



Moydow Mines
INTERNATIONAL INC.

Second Quarter

Interim Report

Three Months Ended June 30, 2003

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Moydow Mines International Inc.
Second Quarter Interim Report, Three Months Ended June 30, 2003

Message to our shareholders

It was previously announced, in March 2003, that your Company signed a letter of intent with Newmont Mining Corporation to sell our 50% interest in the Ntotoroso project.

On August 22, 2003 your Company executed a definitive agreement with Newmont for this sale. Consideration for this transaction has three components: (1) Moydow will receive 800,000 Newmont common shares which had a closing price on the NYSE of \$37.54 per share on Friday, August 22, 2003; (2) Moydow has been granted a royalty of 2% on all recovered ounces of gold and silver produced from Ntotoroso after the first 1.2 million gold equivalent ounces and (3) The cancellation of 1,325,882 common shares of Moydow which are currently held by Newmont.

The definitive agreement contemplates a closing of the transaction on or before October 30, 2003 following the Company's Annual and Special Meeting of Shareholders ("Special Meeting") which is expected to take place on or before October 15, 2003. Your Company intends to use the proceeds from the disposition of 600,000 Newmont common shares to distribute to its shareholders as of a record date to be fixed following its Special Meeting. At the time of writing, this would represent a distribution of approximately Cdn\$1.20 per share, on a non-diluted basis assuming the share price of Newmont is maintained. Following the distribution to its shareholders, the Company will have working capital of approximately Cdn\$9 million after payment of taxes and costs in connection with the transaction. The Company will be well funded to pursue mining opportunities.

Aside from the sale of Ntotoroso, your Company's exploration portfolio remains intact.

Exploration in Newfoundland continues apace on our True Grit project which is a joint venture with Cornerstone Capital Resources Inc.. In July we announced the results from our first run of drilling in the area and the results are encouraging enough that the drill rigs have already been mobilised back to the property to follow up with more drilling. Our geological team is also reviewing other prospects in the area.

A program for our remaining licences in Ghana has now been designed and we expect to be active there in the coming months. Hwidem will be the main focus of our efforts in the near future as this project lies on the border of the Ntotoroso project and less than 3 kilometres from the reserve at Zone E.

We would like to thank all our personnel for their tremendous work in the last several months. We would also like to thank our loyal shareholders for their continued support. Now that the deal with Newmont has been finalised we will refocus our efforts on exploring for and finding World Class gold deposits with a view to adding value for our shareholders.

"Signed"

Brian Kiernan
President and Chief Executive Officer

Dated August 25, 2003

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 Mines" or "the Company") is engaged in the acquisition, exploration and development of gold properties, principally in Ghana, West Africa. Moydow Mines' common shares are listed on the Toronto Stock Exchange (symbol "Moy").

Overview

Ntoroso Project

On August 25, 2003, Moydow Mines and Newmont Mining Corporation ("Newmont") signed a definitive agreement which details the terms of the Company's agreement to sell its interest in the Ntoroso project in Ghana to Newmont, its 50% partner in the project. The Company will receive 800,000 freely tradeable Newmont shares in consideration for the sale of its 50% interest in the Ntoroso project. At the date of signing the agreement, Newmont shares closed at \$37.54 per share on the New York Stock Exchange valuing the 800,000 shares receivable by Moydow at about \$30 million.

This definitive agreement supercedes the letter of intent signed with Newmont Mining Corporation in March 2003 to sell its 50% interest in Ntoroso to Newmont.

In addition, the Company will receive a 2% net smelter return royalty in respect of all gold and silver production from the Ntoroso project in excess of 1.2 million ounces. Moydow Mines has 27,724,014 shares outstanding and Newmont owns 1,325,882 shares in Moydow. As part of the transaction Newmont has also agreed that its Moydow shares will be cancelled at the time of closing.

It is anticipated that the sale of Ntoroso will be completed as soon as possible and in any event by the end of October 2003, subject to Toronto Stock Exchange, shareholder and other regulatory and corporate approvals.

