

NEW OROPERU RESOURCES INC.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002**

(PREPARED BY MANAGEMENT WITHOUT AUDIT)

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NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM BALANCE SHEETS
AS AT SEPTEMBER 30, 2002 AND DECEMBER 31, 2001
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	September 30	December 31
	2002	2001
Assets		
Current Assets		
Cash	\$ 44,174	\$ -
Accounts receivable	26,112	23,415
	70,286	23,415
Investment in Aurifera (Notes 3 and 11)	550,000	500,000
Investment (Note 4)	1	1
Advances Receivable (Note 4)	1	1
Mineral Properties (Note 5)	1,488,154	1,488,154
Capital Assets (Note 6)	1,132	1,132
	\$ 2,109,574	\$ 2,012,703
Liabilities		
Current		
Bank overdraft	2,232	1,864
Accounts payable and accrued liabilities	320,914	401,784
Bank loan (Note 7)	263,655	238,602
	586,801	642,250
Shareholders' Equity		
Share capital (5,898,238 common shares, 5,398,238 – 2001) (Note 8)	21,758,120	21,437,620
Deficit	(20,235,347)	(20,067,167)
	1,522,773	1,370,453
	\$ 2,109,574	\$ 2,012,703

NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2002	2001	2002	2001
Expenses				
Amortization	-	-	-	992
Assaying	1,025	-	1,025	-
Interest expense	8,350	-	25,053	-
Consulting fees	51,842	7,500	66,842	22,500
Foreign exchange	-	270	(578)	2,389
General and administration	9,544	7,499	34,136	31,304
Lima administration	2,500	-	3,800	13,712
Legal and audit	8,385	-	28,423	18,201
Shareholder communications	18	-	3,099	4,936
Sponsor fees	6,380	-	6,380	-
	88,044	15,269	168,180	94,034
Loss on sale of subsidiaries	-	180,000	-	180,000
Write-off of accounts payable	-	-	-	(24,200)
Net Loss for the Period	\$ 88,044	\$ 195,269	\$ 168,180	\$ 249,834
Deficit – Beginning of Period	20,147,303	14,879,256	20,067,167	14,824,691
Prior period adjustment	-	250,000	-	250,000
Deficit - end of period	\$20,235,347	\$15,324,525	\$20,235,347	\$15,324,525

NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2002	2001	2002	2001
Cash provided by (used for)				
(Loss) for the period	\$ (88,044)	\$ (15,269)	\$ (168,180)	\$ (249,834)
Items not affecting cash:				
Amortization	-	-	-	992
Write-off of accounts payable	-	-	-	(24,200)
Expenses settled by issuance of special warrants	-	-	12,906	-
Gain on sale of subsidiaries	-	180,000	-	180,000
	(88,044)	164,731	(155,274)	(93,042)
Net changes in working capital	47,956	(164,731)	79,448	89,030
	(40,088)	-	(75,826)	(4,012)
Financing activities				
Private placement	-	-	120,000	-
Increase (decrease) in cash	(40,088)	-	44,174	(4,012)
Cash, beginning of period	84,262	(322)	-	3,690
Cash (Bank overdraft), end of period	\$ 44,174	\$ (322)	\$ 44,174	\$ (322)

**CONSOLIDATED INTERIM STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)**

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS

The Company was originally formed in 1995 through an amalgamation of a private issuer, Oroperu Resources Inc., a company incorporated under the laws of British Columbia, and an Ontario reporting issuer, Canform Resources Inc. In 1997, the Company's articles of incorporation were continued to the jurisdiction of the Business Corporations Act (Yukon) and on June 11, 2002 the Company was continued back to the jurisdiction of the British Columbia Company Act. The Company is a reporting issuer in Ontario.

On June 6, 2001 the Company changed its name to New Oroperu Resources Inc. and consolidated its outstanding share capital on a 1 for 10 basis.

The Company is in the business of exploration, development and mining of mineral properties and is considered to be in the exploration stage. Through its wholly-owned subsidiary, S.A. Mining Ventures Limited, the Company owns 100% of Oromin S.A. ("Oromin"), a company incorporated in Peru and which owns mineral properties in Peru.

