

QUARTERLY AND YEAR END REPORT
FORM 51-901F

British Columbia Securities Commission

ISSUER DETAILS			
NAME OF ISSUER	TELEPHONE NO.	FOR QUARTER ENDED	DATE OF REPORT (YY-MM-DD)
SOUTHERN RIO RESOURCES LTD.	604.687.3959	November 30, 2003	04-01-27
ISSUER'S ADDRESS		CITY, PROVINCE	POSTAL CODE
1410 – 650 West Georgia Street		Vancouver, British Columbia	V6B 4N8
CONTACT PERSON		CONTACT'S POSITION	CONTACT TELEPHONE NO.
Lindsay R. Bottomer		President	604.687.3959
CONTACT E-MAIL ADDRESS		WEBSITE ADDRESS	
info@southernrio.com		www.southernrio.com	

CERTIFICATE

One of the three schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
<i>"Lindsay R. Bottomer"</i>	Lindsay R. Bottomer	04-01-29
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
<i>"Randy C. Turner"</i>	Randy C. Turner	04-01-29

Southern Rio Resources Ltd.

Consolidated Financial Statements
(Unaudited)

as at November 30, 2003

NOTICE TO READER

The Consolidated Balance Sheets of Southern Rio Resources Ltd. as at November 30, 2003 and the Consolidated Statement of Operations and Deficit and the Consolidated Changes in Financial Position for the nine month period then ended have been compiled by Management. They have not been audited, reviewed or otherwise verified as to the accuracy or completeness of information. Readers are cautioned that these statements may not be appropriate for their purposes.

SOUTHERN RIO RESOURCES LTD.
Consolidated Balance Sheets

ASSETS

	November 30	February 28
	2003	2003
Current Assets		
Cash	740,626	266,879
Restricted cash (Note 11)	54,359	312,613
Accounts receivable	81,147	73,808
Marketable securities	10,000	10,000
Prepaid expenses	11,500	2,000
	<u>897,632</u>	<u>665,300</u>
Reclamation deposit (Note 3)	3,500	3,500
Capital Assets (Note 4)	7,864	7,864
Mineral properties (Note 5)	174,891	106,974
Deferred exploration (Note 6)	992,270	615,389
	<u>2,076,157</u>	<u>1,399,027</u>

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	69,523	121,392
Due to related parties (Note 7)	161,035	161,035
	<u>230,558</u>	<u>282,427</u>

SHAREHOLDERS' EQUITY

Share capital (Note 8)	10,595,797	9,663,873
Contributed surplus (Note 12)	106,444	106,444
Cumulative translation adjustment	2,048	2,048
Earnings (deficit)	<u>(8,858,690)</u>	<u>(8,655,765)</u>
	<u>1,845,599</u>	<u>1,116,600</u>
	<u>2,076,157</u>	<u>1,399,027</u>

On behalf of the Board:

"Lindsay R. Bottomer"
Lindsay R. Bottomer, Director

"Randy C. Turner"
Randy C. Turner, Director

SOUTHERN RIO RESOURCES LTD.
Consolidated Statement of Operations and Deficit

	Three Month Period Ended November 30 2003	Three Month Period Ended November 30 2002	Nine Month Period Ended November 30 2003	Nine Month Period Ended November 30 2002
Expenses				
Bank charges and interest	10,175	113	10,500	522
Advertising & media services	3,666	2,511	12,487	9,065
Courier and postage	1,197	22	2,682	1,742
Consulting and corporate services	22,500	9,000	62,567	31,500
Legal, audit and accounting	3,594	-	12,559	31,763
Management fees	16,700	15,400	52,200	63,050
Office and miscellaneous expenses	40	1,658	1,108	2,688
Printing	864	1,368	4,938	1,667
Regulatory & transfer agent fees	8,869	3,666	18,863	18,064
Rent	4,500	4,500	13,500	13,500
Telephone	663	966	1,521	1,649
Travel	2,264	1,800	8,816	7,909
Wages and benefits	700	3,163	2,711	8,724
	<u>75,732</u>	<u>44,167</u>	<u>204,453</u>	<u>191,843</u>
Interest income	819	1,545	3,158	2,213
Write-off of mineral properties (Note 5)	-	-	(1,630)	-
	<u>819</u>	<u>1,545</u>	<u>1,528</u>	<u>2,213</u>
Net loss for the period	74,913	42,622	202,925	189,630
Deficit, beginning of the period	<u>8,783,777</u>	<u>8,429,198</u>	<u>8,655,765</u>	<u>8,282,190</u>
Deficit, end of the period	<u><u>8,858,690</u></u>	<u><u>8,471,820</u></u>	<u><u>8,858,690</u></u>	<u><u>8,471,820</u></u>
Loss per share:	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
Weighted average number of common shares outstanding	34,551,490	26,266,890	34,368,990	23,848,056

