

British Columbia Securities Commission
QUARTERLY REPORT
FORM 51-901F

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT
NORTHERN HEMISPHERE DEVELOPMENT CORP.	August 31, 2003	October 27, 2003

ISSUER ADDRESS:

Suite 302, 455 Granville Street

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO
Vancouver, British Columbia		V6C 1T1	(604) 669-3041	(604) 685-9255

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Charlie O'Sullivan	Chairman and Director	(604) 685-9255

E-MAIL ADDRESS:

WEB SITE ADDRESS

N/A

N/A

CERTIFICATE

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	DATE SIGNED
Signed: "Charlie O'Sullivan"	03/10/28
DIRECTOR'S SIGNATURE	DATE SIGNED
Signed: "Frank Callaghan"	03/10/28

NORTHERN HEMISPHERE DEVELOPMENT CORP.
Balance Sheet
(Unaudited - Prepared by Management)

ASSETS

	August 31, 2003	February 28, 2003
	\$	\$
Current assets		
Cash and term deposits	30,448	14,319
Accounts receivable	22,367	13,810
	<u>52,815</u>	<u>28,129</u>
Investment in and Expenditures on Resource Properties (Note 3)	239,388	479,410
Investment in Marketable Securities (Note 4)	292,837	-
Reclamation Deposit (Note 5)	5,000	-
	<u>590,040</u>	<u>507,539</u>

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	43,668	58,420
Due to related parties	84,355	83,130
	<u>128,023</u>	<u>141,550</u>

SHAREHOLDERS' EQUITY

Capital stock (Note 6)	12,132,053	12,122,053
Deficit	(11,670,036)	(11,756,064)
	<u>462,017</u>	<u>365,989</u>
	<u>590,040</u>	<u>507,539</u>

On Behalf of the Board

Signed:

"Charlie O'Sullivan"

Director

"Frank Callaghan"

Director

NORTHERN HEMISPHERE DEVELOPMENT CORP.
Statement of Operations and Deficit
(Unaudited - Prepared by Management)

	3 Months August 31,		6 Months August 31,	
	2003	2002	2003	2002
	\$	\$	\$	\$
Revenue:				
Oil and gas revenue, net of costs	3,430	3,379	5,815	6,166
Expenses:				
Audit and accounting fees	4,534	9,555	4,534	9,555
Auto expense	4,588	683	4,588	860
Consulting fees	30,000	15,000	30,000	30,000
Shareholder communications investor relations	17,204	(703)	17,384	(678)
Legal fees	13,838	5,095	14,992	8,319
Listing and filing fees	(583)	8,490	2,245	11,147
Management fees	15,000	15,000	30,000	30,000
Office services and supplies	3,872	2,680	5,788	
Office rent	5,108	1,650	3,420	3,300
Salaries and benefits	22,658	3,299	35,672	4,904
Travel and accommodation	5,322	160	5,322	160
Transfer agent	1,053	3,550	1,253	3,815
Loss before under noted items:	(122,594)	(64,459)	(154,990)	(105,441)
Gain on sale of mineral property	234,969	-	234,969	-
	112,375	(64,459)	79,979	(105,441)
Interest income	423	5	433	9
	112,798	(64,454)	80,412	(105,432)
Gain (Loss) for the period	116,228	(61,075)	86,227	(99,266)
Deficit, beginning of period	(11,786,264)	(11,528,473)	(11,756,263)	(11,490,282)
Deficit, end of period	(11,670,036)	(11,589,548)	(11,670,036)	(11,589,548)
Loss per share	\$0.00	\$ (0.01)	\$0.00	\$ (0.02)

NORTHERN HEMISPHERE DEVELOPMENT CORP.
Statement of Cash Flows
(Unaudited - Prepared by Management)