Through its wholly-owned subsidiary, T.C. Mining Inc., a company incorporated in the Bahamas, the Company entered into an agreement with Pan American Silver Corp. ("Pan American") to invest in Aurifera Tres Cruces S.A. ("Aurifera"), a company incorporated in Peru for the purposes of operating the Aurifera project (Note 3 and Note 8).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries,

S.A. Mining Ventures Limited,
Oromin S.A.,
T.C. Mining Inc.

All intercompany transactions and balances have been eliminated on consolidation.

Exploration and development properties

The Company capitalizes all costs related to investments in mineral property interests on a property by property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred mineral property expenditures are reviewed, on a property by property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

These costs are depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

Capital assets

Other capital assets are stated at cost less accumulated amortization. Amortization is provided annually on a straight-line basis at the rates of 10% and 20%.

Reclamation costs

Estimated reclamation and site restoration costs, if any, are charged against operating income on a rational and systematic basis over the expected economic life of the properties.

Foreign currency translation

All accounts are reported in United States dollars. Accounts denominated in currencies other than the U.S. dollar are translated into their U.S. dollar equivalents. Revenues and expenses are translated using the exchange rates on the transaction dates. Monetary assets and liabilities are remeasured at the balance sheet dates using the exchange rates on that date. Any exchange differences are charged to the statement of loss during the year.

Stock-based compensation

Effective January 1, 2002, the Company adopted the new accounting standard of the Canadian Institute of Chartered Accountants for accounting for stock-based compensation expense. Under this standard, compensation expense on stock options granted on or after January 1, 2002 to non-employees is recorded as an expense in the period the options are vested, using the fair value method.

The Company has elected to follow the intrinsic value method of accounting for stock options granted on or after January 1, 2002 to directors and employees whereby no compensation expense is recognized when stock options are granted if the exercise price of the stock options are granted at market value. Any consideration paid by directors and employees on exercise of stock options or purchase of shares is credited to share capital. However, additional disclosure of the effects of accounting for stock-based compensation to directors and employees as compensation expense, using the fair value method, is disclosed as pro-forma information.

3. AURIFERA TRES CRUCES S.A.

In October 1998, the Company entered into a joint venture agreement with Pan American, to pool its interest in certain mineral properties in Peru. The Company contributed its interests in the Tres Cruces property which consisted of an option to purchase the Geomin 701 and Tres Cruces 1 concessions. Pan American contributed its interest in the Negro 1, 2 and 3 concessions. After each company had earned its interest in the other's property, Aurifera was formed to hold and operate the properties. Aurifera subsequently relinquished the option to purchase the Geomin 701 property, but continues to own a 100% interest in the other properties. The Company's 50% interest in Aurifera is held by its wholly-owned subsidiary, TC Mining Inc.

On May 22, 2002 the Company obtained an option from Pan American Silver Corp. to acquire 100% of the shares of Aurifera.

To acquire the other 50% of Aurifera, the Company is required to:

1. Issue 1,500,000 shares (500,000 now, 500,000 within 18 months and 500,000 within 30 months);

2. Issue such number of additional shares as are equal to 20% of the issued capital of the Company on exercise of the option (after deducting the initial 1,500,000 shares);
3. Cause \$1,750,000 in cumulative exploration work to be completed (\$250,000 within 18 months, an additional \$500,000 within 30 months and the balance of \$1,000,000 within 42 months).

On completion of the shares issuances and cumulative expenditures above, the Company shall have exercised the option and acquired the 50% interest now held by Pan American in Aurifera, subject to the obligation of the Company to pay Pan American a 2% net smelter return royalty on all production from the mineral claims now forming a part of the Tres Cruces project. Commencing November 22, 2006, minimum advance royalties of \$100,000 shall be paid annually. Under the agreement, the Company has the right to buy back 25% of the foregoing 2% net smelter return royalty by making a payment to Pan American of \$500,000 cash. Pan American shall also be entitled to receive 30% of the value of any consideration in excess of \$1,000,000 received by the Company prior to a production decision being made. In addition, if the Tres Cruces gold project is placed into commercial production, the Company shall make an advance royalty payment to Pan American of \$1,000,000 and Pan American shall be vested with a 30% interest in the interest then held by the Company in Aurifera and the Tres Cruces gold project.

On May 31, 2002 the Company negotiated an agreement with Barrick Gold Corp. whereby Barrick can earn up to a 65% interest in Aurifera, which owns the Tres Cruces gold project, in exchange for cash payments, exploration expenditures, and a royalty of 3.5% NSR. The Company has a one-time election upon production decision to reduce its interest from 35% to 30% in exchange for project financing. The agreement is subject to preparation and execution of formal documents, which have not been completed at September 30, 2002.