Unaudited - prepared by management
The accompanying notes are an integral part of these financial statements.

SOUTHERN RIO RESOURCES LTD.
Consolidated Statement of Changes in Financial Position

	Three Month Period Ended November 30 2003	Three Month Period Ended November 30 2002	Nine Month Period Ended November 30 2003	Nine Month Period Ended November 30 2002
Cash provided by (used in)				
Operating Activities				
Loss for the period	(74,913)	(42,622)	(202,925)	(189,630)
Write-off of mineral property	-		1,630	
Changes in non-cash working capital items				
(Increase) decrease in pre-paid expenses	(9,500)	-	(9,500)	(1,000)
(Increase) decrease in accounts receivable	(17,650)	(1,205)	(7,339)	(12,049)
Increase (decrease) in accounts payable	(36,488)	(72,209)	(51,869)	53,574
	(138,551)	(116,036)	(270,003)	(149,105)
Financing Activities				
Issue of shares	780,000	119,000	880,000	569,467
	780,000	119,000	880,000	569,467
Investing Activities				
(Acquisition) disposition of mineral properties	-	(22,925)	(69,547)	(60,874)
Issue of shares for property	-	7,425	52,750	33,925
Issue of shares for services	24,000	-	24,000	-
Issue of shares for debt	45,293	-	45,293	-
Share issuance costs	(70,119)	-	(70,119)	-
Recovered exploration expenditures	-	47,604	-	199,346
(Deferred) exploration expenditures	(100,406)	(264,722)	(376,881)	(569,183)
	(101,232)	(232,618)	(394,504)	(396,786)
Increase (decrease) in cash	540,217	(229,654)	215,493	23,576
Cash, beginning of the period	254,768	276,943	579,492	23,713
Cash, end of the period	794,985	47,289	794,985	47,289

Unaudited - prepared by management
The accompanying notes are an integral part of these financial statements.

SOUTHERN RIO RESOURCES LTD.

Notes to the Consolidated Financial Statements - November 30, 2003

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is considered to be in the exploration stage with respect to its interests in mineral properties.

The recoverability of the amounts comprising mineral properties and deferred exploration costs are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and upon future profitable production.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete public equity financing, or generate profitable operations in the future.

	For the period ended November 30, 2003	For the year ended February 28, 2003
Deficit	\$(8,858,690)	\$(8,665,765)
Working capital (deficiency)	667,074	382,873

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant area requiring the use of management estimates relates to the determination of impairment of mineral properties. Actual results could differ from those estimates.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Golden Pavilion Resources Ltd., a British Columbia corporation and Minera Southern Rio S.A., a Chilean corporation. All inter-company balances and transactions have been eliminated upon consolidation.

Marketable securities

Marketable securities are recorded at the lower of cost or market value. The market value of marketable securities at November 30, 2003 is \$15,000.

Capital assets and amortization

Capital assets, being furniture and equipment, are recorded at cost less accumulated amortization. Amortization is being provided for using the straight-line method over five years.

Mineral properties

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

SOUTHERN RIO RESOURCES LTD.