	3 Months August 31,		6 Months August 31,	
	2003	2002	2003	2002
	\$	\$	\$	\$
CASH PROVIDED BY (USED IN)				
Operating Activities:				
Gain (Loss) for the period	116,228	(61,075)	86,227	(99,266)
Items not involving cash:				
Gain on sale of Mineral Property	(234,969)	-	(234,969)	-
	<u>(118,741)</u>	<u>(61,075)</u>	<u>(148,742)</u>	<u>(99,266)</u>
<i>Changes in non-cash working capital</i>				
<i>Items:</i>				
Amounts receivable and prepaids	(10,602)	(1,534)	(8,765)	(16,219)
Accounts payable and accrued liabilities	(10,524)	203	(14,752)	18,904
Due to related parties	(18,885)	31,805	1,225	46,805
	<u>(158,752)</u>	<u>(30,600)</u>	<u>(171,034)</u>	<u>(49,776)</u>
Financing activities:				
Issue of capital stock for cash	-	100,000	10,000	100,000
Sale of Mineral Property	342,928	-	342,928	-
	<u>342,928</u>	<u>100,000</u>	<u>352,928</u>	<u>100,000</u>
Investing Activities:				
Investment in mineral properties	(149,250)	(49,129)	(160,765)	(59,931)
Reclamation bond	(5,000)	-	(5,000)	-
	<u>(154,250)</u>	<u>(49,129)</u>	<u>(165,765)</u>	<u>(59,931)</u>
Increase (decrease) in cash	<u>29,926</u>	<u>121</u>	<u>16,129</u>	<u>(9,707)</u>
Cash, beginning of period	<u>522</u>	<u>1,389</u>	<u>14,319</u>	<u>11,219</u>
Cash, end of period	<u>30,448</u>	<u>1,510</u>	<u>30,448</u>	<u>1,510</u>

NORTHERN HEMISPHERE DEVELOPMENT CORP.
Notes to Financial Statements
August 31, 2003

1. Basis of Presentation

These unaudited Financial Statement have been prepared in accordance with the instructions for the preparation of such financial statements contained in the CICA Handbook Section 1751. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such instructions. These unaudited Financial Statements should be read in conjunction with the Audited Financial Statements and Notes thereto for the fiscal year ended February 28, 2003.

2. Comparative Figures

Certain of the prior years comparative figures have been reclassified to conform to the Presentation adopted for the current year.

3. Investment in and Expenditures on Resource Properties

a) Resource properties are recorded as follows:

Balance, February 28, 2003		\$479,410
Expenditures during the period		
Northstar-Kaza:		
Acquisition costs	\$ 25,000	
Assays	12,134	
Drafting and reproduction	2,895	
Equipment rental and repairs	7,444	
Fuel	1,225	
Geological consulting	44,112	
Geophysical	42,050	
Meals and accommodation	9,009	
Mobilization and demobilization	11,228	
Office and Maintenance	1,054	
Roads and pads	3,490	
Taxes and assessment	1,125	160,766
Sunrise Property:		
Recovery of lease payments	(5,788)	
Sale of property	(395,000)	(400,788)
Balance, July 31, 2003		<u>\$ 239,388</u>

NORTHERN HEMISPHERE DEVELOPMENT CORP.**Notes to Financial Statements**

August 31, 2003

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3. Investment in and Expenditures on Resource Properties, continued

b) Northstar-Kaza Property

Under an Option agreement dated March 13, 2002, the Company has the option to acquire a 100% interest in 33 mineral claims located in the Omineca Mining Division of British Columbia. Under the terms of the Agreement, the Company can earn the interest by making further cash payments, in installments, of \$60,000, issuing a further 600,000 common shares in installments, and incurring \$500,000 in exploration expenses on the property. During the period, the Company issued 100,000 common shares under this agreement at a deemed value of \$0.10 per share and made cash payment of \$15,000.

c) Sunrise Property

By agreement dated November 12, 1997, the Company acquired a 51.73% interest in six claims located approximately 70 miles east-northwest of the City of Yellowknife, Northwest Territories. The claims are subject to a 5% net profits royalty payable to a third party.

By a Purchase Agreement dated June 9, 2003 between the Company and Silver Standard Resources Inc. and Aber Diamond Corporation, the Company sold its 51.73% interest in the Sunrise Property for consideration of US \$252,442 cash and 42,938 common shares in the capital of Silver Standard Resources Inc at a deemed value of \$6.82 per share.

4. Marketable Securities

Marketable securities consist of 42,938 common shares of Silver Standard Resources Inc. Market value at August 31, 2003: \$461,583.