4. INVESTMENT AND ADVANCES RECEIVABLE

In June 2000 the Company sold 80% interest in its wholly owned subsidiary Nuevo Condor Inc., which owned the Nueva Condor mine and property in Peru, in consideration of \$1 and advances receivable of \$4,300,000. The receivable will be converted into an equity interest in Nueva Condor if that company is successfully re-capitalized by its new owners. The Company also has the right to participate in up to 30% of any future equity financings of Nueva Condor up to an aggregate limit of \$6 million. The Company's 20% interest in Nuevo Condor may be diluted in the event of a future equity public financing in that company, and is currently recorded at a nominal value of \$1,

During 2001 management made an assessment of the recoverability of the advances receivable from Nueva Condor of \$4,300,000 and also assessed the collectibility of certain advances receivable from Nueva Condor in the amount of \$308,566, which are owed to Oromin S.A. Due to the uncertainty of recoverability, the amounts were written down to \$1 at December 31, 2001.

5. MINERAL PROPERTIES

Exploration and development properties

Balance, September 30, 2002 and 2001	\$ 1,488,154
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The Company owns a 100% interest in three separate mineral properties located in various regions of Peru.

6. CAPITAL ASSETS

	September 30, 2002
Vehicles	\$ 16,250

Furniture and fixtures	33,069
	49,319
Less: Accumulated amortization	(48,187)
	\$ 1,132

7. BANK LOAN

	September 30, 2002
Bank loan	
Loan from Banco Financiero, secured by equipment of the Company, due between October 1998 and September 2008, bearing interest at 14% per annum.	\$ 263,655

8. CAPITAL STOCK

	September, 2002		September, 2001	
	Number of Shares	Amount	Number of Shares	Amount
Authorized				
An unlimited number of common shares without par value				
Issued				
Balance, beginning of period	5,398,238	\$21,437,620	33,816,463	\$20,380,191
Shares consolidated, 10 to 1 basis on June 6, 2001:				
Balance, post-consolidated	5,398,238	\$21,437,620	3,381,646	\$20,380,191
Issued – shares for debt	-	-	2,016,592	1,057,529
Issued – for Aurifera option (Note 3, 8(b))	500,000	50,000	-	-
Special warrants (Note 8(c))	-	120,000	-	-
Special warrants (Note 8(d))	-	150,500	-	-
Balance, end of period	5,898,238	\$21,758,120	5,398,238	\$21,437,620

- (a) In June 2001, the Company consolidated its share capital on a 1 for 10 basis.
- (b) On May 22, 2002 the Company issued 500,000 shares to Pan American Silver Corp. as partial payment of an option to acquire 100% of the shares of Aurifera (see Note 3).
- Under the terms of the option, the Company is also required to make the following share issuances in order to complete the transaction:
1. Issue 1,000,000 additional treasury shares (500,000 within 18 months and 500,000 within 30 months);
 2. Issue such number of additional shares as are equal to 20% of the issued capital of the Company on exercise of the option (after deducting the initial 1,500,000 shares);
- (c) On May 31, 2002 the Company completed a private placement, consisting of 1,200,000 non-transferable special warrants at a price of US\$0.10 per special warrant for gross proceeds of \$120,000. Each special warrant is convertible at no additional cost into one common share on the earlier of the date a receipt is issued by the British Columbia Securities Commission with respect to a final form of a prospectus qualifying the distribution of the shares or for a period of one year from the date of closing of the private

placement. Unless and until a final form of prospectus qualifying the distribution of the shares is received by the British Columbia Securities Commission, the special warrants and the shares may not be traded for a period of at least one year from closing of the private placement. The special warrants and shares may also be subject to additional hold periods imposed by certain laws under various provincial jurisdictions in which the purchaser resides.

- (d) On May 31, 2002 the Company settled debts in the aggregate of \$150,500 owed to two companies controlled by the president of the company and to a director of the Company by the issuance of 1,003,333 special warrants at a price of US\$0.15 per special warrant. Each special warrant is convertible at no additional cost into one common share. The special warrants and shares are also subject to the same conversion and hold periods as those issued in the afore-mentioned private placement
- (e) Stock options

Under the Company's stock option plan, options to purchase common shares have been granted at an exercise price determined by reference to the market value on the date of the grant.