Newfoundland Project

In February 2003 the Company signed an agreement with Cornerstone Capital Resources Inc. ("Cornerstone"), whereby the Company has the option to acquire a 51% interest in a group of claims located in south-central Newfoundland owned by Cornerstone. The Company is required to incur exploration expenditures on these claims of not less than Cdn\$800,000 on or before February 2007 in order to earn a 51% interest in these properties. In addition, the Company is required to make cash payments to Cornerstone Resources Inc. totalling Cdn\$80,000 over a period of four years. On March 21, 2003, under the terms of the agreement with Cornerstone, the Company issued 10,000 common shares of Moydow Mines at a price of Cdn\$0.88 per share and granted warrants for the purchase of 200,000 common shares at a price of Cdn\$0.90 per share to Cornerstone. The warrants expire on February 28, 2005. When the Company has earned its 51% interest, it will have an exclusive option to acquire an additional 29% interest in the claims by incurring further exploration costs of Cdn\$1,200,000.

In June 2003, the first phase of drilling was carried out to test a broad zone of low-grade gold mineralisation. The program comprised 1,251 metres of drilling in 22 holes to a depth of approximately 50 metres. Preliminary results indicate that the gold grades across the mineralised sections are very consistent with the highest individual assay reported being 1.5 grams of gold per tonne. Additional drilling is planned within the next few weeks. Moydow is the operator of the joint venture.

The joint venture between Moydow and Cornerstone, which originally comprised 356 claims, has been enlarged to 535 claims covering 134 square kilometres.

Segmented Information

The Company does not segment information geographically as substantially all of its exploration and development operations to date have been located in West Africa.

Results of Operations

Net losses for the three months to June 30, 2003 and 2002 were \$1.49 million or \$0.054 per share and \$0.17 million or \$0.006 per share, respectively.

During the second quarter of 2003 the Company wrote off its investment in the Kanyankaw project in Ghana in the amount of \$1.36 million. In the second quarter of 2002 the Company wrote off mineral property expenditures incurred on a number of minor projects in the amount of \$0.008 million. The Kanyankaw project is being written off as the Company is not actively exploring on this property at the present time; however, exploration may recommence at some future date. The Kanyankaw property is the subject of a joint venture agreement with Antubia Resources Limited, a subsidiary of Glencar Mining plc.

General and administrative expenses were \$0.19 million in the second quarter of 2003 compared to \$0.18 million in the second quarter of 2002.

The Company received operator fees of \$0.006 million in the second quarter of 2003 compared to \$0.003 million in the second quarter of 2002. The operator fees are calculated as a percentage of costs incurred on the Ntoroso property.

The foreign exchange gain for the three months ended June 30, 2003 was \$0.06 million compared to a gain of \$0.01 million for the same period in 2002. The foreign exchange gain resulted from movements in exchange rates between operating currencies and the United States dollar.

The Company earned deposit interest income of \$0.002 million and \$0.007 million during the second quarter of 2003 and 2002, respectively. Interest income is dependent on available cash balances and prevailing interest rates.

Net losses for the six months to June 30, 2003 and 2002 were \$1.66 million or \$0.060 per share and \$0.30 million or \$0.011 per share, respectively.

During the six months ended June 30, 2003, the Company wrote off its investment in the Kanyankaw Project in Ghana in the amount of \$1.36 million. In the six months ended June 30, 2002 the Company wrote off mineral property expenditures incurred on a number of minor projects in the amount of \$0.029 million.

General and administrative expenses for the first six months of 2003 were \$0.38 million compared to \$0.36 million in the same period of 2002.

The Company received operator fees of \$0.01 million in the first six months of 2003 compared to \$0.04 million in the same period in 2002. During the first six months of 2003 the level of work undertaken on the Ntoroso project was significantly reduced compared to the same period in 2002. The operator fees are calculated as a percentage of costs incurred on the property.

The foreign exchange gain for the six months ended June 30, 2003 was \$0.08 million compared to a gain of \$0.01 for the same period in 2002. The foreign exchange gain resulted from movements in exchange rates between operating currencies and the United States dollar.

The Company earned deposit interest income of \$0.006 million and \$0.016 million during the six months ended June 30, 2003 and 2002, respectively. Interest income is dependent on available cash balances and prevailing interest rates.

Liquidity and Capital Resources

At June 30, 2003 the Company had working capital of \$0.36 million (December 31, 2002 - \$0.92 million). Cash and cash equivalents at June 30, 2003 amounted to \$0.23 million compared to \$1.07 million at December 31, 2002.

Cash flow used in operating activities in the three months ended June 30, 2003, including changes in non-cash working capital of \$0.29 million, totalled \$0.42 million (2002 - \$0.10 million). In the three months ended June 30, 2003 cash used in investing activities (exploration of mineral properties incurred mainly in Newfoundland) was \$0.18 million (2002 - \$0.15 million).

