian GAAP	\$(165,148)	\$(146,986)
Adjustments:		
Deduct write-down of deferred exploration cost of the Company	8,000	-
Add deferred exploration cost of the Company	(165,474)	(128,985)
Add stock-based compensation to non-employees	-	(50,107)
Net loss under United States GAAP	(322,622)	(326,078)
Increase in holding gain on investments	2,661	-
Comprehensive loss for the period under United States GAAP	\$(319,961)	\$(326,078)
Basic loss per share under United States GAAP	\$(0.012)	\$(0.012)

For the six months ended June 30 (unaudited)	2002	2001
Net loss under Canadian GAAP	\$(301,324)	\$(295,230)
Adjustments:		
Deduct write-down of deferred exploration costs of the Company	29,069	-
Add deferred exploration cost of the Company	(287,749)	(797,365)
Add stock-based compensation to non-employees	-	(50,107)
Net loss under United States GAAP	(560,004)	(1,142,720)
Increase (decrease) in holding gain on investments	13,356	-
Comprehensive loss for the period under United States GAAP	\$(546,648)	\$(1,142,720)
Basic loss per share under United States GAAP	\$(0.020)	\$(0.042)
For the three months ended June 30, (unaudited)	2002	2001
Cash flow used in operating activities under Canadian GAAP	\$(102,330)	\$(182,584)
Adjustment for deferred exploration costs	(146,714)	(128,985)
Cash flow used in operating activities under United States GAAP	\$(249,044)	\$(311,569)
Cash flow used in investing activities under Canadian GAAP	\$(146,714)	\$(129,326)
Adjustment for deferred exploration costs	146,714	128,985
Cash flow generated from (used in) investing activities under United States GAAP	\$-	\$(341)
For the six months ended June 30 (unaudited)	2002	2001
Cash flow used in operating activities under Canadian GAAP	\$(235,375)	\$(27,765)
Adjustment for deferred exploration costs	(278,637)	(797,365)
Cash flow used in operating activities under United States GAAP	\$(514,012)	\$(825,130)
Cash flow used in investing activities under Canadian GAAP	\$(278,637)	\$(795,706)
Adjustment for deferred exploration costs	278,637	797,365
Cash flow generated from (used in) investing activities under United States GAAP	\$-	\$1,659

MOYDOW MINES INTERNATIONAL INC.

Directors and Officers

Noel P. Kiernan - *Director, Chairman*
Brian P. Kiernan - *Director, President & CEO*
Sylvester P. Boland - *Director, Member of the Audit Committee*
Albert C. Gourley - *Director, Member of the Audit Committee*
Norman D. A. Hardie - *Director*
Victor J. E. Jones - *Director, Member of the Audit Committee*
Michael E. Power - *Director, Vice President & Secretary*

J. Joseph Breen - *COO*
Geoffrey G. Farr - *Assistant Secretary*
Rosemary G. O'Mongain - *CFO*

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Exchange Listing

The Toronto Stock Exchange
Symbol: MOY
CUSIP: 62472V 100
Shares outstanding: 27,026,514
Shares fully diluted: 31,145,681

To contact the Company

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