5. Reclamation Deposit

Reclamation deposits are security for future site reclamation on the Company's mineral properties. During the period, the Company hypothecated a term deposit of \$5,000 as security to the Province of British Columbia for future site reclamation on its Northstar-Kaza Property.

NORTHERN HEMISPHERE DEVELOPMENT CORP.**Notes to Financial Statements**

August 31, 2003

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6. Share Capital

a) Authorized 100,000,000 common shares without par value

b) Issued:

	August 31			
	2003		2002	
	Number of shares	Amount	Number of shares	Amount
Balance, beginning of period	8,106,456	\$ 12,122,053	5,884,4560	\$11,868,324
Issued during the period:				
Private Placement	-	-	1,000,000	100,000
Property transaction	100,000	10,000	100,000	10,000
Balance, end of period	<u>8,206,456</u>	<u>\$12,132,053</u>	<u>6,984,456</u>	<u>\$11,978,324</u>

c) Non-cash transactions (See Note 3)

During the period, the Company issued 100,000 common shares at \$0.10 per share in respect to the acquisition of a resource property.

7. Related Party Transactions

Transactions with related parties not disclosed elsewhere in these Financial Statements comprise:

- a) During the period the Company paid, or made provision for the future payment the following amounts:
- i) \$30,000 (2002 \$30,000) to a company controlled by the family of a Director for Management fees;
 - ii) \$30,000 (2002 \$Nil) to a Director of the Company for Consulting fees;
 - iii) \$9,630 to a company with common directors for office expenses;
 - iv) \$22,915 to a private company controlled by a Director for exploration expenses incurred on behalf of the Company.

8. Due to Related Parties

Amounts due to related parties are unsecured and non-interest bearing and comprise the following amounts:

\$3,982 due to private companies owned or controlled by Directors;
\$76,253 due to Directors of the Company and
\$4,120 due to a company with common Directors.

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Charlie O'Sullivan	Chairman and Director	(604) 685-9255

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DIRECTOR'S SIGNATURE	DATE SIGNED
Signed: "Charlie O'Sullivan"	03/10/27

DIRECTOR'S SIGNATURE	DATE SIGNED
Signed: "Frank Callaghan"	03/10/27

SECURITIES ISSUED DURING THE QUARTER ENDED AUGUST 31, 2003

Date YY/MM/DD	Type of Issue	Description	Number of shares Issued	Price per share	Proceeds \$	Type of consideration
Nil						

OPTIONS GRANTED DURING THE QUARTER ENDED AUGUST 31, 2003

Date of Grant YY/MM/DD	Number	Type	Description/name	Exercise price	Expiry date
Nil					

**OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES OUTSTANDING
AT AUGUST 31, 2003**

Security	Amount	Exercise or convertible price per share	Expiry Date YY/MM/DD
Stock options	100,000	0.14	03/12/19
Warrants	500,000	\$0.20	03/06/27
	500,000	\$0.20	03/08/23
	324,000	\$0.25	03/11/01/
		\$0.30	04/11/01
	97,200	\$0.15	04/11/01
	237,000	\$0.25	03/12/16
		\$0.30	04/12/16
	71,100	\$0.15	04/12/16

LIST OF DIRECTORS AND OFFICERS AS AT AUGUST 31, 2003

Charlie O'Sullivan,
Chairman and Director

Allan Crawford,
Director

Frank Callaghan,
President and Director

H.K. Maddison,
Director

J. Frank Bradley,
Director, CFO and Secretary

NORTHERN HEMISPHERE DEVELOPMENT CORP.
SCHEDULE "C"-MANAGEMENT'S DISCUSSION & ANALYSIS
For the period ended August 31, 2003

The following discussion of the operations, results and financial position of the Company for the period ended August 31, 2003 should be read in conjunction with the August 31, 2003 unaudited Financial Statement and the related Notes.

Description of Business

The Company's principal business activities are the exploration and development of resource properties. The Company is in the process of exploring and developing its properties and has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves in its resource properties, the ability of the Company to obtain the necessary financing to complete development, confirmation of the Company's interest in the underlying mineral claims and leases and upon future profitable production or sufficient proceeds from the disposition of its resource properties.