Cash flow used in operating activities in the six months ended June 30, 2003, including changes in non-cash working capital of \$0.28 million, totalled \$0.57 million (2002 - \$0.24 million). In the six months ended June 30, 2003 cash used in investing activities (exploration of mineral properties incurred mainly in Newfoundland) was \$0.28 million (2002 - \$0.28 million).

At June 30, 2003 the Company had stock options outstanding under its stock option plan for the purchase of an aggregate of 3,372,500 common shares and warrants outstanding for the purchase of 268,750 common shares.

The Company intends to use the proceeds from the disposition of 600,000 Newmont common shares to distribute to its shareholders as of a record date to be fixed following its the Company's Annual and Special Meeting of Shareholder which is expected to take place on or before October 15, 2003. At present, this would represent a distribution of approximately Cdn\$1.20 per share, on a non-diluted basis, assuming the share price of Newmont is maintained.

MOYDOW MINES INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS

(expressed in United States dollars, unless otherwise stated)

As at	June 30, 2003 (unaudited)	December 31, 2002 (audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$231,618	\$1,072,837
Loan receivable	200,000	-
Accounts receivable and prepaid expenses	201,163	36,620
	<hr/>	<hr/>
Total current assets	632,781	1,109,457
Mineral properties	3,300,360	4,384,057
Other assets	32,819	40,426
	<hr/>	<hr/>
Total assets	\$3,965,960	\$5,533,940
	<hr/>	<hr/>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$274,912	\$193,799
	<hr/>	<hr/>
Total liabilities	274,912	193,799
Shareholders' equity		
Capital stock	15,472,174	15,466,233
Deficit	(11,781,126)	(10,126,092)
	<hr/>	<hr/>
Total shareholders' equity	3,691,048	5,340,141
	<hr/>	<hr/>
Total liabilities and shareholders' equity	\$3,965,960	\$5,533,940
	<hr/>	<hr/>

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, 2003</u>	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Revenues				
Operator's fees	<u>\$5,989</u>	<u>\$2,590</u>	<u>\$9,624</u>	<u>\$40,754</u>
	<u>5,989</u>	<u>2,590</u>	<u>9,624</u>	<u>40,754</u>
Expenses				
Write-down of mineral properties	1,360,933	8,000	1,365,716	29,069
General and administrative expenses	193,745	176,713	378,861	335,727
Amortization of plant and equipment	3,079	1,588	5,916	4,327
Foreign exchange (gain)/loss	<u>(57,774)</u>	<u>(11,072)</u>	<u>(79,967)</u>	<u>(11,086)</u>
	<u>1,499,983</u>	<u>175,229</u>	<u>1,670,526</u>	<u>358,037</u>
Other income and expenses				
Interest income	<u>2,117</u>	<u>7,491</u>	<u>5,868</u>	<u>15,959</u>
	<u>2,117</u>	<u>7,491</u>	<u>5,868</u>	<u>15,959</u>
Net loss for period	<u>(1,491,877)</u>	<u>(165,148)</u>	<u>(1,655,034)</u>	<u>(301,324)</u>
Consolidated statements of deficit				
Deficit, beginning of period	(10,289,249)	(9,175,016)	(10,126,092)	(9,038,840)
Net loss for period	<u>(1,491,877)</u>	<u>(165,148)</u>	<u>(1,655,034)</u>	<u>(301,324)</u>
Deficit, end of period	<u>\$(11,781,126)</u>	<u>\$(9,340,164)</u>	<u>\$(11,781,126)</u>	<u>\$(9,340,164)</u>
Basic and diluted loss per common share	<u>\$(0.054)</u>	<u>\$(0.006)</u>	<u>\$(0.060)</u>	<u>\$(0.011)</u>
Weighted average number of common shares outstanding	<u>27,724,014</u>	<u>27,026,514</u>	<u>27,719,594</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, 2003</u>	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Operating activities				
Net loss for the period	\$(1,491,877)	\$(165,148)	\$(1,655,034)	\$(301,324)
Adjustments for non-cash items:				
Write-down of mineral properties	1,360,933	8,000	1,365,716	29,069
Amortization of plant and equipment	<u>3,079</u>	<u>1,588</u>	<u>5,916</u>	<u>4,327</u>
	<u>(127,865)</u>	<u>(155,560)</u>	<u>(283,402)</u>	<u>(267,928)</u>
Changes in non-cash working capital:				
Loan receivable	(200,000)	-	(200,000)	-
Accounts receivable and prepaid expenses	(143,362)	556	(164,543)	1,139
Accounts payable and accrued liabilities	<u>52,263</u>	<u>52,674</u>	<u>81,113</u>	<u>31,414</u>
	<u>(291,099)</u>	<u>53,230</u>	<u>(283,430)</u>	<u>32,553</u>
Cash flow used in operating activities	<u>(418,964)</u>	<u>(102,330)</u>	<u>(566,832)</u>	<u>(235,375)</u>
Investing activities				
Exploration of mineral properties	<u>(180,437)</u>	<u>(146,714)</u>	<u>(280,328)</u>	<u>(278,637)</u>
Cash flow used in investing activities	<u>(180,437)</u>	<u>(146,714)</u>	<u>(280,328)</u>	<u>(278,637)</u>
Financing Activities				
Issue of Shares	=	=	<u>5,941</u>	=
Cash flow from financing activities	=	=	<u>5,941</u>	=
(Decrease) in cash and cash equivalents	<u>(599,401)</u>	<u>(249,044)</u>	<u>(841,219)</u>	<u>(514,012)</u>
Cash and cash equivalents at beginning of period	<u>831,019</u>	<u>1,668,070</u>	<u>1,072,837</u>	<u>1,933,038</u>
Cash and cash equivalents at end of period	<u>\$231,618</u>	<u>\$1,419,026</u>	<u>\$231,618</u>	<u>\$1,419,026</u>

