



**British Columbia
Securities Commission**

**QUARTERLY AND YEAR END REPORT
BC FORM 51-901F (previously Form 61)**

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INCORPORATED AS PART OF:

 X Schedule A

 Schedule B
(place X in appropriate category)

ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT YY/MM/DD
SKN Resources Ltd.	October 31, 2003	03/12/30

ISSUER'S ADDRESS Suite 1588, 609 Granville Street

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Vancouver	B.C.	V7Y 1G5	604-669-9397	604-669-9387

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Rui Feng	Chairman	604-669-9397

CONTACT E-MAIL ADDRESS	WEB SITE ADDRESS
info@sknresources.com	www.sknresources.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.

"Rui Feng"	Rui Feng	03/12/30 DATE SIGNED YY/MM/DD
DIRECTOR'S SIGNATURE	PRINT FULL NAME	

"Myles Gao"	Myles Gao	03/12/30 DATE SIGNED YY/MM/DD
DIRECTOR'S SIGNATURE	PRINT FULL NAME	

(Electronic signatures should be entered in "quotations")

**SKN RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS**

Stated in Canadian dollars	October 31, 2003	April 30, 2003
ASSETS	(Unaudited)	(Audited)
Current Assets		
Cash and cash equivalents	\$ 2,275,479	\$ 2,433,575
Short-term investments	1,000,000	-
Accounts receivable	32,454	21,192
Prepaid expenses	20,068	5,500
Amount due from joint venture company	95,640	-
	<u>3,423,641</u>	<u>2,460,267</u>
Equipment and Furniture	45,702	29,454
Investment in and Expenditures on Resource Properties		
Mineral properties (Note 2)	225,888	289,144
Reclamation deposits	10,000	10,000
	<u>\$ 3,705,231</u>	<u>\$ 2,788,865</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 162,166	\$ 45,721
SHARE CAPITAL AND DEFICIT		
Share capital (Note 3)	17,079,200	15,944,018
Subscription received but shares not yet issued	510,000	-
Contributed surplus	214,260	30,390
Deficit	(14,260,395)	(13,231,264)
	<u>3,543,065</u>	<u>2,743,144</u>
	<u>\$ 3,705,231</u>	<u>\$ 2,788,865</u>

Approved on behalf of the Board:

"Rui Feng"

Director

"Myles Gao"

Director

SKN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
For the three-month and six-month periods ended October 31, 2003 and 2002
(Unaudited)

Stated in Canadian dollars	Three months ended October 31,		Six months ended October 31,	
	2003	2002	2003	2002
Expenses				
Amortization	\$ 3,010	\$ -	\$ 5,390	\$ -
Bank charges and interest	1,084	(263)	1,253	24,667
Consulting	209,278	-	312,980	-
Foreign exchange loss	87,515	-	117,829	-
General exploration expenses	414	-	2,034	-
Management fees	22,500	-	45,000	7,500
Mineral properties written off [Note 2(a) & (b)]	82,638	-	82,638	-
Office and miscellaneous	38,619	732	60,132	1,090
Printing and shareholder relations	76,850	5,050	108,265	8,448
Professional fees	85,499	1,644	110,570	1,744
Rent	14,287	111	29,017	4,776
Transfer agent and filing fees	31,848	15,139	35,237	16,383
Travel and promotion	91,503	-	132,816	-
	<u>745,045</u>	<u>22,413</u>	<u>1,043,161</u>	<u>64,608</u>
Other income				
Gain on disposal of furniture	-	-	147	-
Gain on sale of securities	-	133,504	-	136,129
Forgiven accounts payable	-	143,670	-	143,670
Interest income	6,217	-	13,883	-
	<u>6,217</u>	<u>277,174</u>	<u>14,030</u>	<u>279,799</u>
Net income (loss) for the period	(738,828)	254,761	(1,029,131)	215,191
Deficit, beginning of period	<u>(13,521,567)</u>	<u>(11,228,182)</u>	<u>(13,231,264)</u>	<u>(11,188,612)</u>
Deficit, end of period	<u>\$ (14,260,395)</u>	<u>\$ (10,973,421)</u>	<u>\$ (14,260,395)</u>	<u>\$ (10,973,421)</u>
Basic and diluted earnings (loss) per share	<u>\$ (0.03)</u>	<u>\$ 0.08</u>	<u>\$ (0.04)</u>	<u>\$ 0.07</u>
Weighted Average Number of Shares	<u>24,647,896</u>	<u>3,211,422</u>	<u>24,349,219</u>	<u>3,211,422</u>