The Company is continually investigating new exploration opportunities, and exploration is carried out on properties identified by management of the company as having favorable exploration potential. Interests in such properties are acquired in various ways. In some cases the Company, through its own efforts, stakes mineral claims or acquires permits. In other cases the Company acquires interest in resource properties from third parties. An acquisition from a third party is typically made by way of an option agreement, which requires the Company to make specified option payments and to incur a specified amount of exploration expenditures on the property within a given time in order to earn an interest in the property. Most option agreements provide that once the Company has made any required option payments and incurred the specified exploration expenditures, the parties will enter into a joint venture requiring each party to contribute towards future exploration and development costs based on its percentage interest in the property, or suffer dilution of its interest.

The Company advances its mineral projects to varying degrees by prospecting, mapping, geophysics and drilling. Once a property is determined to have limited exploration potential the property is abandoned or sold. In cases where exploration work on the property reaches a stage where the expense and risk of further exploration and development are too high the Company may seek a third party to earn an interest by furthering the exploration process. Optioning a property to a third party allows the Company to retain an interest in further exploration and development while limiting its obligation to commit large amounts of capital to any one project. The mineral exploration business is high risk and most exploration projects will not become mines.

Results of Operations

The Company reports a gain of Cdn \$116,228 or \$0.00 per share for the three months ended August 31, 2003. There were no write-offs or write-downs during the period. The Company recorded a gain on the sale of the Sunrise Property of \$234,969.

The Company recorded Oil and gas revenue for the quarter of \$3,430. This is an increase of 30% when compared to the preceding quarter. Corporate and administrative expenses increased by \$88,312 from \$34,282 in the first quarter to \$122,594 in the second quarter. Included in the increase is a late accrual of \$15,000 relating consulting fees incurred during the previous quarter. Shareholder Information and Investor Relations has increased from \$180 in the preceding quarter to \$17,204. This increase is due in part to the costs associated with the Annual General Meeting and attendance at a gold mining conference. Legal fees and salaries have increased from

Results of Operations, continued

\$14,168 to \$36,496 relating to the legal and secretarial work required for the sale of the Sunrise property.

Current Activities

The Company was pleased to announce the sale of the Sunrise Property. The Company received US \$252,442 cash and 42,938 shares of Silver Standard Resources, which at today's prices has a value of \$461,583. The Sunrise property had a lot of potential however, the Company required a joint venture partner with far greater financial and other resources than that of the Company's to assist in developing it. Since the Company did not hold 100% in the property, it was difficult, if not impossible, to find a partner willing to finance it. The offer of approximately \$650,000 in cash and securities was considered a very good offer and accepted by the Board of Directors. The Company has been and will continue to focus on the Northstar-Kaza property in the Omineca Mining Division of British Columbia, Canada.

During the period, the Company incurred \$135,766 on the Northstar-Kaza Properties in British Columbia soil and rock sampling, magnetometer and Induced Polarization Surveying. The Northstar-Kaza Project consists of two project areas, the Kaza and Northstar, spaced 15 kilometres apart, contained within a single contiguous 2,800-hectare property. The Company plans to conduct a 5,500-foot diamond-drilling program targeting prospective zones within both areas.

Related Party Transactions

In an effort to reduce overhead and administrative costs, the Company shares offices with other public companies that have Directors in common.

During the quarter, the Company paid or accrued Management fees of \$15,000 to a private company controlled by the family of a director and \$15,000 to a Director for consulting fees.

Liquidity and Capital Resources

Historically, the Company has raised funds through equity financing and the exercise of options and warrants to fund its operations. The Company has a working capital deficiency of \$75,208 at August 31, 2003. The Company will require funding to finance corporate and administrative expenses and ongoing exploration on the Company's mineral properties.

Risks

Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

Competition

The mining industry in which the Company is engaged is in general, highly competitive. Competitors include well-capitalized mining companies, independent mining companies and other companies having financial and other resources far greater than those of the Company. The Company competes with other mining companies in connection with the acquisition of mineral properties. In general, properties with a higher grade of recoverable mineral and/or which are more readily minable afford the owners a competitive advantage in that the cost of production of the final mineral product is lower. Thus, a degree of competition exists between those engaged in the mining industry to acquire the most valuable properties. As a result, the Company may eventually be unable to acquire attractive mining properties.