	Number of Shares	Weighted Average Exercise Price
Options outstanding at December 31, 2001	-	-
Options granted on May 31, 2002	1,025,000	\$0.15
Options outstanding at September 30, 2002	1,025,000	\$0.15

On May 31, 2002 the Company granted stock options to directors, officers and consultants for the purchase of up to an aggregate of 1,025,000 common shares of the Company at an exercise price of US\$0.15 per share for a period of five years from the date the shares of the Company are quoted on a stock exchange or trading market acceptable to the Company. As such, none of the above stock options are currently vested. Should listing or quotation, as afore-mentioned, not occur by April 30, 2003, the options shall expire. The common shares acquired on the exercise of the options shall be subject to escrow provisions prescribed by National Policy 46-201, national escrow regime, of the Ontario Securities Commission.

9. RELATED PARTY TRANSACTIONS

During the year-to-date the following services were provided to the Company by companies with common directors or officers or by the directors or officers themselves:

	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-to date
Consulting	7,500	7,500	7,500	22,500
General and administration	6,000	6,000	6,000	18,000
Legal	-	19,915	-	19,915
	\$13,500	\$33,415	\$13,500	\$60,415

During the second quarter, \$150,500 of liabilities to companies with common directors or officers, or to the directors or officers themselves, were settled by the issuance of special warrants (Note 8(d)).

At September 30, 2002 the following amounts were due to companies with common directors or officers or to directors or officers themselves:

Consulting	22,500
General and administration	12,000
Professional fees	5,604
	<u>\$40,104</u>

10. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. Of the Company's capital assets, a total of \$2,108,442 are located in Peru and \$1,132 are located in Canada.

11. SUBSEQUENT EVENTS

On October 25, 2002 the Company was listed on the TSX Venture Exchange as a Tier 1 issuer. Concurrent with the listing the Company completed a non-brokered private placement consisting of 3,150,000 units at a price of \$0.55 per unit, for gross proceeds to the Company of \$1,732,500. Each unit consisted of one common share and one non-transferable share warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$ 0.65 per share in the first year and \$0.80 per share in the second year.

**NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002**

Management Report (all figures in U.S. dollars)

During the third quarter ended September 30, 2002 the Company worked on its public listing application and a major private placement, both of which were successfully completed subsequent to the quarter. We are pleased to report that on October 25, 2002 the Company was listed on the TSX Venture Exchange as a Tier 1 issuer, the Exchange's most senior designation. The Company's shares are quoted in U.S. dollars under the symbol ORO.U.

Concurrent with its TSX.VEN listing, the Company completed a non-brokered private placement of 3,150,000 units at a price of \$0.55 per unit, for gross proceeds to the Company of \$1,732,500. Each unit consists of one common share and one non-transferable share warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.65 per share in the first year and \$0.80 per share in the second year. The proceeds of the private placement will be used for continuing exploration programs on the Company's mineral properties in Peru, examination of other mining opportunities in Peru and elsewhere and for general working capital purposes. The Company has sufficient working capital to meet its current and foreseeable obligations.

In October, 2002 the Company launched a new website at www.orooperu.com and obtained new offices and telephone numbers as follows:

203 - 15221 Marine Drive
White Rock, British Columbia
Canada, V4B 1C9

Tel: (604) 535-4451
Fax: (604) 538-6558
Toll-free number for Investor Relations: 866-OROPERU (866-676-7378)

This year's resurgence of gold price above \$300/oz has permitted the Company to be re-financed. Earlier this year also, the Company obtained an option to acquire the other 50% interest in the Tres Cruces gold project. In April, 2002 Barrick Gold Corporation announced the discovery of its Lagunas Norte deposit (7.3 million oz. gold as of July 2002) on its Alta Chicama property located 15 km north of the Company's 1.7 million oz. Tres Cruces gold deposit. The Company has entered into an agreement with Barrick for the further development and exploration of the Tres Cruces deposit (for more details on the Tres Cruces option agreement and the agreement with Barrick, please see Note 3 of the accompanying financial statements). The consequences of this arrangement with Barrick will permit the opportunity to have the Tres Cruces deposit advanced concurrent with the Lagunas Norte deposit and derive the benefits of being part of a much larger project. We look forward to reporting on the developments in the Company's Tres Cruces project and its other opportunities.

"K. Wayne Livingstone"

President

November 27, 2002