SKN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three-month and six-month periods ended October 31, 2003 and 2002
(Unaudited)

Stated in Canadian dollars	Three months ended October 31,		Six months ended October 31,	
	2003	2002	2003	2002
Cash provided by (used for)				
Operating activities				
Net income (loss) for the period	\$ (738,828)	\$ 254,761	\$ (1,029,131)	\$ 215,191
Add (deduct) items not affecting cash :				
Gain on sale of securities	-	(133,504)	-	(136,129)
Gain on disposal of furniture	-	-	(147)	-
Mineral properties written off	82,638	-	82,638	-
Consulting fee (stock-based compensation)	100,912	-	173,741	-
Professional fee (stock-based compensation)	13,279	-	13,279	-
Amortization	3,010	-	5,390	-
	<u>(538,989)</u>	<u>121,257</u>	<u>(754,230)</u>	<u>79,062</u>
Net change in non-cash working capital				
Accounts receivable	5,271	(57)	(11,262)	(458)
Prepaid expenses	(11,430)	-	(14,568)	-
Accounts payable and accrued liabilities	106,550	(287,442)	116,445	(278,784)
	<u>(438,598)</u>	<u>(166,242)</u>	<u>(663,615)</u>	<u>(200,180)</u>
Financing activities				
Advance from private companies	-	(24,267)	-	5,575
Advance to joint venture company	(95,640)	-	(95,640)	-
Share subscriptions for cash	1,642,032	-	1,642,032	-
	<u>1,546,392</u>	<u>(24,267)</u>	<u>1,546,392</u>	<u>5,575</u>
Investing activities				
Resource property additions	(7,967)	(12,600)	(19,382)	(12,600)
Equipment and furniture additions	(6,589)	-	(22,962)	-
Purchase of short-term investment	-	-	(1,000,000)	-
Proceeds from sale of securities	-	210,563	-	213,788
Proceeds from disposal of furniture	-	-	1,471	-
	<u>(14,556)</u>	<u>197,963</u>	<u>(1,040,873)</u>	<u>201,188</u>
Increase(Decrease) in cash	1,093,238	7,454	(158,096)	6,583
Cash and cash equivalents, beginning of period	1,182,241	166	2,433,575	1,037
Cash and cash equivalents, end of period	\$ <u>2,275,479</u>	\$ <u>7,620</u>	\$ <u>2,275,479</u>	\$ <u>7,620</u>

SKN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2003
(Unaudited)
(Expressed in Canadian Dollars)

1. Basis of Presentation

The accompanying interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). However, they do not include all the information and disclosures required by Canadian GAAP for financial statements. They have been prepared on the same accounting policies and methods of applications as the latest annual consolidated financial statements. In the opinion of management, all adjustments of a normal recurring nature necessary for a fair presentation have been included. The results for interim periods are not necessarily indicative of results for the entire year. The information contained in the interim financial statements should be read in conjunction with the Company’s latest annual consolidated financial statements and the notes thereto.

The unaudited consolidated financial statements include SKN Resources Ltd. (“the Company”) and its wholly owned British Virgin Islands subsidiaries, Fortune Mining Ltd., Fortune Copper Ltd., Fortress Mining Inc., Fortune Gold Mining Ltd., Victor Resources Ltd., Lachlan Gold Ltd. and Victor Gold Ltd.. All significant inter-company transactions and accounts have been eliminated for the purpose of these financial statements.

2. Mineral Properties

	October 31, 2003	April 30, 2003
Clearwater property	\$ -	\$ 80,679
Tongchang property *	35,673	35,673
Dongchuan property	153,655	149,085
Tuoboka property	12,204	-
Huidong property	14,429	14,429
Gou Gold property	9,927	9,278
	<u>\$ 225,888</u>	<u>\$ 289,144</u>

* Note: acquisition of any right to the Tongchang property remains subject to regulatory approvals.