MOYDOW MINES INTERNATIONAL INC.

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

Basis of presentation and consolidation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. 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, 2003 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2003. The interim financial statements have been prepared in accordance with the accounting policies described in the consolidated financial statements for the year ended December 31, 2002. For further information, see the Company's consolidated financial statements including the notes thereto for the year ended December 31, 2002.

Ntoroso Gold Project, Ghana

On August 22, 2003, Moydow Mines and Newmont Mining Corporation ("Newmont") signed an Arrangement Agreement which details the terms of the Company's agreement to sell its interest in the Ntoroso project in Ghana to Newmont, its 50% partner in the project. The Company will receive 800,000 freely tradeable Newmont shares in consideration for the sale of its 50% interest in the Ntoroso project. At the date of signing the Arrangement Agreement, Newmont shares closed at \$57.54 per share on the New York Stock Exchange valuing the 800,000 shares receivable by Moydow at \$30 million.

In addition, the Company will receive a 2% net smelter return royalty in respect of all gold and silver production from the Ntoroso project in excess of the currently defined reserve of 1.2 million ounces. Moydow Mines has 27,724,014 shares outstanding and Newmont owns 1,325,882 shares in Moydow. As part of the transaction Newmont has also agreed that its Moydow shares will be cancelled at the time of closing.

It is anticipated that the sale of Ntoroso will be completed as soon as possible and in any event by the end of October 2003, subject to Toronto Stock Exchange, shareholder and other regulatory and corporate approvals.

Newfoundland Project

In February, 2003 the Company signed an agreement with Cornerstone Capital Resources Inc. ("Cornerstone"), whereby the Company has the option to acquire a 51% interest in a group of claims located in south-central Newfoundland owned by Cornerstone. The Company is required to incur exploration expenditures on these claims of not less than Cdn\$800,000 on or before February 2007 in order to earn a 51% interest in these properties. In addition, the Company is required to make cash payments to Cornerstone Resources Inc. totalling Cdn\$80,000 over a period of four years. On March 21, 2003, under the terms of the agreement with Cornerstone, the Company issued 10,000 common shares of Moydow Mines at a price of Cdn\$0.88 per share and granted warrants for the purchase of 200,000 common shares at a price of Cdn\$0.90 per share to Cornerstone. The warrants expire on February 28, 2005. When the Company has earned its 51% interest, it will have an exclusive option to acquire an additional 29% interest in the claims by incurring further exploration costs of Cdn\$1,200,000.

Loan Receivable

This represents a loan to an officer of the Company at commercial terms and is repayable prior to September 30, 2003.

MOYDOW MINES INTERNATIONAL INC.

Corporate Information

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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Transfer Agent

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Exchange Listing

The Toronto Stock Exchange
Symbol: MOY
CUSIP: 62472V 100
Shares outstanding: 27,724,014
Shares fully diluted: 31,365,264

To contact the Company

In order to contact the company or to request to be added to our mailing list
Please email info@moydow.com website: www.moydow.com