Notes to the Consolidated Financial Statements - November 30, 2003

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral Properties (continued)

The recorded cost of mineral exploration interests is based on cash paid, the assigned value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependant on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Deferred exploration costs

The Company defers all exploration expenses relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized over the proven reserves available on the related property following commencement of production.

Values

The amounts shown for mineral properties and for deferred exploration costs represent costs to date, and do not necessarily represent present or future values, as they are entirely dependent upon the economic recovery of current and future reserves.

Cost of maintaining mineral properties

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Environmental protection and reclamation costs

Liabilities related to environmental protection and rehabilitation costs are accrued and charged to income when their likelihood of occurrence is established. This includes future removal and site restoration costs as required due to environmental law or contracts.

Foreign currency translation

The Company's foreign subsidiary is an integrated foreign operation and is translated into Canadian dollars using the temporal method. Monetary items are translated at the exchange rate in effect at the balance sheet date; non-monetary items are translated at historical exchange rates. Income and expense items are translated at the average exchange rate for the period. Translation gains and losses are reflected in the statement of operations.

In fiscal 2001, the Company's foreign subsidiary was a self-sustaining foreign operation and was translated into Canadian dollars using the current rate method. Gains and losses arising from translation of the financial statements of the subsidiary are included as a separate component of shareholders equity.

Stock-based compensation

Effective March 1, 2002, the Company adopted the new CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which recommends the fair value-based methodology for measuring compensation costs. The new section also permits, and the Company has adopted, the use of the intrinsic value-based method, which recognizes compensation cost for awards to employees only when the market price exceeds the exercise price at date of grant, but requires pro-forma disclosure of earnings and earnings per share as if the fair value method had been adopted. Any consideration paid by the option holders to purchase shares is credited to capital stock.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive.

SOUTHERN RIO RESOURCES LTD.

Notes to the Consolidated Financial Statements - November 30, 2003

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share (continued)

Loss per share is calculated using the weighted-average number of shares outstanding during the year.

Income taxes

Future income taxes are recorded for using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

3. RECLAMATION DEPOSIT

The Company is responsible for certain reclamation relating to its mineral properties. As at November 30, 2003, a total of \$3,500 (2002 - \$3,500) had been lodged with the British Columbia Ministry of Energy and Mines.

4. CAPITAL ASSETS

	2003			2002		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	\$17,560	\$9,696	\$7,864	\$17,560	\$6,184	\$11,376

5. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

The Company holds interests in various mineral claims as follows:

	2003	2002
Tam property, British Columbia, Canada		
A 100% interest, subject to a 1% net smelter return royalty.	5,700	5,700
Minnitaki property, Ontario, Canada		
A 90% interest, subject to a sliding scale net smelter return royalty ranging from 1.5% to 3%.	45,000	45,000

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SOUTHERN RIO RESOURCES LTD.

Notes to the Consolidated Financial Statements - November 30, 2003

5. MINERAL PROPERTIES (continued)

Duke property, British Columbia, Canada

An option to acquire a 100% interest in certain claims. In order to acquire its interest, the Company must pay \$5,400 and issue 50,000 common shares. To date, the Company has paid \$5,400 and issued 25,000 shares at an agreed value of \$2,500. The property is subject to a 1% net smelter return royalty.

7,900 5,400

Tim property, British Columbia, Canada

A 100% interest by staking. During the period, the Company abandoned the Tim property and all associated costs have been written off.

- 1,630

Taken property, British Columbia, Canada

An option to acquire a 100% interest in certain claims located in British Columbia, Canada. To exercise its option, the Company is required to incur an aggregate of \$250,000 in exploration expenditures and issue 200,000 common shares over a four year period. To date, the Company has issued 40,000 shares at an agreed value of \$4,000. The property is subject to a sliding scale net smelter royalty ranging from 2 to 4%.