(a) Clearwater property

The Company decided to write off its investment of \$80,679 in the Clearwater property in the quarter ended October 31, 2003 as the Company intends to concentrate its effort on its mineral properties in China.

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2. Mineral Properties - Continued

(b) Zage property

The Company decided to write off its investment of \$1,958 in the Zage property in the quarter ended October 31, 2003 after an initial assessment of the project.

(c) Tuobuka property

On August 1, 2003, the Company signed a cooperative joint venture agreement with a Chinese partner to form a Sino-Foreign Joint Venture Cooperative Company, Yunnan Jin-Chang-Jiang Mining Co. Ltd. ("YJCJM"), to explore the Tuobuka Gold property, Yunnan Province, China. Under the terms of the cooperative joint venture agreement, the Chinese partner will have a 20% interest in YJCJM in consideration of transference of the Tuobuka project exploration permit to YJCJM, and the Company will earn its 80% interest in YJCJM by making certain cash payments to the Chinese partner and YJCJM over three years. After the Company has earned its 80% interest, cash contributions to YJCJM will be made pro rata, 80% by the Company and 20% by the Chinese partner. The Chinese partner's interest may not be diluted to less than 10% if it elects not to make cash contributions.

(d) Gou Gold property

On November 21, 2003, the Company, through its wholly owned subsidiary Victor Gold Ltd., entered into a co-operative joint venture agreement with a Chinese partner to explore the Gou Gold Project in Gansu Province, China. Under the agreement, the Company can earn an 80% interest in the joint venture company to be established by investing US\$2,000,000 (\$2,639,400) over three years, with a first year minimum contribution of US\$400,000 (\$527,880). After the Company has earned its 80% interest, contributions to the joint venture company will be made on a pro-rata basis. The Chinese partner's interest may not be diluted to less than 10% if they elect not to make cash contributions.

(e) Feng-Ma property

On October 22, 2003, the Company has acquired the right to earn up to an 80% equity interest in the Feng-Ma gold projects located in Guangxi Zhuang Autonomous Region of China. The Company, through its wholly owned subsidiary Victor Resources Ltd., entered into a letter agreement with a Chinese partner to form a Sino-Foreign Cooperative Joint Venture Company ("JV Company") in which the Company has the right to earn an 80% interest by making capital contributions to the JV Company over three years, with

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2. Mineral Properties - Continued

a first year minimum contribution of US\$600,000 (\$791,820). After the Company has earned its 80% interest, contributions to the JV Company will be made pro rata, 80% by the Company and 20% by the Chinese partner. The Chinese partner's interest may not be diluted to less than 10% if it elects not to make cash contributions.

3. Share Capital, Options and Warrants

(a) Share Capital

Since April 30, 2003, the Company has issued the following share capital :

	Shares	Amount
Balance, April 30, 2003	24,050,542	\$ 15,944,018
Exercise of warrants at \$0.60 per share	1,495,574	897,344
Private placement for cash at \$0.85 per share	220,000	187,000
Exercise of options at \$0.35 per share	125,000	43,750
Exercise of options at \$0.70 per share	5,625	3,938
Transfer to share capital upon exercise of options	-	3,150
Balance, October 30, 2003	25,896,741	\$ 17,079,200

There were 6,880,105 common shares subject to escrow arrangements as of October 31, 2003.

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(b) Options

The following is a summary of option transactions during the six-month period ended October 31, 2003 :

	Number of options	Amount	Weighted- average exercise price
Balance, May 1, 2003	2,042,000	\$ -	\$ 0.35
Options granted	665,000	-	0.71
Options exercised	(130,625)	47,688	0.37
Options cancelled	-	-	-
Balance, October 31, 2003	<u>2,576,375</u>	<u>\$ 47,688</u>	<u>\$ 0.44</u>
Options exercisable at October 31, 2003	<u>1,391,875</u>		<u>\$ 0.41</u>
Price range of options granted during the period	<u>665,000</u>		<u>\$ 0.71</u>