8,000 4,000

Tsacha property, British Columbia, Canada

An option to acquire a 100% interest in certain claims located in British Columbia, Canada. To exercise its option, the Company is required to incur an aggregate of \$1,200,000 in exploration expenditures and issue 400,000 common shares over a three year period. To date, the Company has issued 100,000 common shares at an agreed value of \$15,000. The Company also staked additional claims at a cost of \$1,630. The property is subject to varying net smelter return royalties, one half of which may be purchased back at any time for \$2,000,000.

31,630 16,630

Dani property, British Columbia, Canada

An option to acquire a 100% interest in certain claims. In order to acquire the claims, the Company must pay \$30,000 and issue 198,000 common shares over a three year period. To date, the Company paid \$3,000 and issued 49,500 shares at a value of \$7,425. The property is subject to a 2.5% net smelter royalty, 1.3% of which may be purchased back at any time for \$1,000,000. Commencing on the fourth anniversary, the property will be subject to an annual advance royalty of \$12,000, half of which may be paid in common shares.

10,425 10,425

Sam property, British Columbia, Canada

A 100% interest by staking.

5,616 3,189

Trout property, British Columbia, Canada

An option to acquire a 100% interest in certain claims located in British Columbia. To exercise its option, the Company is required to pay \$25,000, incur \$200,000 in exploration expenditures and issue 175,000 common shares over a three year period. To date, the Company has paid \$5,000 and issued 25,000 common shares at an agreed value of \$3,750. The property is subject to a 2% net smelter royalty, 1% of which may be purchased back at anytime for \$750,000.

13,120 -

- continued -

SOUTHERN RIO RESOURCES LTD.

Notes to the Consolidated Financial Statements - November 30, 2003

5. MINERAL PROPERTIES (continued)**Uduk Lake property, British Columbia, Canada**

An option to acquire a 100% interest in certain claims located in British Columbia. To exercise its option, the Company is required to issue 150,000 common shares at an agreed value of \$22,500. To date, the Company has issued 150,000 common shares at an agreed value of \$22,500. The property is subject to a 3% net smelter royalty, 2% of which may be purchased back at anytime for \$1 million per percentage.

22,500 -

Bond & Johnson property, Ontario, Canada

A 100% interest, subject to a 2.5% net smelter royalty, 1.5% of which may be purchased back at any time for \$1,500,000.

25,000 12,500

\$174,891 \$104,474**6. DEFERRED EXPLORATION COSTS**

	Dani Property	Duke Property	Minnitaki Property	Taken Property	Tam Property	Tsacha Property	Other	Total
Balance, beginning of year	\$17,731	\$10,968	\$188,312	\$24,039	\$99,789	\$240,915	\$33,635	\$615,389
Geology	2,502	185	6,566	8,358	18,404	21,659	9,830	67,504
Geophysics - Air				11,576	14,805	591		26,972
Geophysics - Ground				26,782	12,854	6,196		45,833
Geochemistry					220,526	586		221,112
Drilling				1,025	160		1,933	3,118
Land Retention					1,359			4,174
Land Use/Permitting	2,815							
Environmental Data Evaluation				1,252	2,555	4,360		8,167
Total deferred costs for the period	5,317	185	6,566	48,993	270,662	33,393	11,763	376,880
Balance, end of period	23,048	11,153	194,878	73,032	370,451	274,308	45,398	992,269

7. RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following transactions with related parties:

- Paid or accrued \$31,500 (2002 - \$31,500) for administration fees to a company controlled by a director.
- Paid or accrued \$13,500 (2002 - \$13,500) for rent to a company controlled by a director.
- Paid or accrued \$11,351 (2002 - \$9,875) for professional services to a law firm in which an officer of the Company is a partner.
- Paid or accrued \$52,200 (2002 - \$63,050) for management fees to a company controlled by a director.

Included in accounts payable and accrued liabilities at November 30, 2003 is \$12,124 (2002 - \$57,316) due to companies controlled by directors and to a law firm in which an officer of the Company is a partner.

SOUTHERN RIO RESOURCES LTD.

Notes to the Consolidated Financial Statements - November 30, 2003

7. RELATED PARTY TRANSACTIONS (continued)

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are non-interest bearing, unsecured with no specific terms of repayment.