The following table summarizes information about stock options outstanding at October 31, 2003 :

Range of exercise prices	Number outstanding at October 31, 2003	Weighted- average remaining contractual life (years)	Weighted- average exercise price	Number exercisable at October 31, 2003	Weighted- average exercise price
\$0.35 - \$0.96	2,576,375	4.31	\$ 0.44	1,391,875	\$ 0.41

The Company's net loss and net loss per share would approximate the following pro forma amounts if the compensation expenses on options granted to employees and directors are also recorded in these financial statements :

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3. Share Capital, Options and Warrants - Continued

(b) Stock Options - continued

	Three months ended		Six months ended	
	October 31,		October 31,	
	2003	2002	2003	2002
Compensation costs for the period	\$ 83,062	\$ -	\$ 155,764	\$ -
Net income (loss) :				
As reported	\$ (738,828)	\$ 254,761	\$ (1,029,131)	\$ 215,191
Pro forma	\$ (821,890)	\$ 254,761	\$ (1,184,895)	\$ 215,191
Net earnings (loss) per common share				
- basic and diluted				
As reported	\$ (0.03)	\$ 0.08	\$ (0.04)	\$ 0.07
Pro forma	\$ (0.03)	\$ 0.08	\$ (0.05)	\$ 0.07

(c) Warrants

The following is a summary of warrant transactions during the six-month period ended October 31, 2003 :

	Number of warrants	Amount	Weighted-average exercise price
Balance, May 1, 2003	9,822,190	\$ -	\$ 0.28
Warrants issued	220,000	-	1.05
Warrants exercised	(1,495,574)	897,344	0.60
Warrants cancelled	-	-	-
Balance, October 31, 2003	<u>8,546,616</u>	<u>\$897,344</u>	\$ 0.25

The warrants will expire from 2004 to 2005.

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4. Related Party Transactions

During the three-month and six-month periods ended October 31, 2003 and 2002, the Company incurred the following transactions :-

	Three months ended		Six months ended	
	October 31,		October 31,	
	2003	2002	2003	2002
Consulting fees by a company controlled by an officer and director	\$ 55,450	\$ -	\$ 55,450	\$ -
Office rental and accounting charges by a company controlled by an officer and director	-	400	4,375	5,200
Legal fees by a law firm in which a director is a proprietor	40,530	1,344	54,255	1,344
Management fees by an officer and director	22,500	-	45,000	7,500
	<u>\$ 118,480</u>	<u>\$ 1,744</u>	<u>\$ 159,080</u>	<u>\$ 14,044</u>

5. Segmented Information

(a) Industry Information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties.

(b) Geographic Information				
	China	Canada	Total	
As of October 31, 2003				
Mineral properties	\$ 225,888	\$ -	\$ 225,888	
Equipment and furniture	3,697	42,005	45,702	
As of April 30, 2003				
Mineral properties	\$ 208,465	\$ 80,679	\$ 289,144	
Equipment and furniture	-	29,454	29,454	

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6. Subsequent Events

On November 4, 2003, the Company closed a brokered private placement of \$4,500,000 through the sale of 2,500,000 Units at \$1.80 per Unit. Each Unit was comprised of one common share and one half-share purchase warrant, exercisable for a period of one year at a price of \$2.25 per share. The brokers received a cash commission equals to 7.5% of the gross proceeds, or \$337,500, together with 250,000 brokers warrants exercisable for one year at \$2.18 per share. The securities issued are subject to a hold period expiring on March 5, 2004.

On November 4, 2003, the Company has also closed a non-brokered private placement of \$450,000 through the sale of 250,000 Units at \$1.80 per Unit. Each Unit is comprised of one common share and one half-share purchase warrant, exercisable for a period of one year at a price of \$2.25 per share. A finder's fee equals to 7.5% of the gross proceeds, or \$33,750, was paid. The securities issued are subject to a hold period expiring on March 5, 2004.

In December 2003, the Company has signed a contract with its Chinese partner to acquire the remaining 20% interest of the Tuobuka Gold Project through making certain payments. After the contract is approved by the Chinese authorities, the Company will have a 100% interest in the Tuobuka Gold Project.