8. CAPITAL STOCK

	Number of Shares	Amount
Authorized 50,000,000 common shares without par value		
Issued		
As at February 28, 2003	30,817,771	\$9,663,873
For mineral property options	<u>215,000</u>	<u>\$30,250</u>
As at May 31, 2003	31,032,771	\$9,694,123
For cash - private placement (obligation to issue)	1,000,000	\$100,000
For mineral property options	<u>150,000</u>	<u>\$22,500</u>
As at August 31, 2003	32,182,771	\$9,816,623
For cash - private placement	5,100,000	\$765,000
For cash - exercise of options	100,000	\$15,000
For services	160,000	\$24,000
For debt	377,438	\$45,293
Cost of share issuances		<u>(\$70,119)</u>
As at November 30, 2003	37,920,209	\$10,595,797

Included in capital stock are 163,500 common shares currently held in escrow, their release being subject to regulatory approval.

9. STOCK OPTIONS AND WARRANTS

Options

The Company, in accordance with its shareholder approved stock option plan, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 3,500,000 common shares. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. Options can be granted for a maximum term of 5 years.

The following incentive stock options were outstanding at November 30, 2003:

Number of Shares	Exercise Price	Expiry Date
250,000	0.15	June 16, 2005
450,000	0.15	June 4, 2006
50,000	0.15	February 28, 2007
1,100,000	0.20	May 15, 2007
600,000	0.15	October 7, 2008

SOUTHERN RIO RESOURCES LTD.

Notes to the Consolidated Financial Statements - November 30, 2003

9. STOCK OPTIONS AND WARRANTS *(continued)*

Warrants

As at November 30, 2003, the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Shares	Exercise Price	Expiry Date
3,430,000	\$0.20	November 28, 2004
2,012,500	\$0.21/\$0.25	December 31, 2004
3,260,000	\$0.20/\$0.25	January 31, 2005
600,000	\$0.125	March 4, 2005
377,438	\$0.15/\$0.18	September 2, 2005

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the period ended November 30, 2003 include:

- a) The issuance of 40,000 common shares, with an agreed value of \$4,000, as consideration towards the acquisition of the Taken Property in British Columbia (Note 5).
- b) The issuance of 100,000 common shares, with an agreed value of \$15,000, as consideration towards the acquisition of the Tsacha Property in British Columbia (Note 5).
- c) The issuance of 50,000 common shares, with an agreed value of \$7,500 as consideration towards the acquisition of the Bond & Johnson Property in Ontario (Note 5).
- d) The issuance of 25,000 common shares, with an agreed value of \$3,750 as consideration towards the acquisition of the Trout Property in British Columbia (Note 5).
- e) The issuance of 150,000 common shares, with an agreed value of \$22,500 as consideration for the acquisition of the Uduk Property in British Columbia (Note 5).
- f) The issuance of 377,438 common shares, as settlement for debt of \$45,293.
- g) The issuance of 160,000 common shares, with an agreed value of \$24,000 as consideration for services rendered.

Significant non-cash transactions for the period ended November 30, 2002 include:

- a) The issuance of 40,000 common shares, with an agreed value of \$4,000, as consideration towards the acquisition of the Taken Property in British Columbia (Note 5).
- b) The issuance of 100,000 common shares, with an agreed value of \$15,000, as consideration towards the acquisition of the Tsacha Property in British Columbia (Note 5).
- c) The issuance of 50,000 common shares, with an agreed value of \$7,500 as consideration towards the acquisition of the Bond & Johnson Property in Ontario (Note 5).
- d) The issuance of 49,500 common shares, with an agreed value of \$7,425 as consideration towards the acquisition of the Dani Property in Ontario (Note 5).

SOUTHERN RIO RESOURCES LTD.

Notes to the Consolidated Financial Statements - November 30, 2003

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, receivables, marketable securities, reclamation deposit, accounts payable and accrued liabilities and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

12. STOCK-BASED COMPENSATION

The Company has elected to measure compensation costs using the intrinsic value-based method for employee stock options.

The Company granted 1,000,000 stock options during the prior fiscal year to employees at an exercise price below the share price at the date of granting and 100,000 to non-employees. Accordingly, the stock-based compensation recognized, using the intrinsic value-based method, was \$26,444 (2002 - \$Nil), \$68,000 (2002 - \$Nil) and \$12,000 (2002 - \$Nil) and was recorded as consulting fees, management fees and professional fees, respectively on the Statement of Operations. These amounts were also recorded as contributed surplus on the balance sheet.

Had the compensation costs been determined based on the fair value of the options at the grant date using the Black-Scholes option-pricing model, additional compensation expense would have been recorded in the statement of operations for the year, with pro-forma results as presented below. Under the transitional provisions of Section 3870, comparative figures are not required.

	2003
Loss as reported	\$(373,575)
Compensation expense under Section 3870	(110,661)
Pro-forma loss for the year	\$(484,236)
Pro-forma basic and diluted loss per share	\$(0.02)

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

Risk-free interest rate	4.42%
Expected life of options	3 years
Annualized volatility	208.73%
Dividend rate	0%

Due to the illiquidity of the Company's shares, a block discount of 40% (\$73,774) was applied to this value providing a pro-forma stock-based compensation expense of \$110,661.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Change in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

13. SUBSEQUENT EVENTS

The following events occurred subsequent to November 30, 2003:

- a) The Company announced a proposed non-brokered private placement of up to 1,500,000 flow-through units at a price of \$0.32 per unit. Each unit will consist of one flow-through common share and one half of one non-flow-through share purchase warrant. One whole warrant will entitle the holder to purchase one additional common share of the Company for a period of 24 months from the date of closing of the transaction at a price of \$0.42 per share if exercised during the first year and at a price of \$0.50 thereafter.

QUARTERLY AND YEAR END REPORT

FORM 51-901F

Southern Rio Resources Ltd. - November 30, 2003

SCHEDULE B - Supplementary Information

1. Analysis of expenses and deferred costs for the current fiscal year to date:

Refer to Schedule A Financial Statements – Statement of Operations and Deficit for details of expenses and Note 6 - Statement of Deferred Exploration Costs for expenditures made on property investigation, exploration and development during this period.

2. Related Party Transactions:

Refer to Note 7 of Schedule A - Consolidated Financial Statements.

3. For the quarter under review:

a) Summary of securities issued during the quarter:

Date of Issue	Type of Security	Type of Issue	Price Per Share	No. of Shares	Proceeds	Type of Consideration	Commission
Sept 2	Common Shares	Shares for Debt	\$0.12	377,438	\$45,292	Nil	Nil
Sept 3	Common Shares	Private Placement	\$0.10	1,000,000	\$100,000	Cash	\$8,000
Nov 12	Common Shares	Exercise of Option	\$0.15	100,000	\$15,000	Cash	
Nov 28	Common Shares	Private Placement	\$0.15	5,100,000	\$765,000	Cash	\$38,119
Nov 28	Common Shares	Shares for Services	\$0.15	160,000	\$24,000	Nil	Nil

b) Summary of options granted during the quarter:

Date of Grant	Number of Shares	Name of Optionee	Exercise Price	Expiry Date
October 7	200,000	Lindsay R. Bottomer, Director	\$ 0.15	October 7, 2008
October 7	100,000	John McDonald, Director	\$ 0.15	October 7, 2008
October 7	100,000	Randy Turner, Director	\$ 0.15	October 7, 2008
October 7	100,000	Wayne Beach, Director	\$0.15	October 7, 2008
October 7	100,000	Robert Watts, Director	\$0.15	October 7, 2008

4. As at the end of the quarter:

- a) Refer to Note 8 of Schedule A - Consolidated Financial Statements for a summary of authorized capital
- b) Refer to Note 9 of Schedule A - Consolidated Financial Statements for a summary of outstanding options, warrants and convertible securities
- c) Shares in Escrow: **163,500**

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SCHEDULE B - Supplementary Information

5. List of Officers and Directors as at the date this report was signed and filed:

Officers

Lindsay R. Bottomer, President
Randy C. Turner, CFO
Graham Scott, Secretary

Directors

Lindsay R. Bottomer
Randy C. Turner
Robert Watts
John A. McDonald
Wayne G. Beach

SCHEDULE C - Management Discussion

Discussion of Operations and Financial Condition:

For the nine month period ended November 30, 2003, the Company had a net loss of \$202,925 or \$0.01 per share compared with the loss of \$189,630 or \$0.01 per share for the corresponding period in the previous year. The Company had working capital of \$667,074 at November 30, 2003.

The Company had general and administrative expenses of \$204,453 as at November 30, 2003 compared to \$191,843 during the same period in 2002.

The Company incurred deferred exploration expenditures of \$376,880 during this period compared with \$569,183 during the same period in 2002. The Company had sufficient funds, as at November 30, 2003, to complete the exploration planned to the end of the year. In addition a financing to raise up to an additional \$480,000 was announced on December 3, 2003.

During the quarter under review, the Company continued the investor relation services of Jeffrey Wilson at a salary of \$4,000 per month.

President's Message:

During the quarter, the Company continued to focus on exploration of its gold-silver properties in the Nechako region of central British Columbia. These are the contiguous Tsacha, Tam and Taken Properties (collectively referred to as the 3Ts Project), the Trout Property, the Sam Property and the Uduk Lake Property. All are located southwest of Vanderhoof, BC, and are road accessible from the well-developed forestry road network which serves this region.

The principal field activity was a program of geological mapping and prospecting completed during late summer and early fall. This was mainly focused on the eastern half of the 3Ts Project area, and resulted in the discovery of several areas with clusters of silver and/or gold mineralized boulders. The distribution, physical characteristics and geochemical signature of some of the boulder clusters is distinct from the known outcropping mineralization elsewhere on the project area, leading to the conclusion that they are sourced from undiscovered mineralized veins under the extensive glacial cover.

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SCHEDULE C - Management Discussion

President's Message: *(continued)*

The results of the prospecting program were described in news releases of September 24 and October 23. Two areas in particular, the Ringer Zone and the Adrian Creek area, will be a focus for follow-up work. The Ringer Zone, which consists of a cluster of boulders from which eight samples returned gold values ranging between 0.95 and 78.5 grams/tonne, averaging 19.01 grams/tonne, is a new discovery. The gold grades and gold/silver ratios are much higher than those encountered elsewhere on the property, leading to the conclusion that the boulders are derived from an undiscovered bedrock source.

At Adrian Creek on the eastern part of the property, eight of 55 boulders sampled contain gold values greater than 1 gram/tonne, with peak values of 84.3 grams/tonne gold and 592 grams/tonne silver.

To help define the bedrock topography and provide information for future drilling, a trenching and geophysical program was carried out in October. This work was successful in identifying a possible geochemical dispersion train in the glacial till up-ice from the Ringer Zone. Bedrock was not encountered during the trenching, which tested down to approximately six metres depth.

Late in the period, diamond drilling commenced on the 3Ts Project. The first portion of the program will focus on the Ted Vein, with the objective of obtaining additional information for an initial resource calculation. Following this work, the drill will be sited to carry out initial testing of both the Ringer Zone and Adrian Creek targets.

On October 7th, the Company announced the appointment of Mr Robert Watts as a Director of the Company. Mr Simon Ridgway resigned as a Director, but will continue to be associated with the Company as an advisor to the board.

In the upcoming quarter, the Company will continue with diamond drilling on the 3Ts Project. In addition, work is planned for both the Sam and Trout Properties. Funding for this work will be covered from the proceeds of a private placement for \$765,000 which closed on November 28th, and the \$100,000 flow-through financing with closed on September 3rd, 2003.

Lindsay Bottomer
January 29, 2004