

**British Columbia
Securities Commission**

QUARTERLY REPORT

Form 61 –Schedule A

Name of Issuer – FM Resources Corp.

For Quarter Ended – June 30, 1999

Date of Report – August 16, 1999

Issuer’s Address - 9th Floor – 609 West Hastings Street, Vancouver, B.C. V6B 4W4

Issuer’s Fax No. - (604) 687-4862

Issuer’s Telephone No. - (604) 687-1134

Contact Person – Mike Bourdeau

Contact’s Position - President

Contact Telephone No. – (604) 687-1134

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 – “Mike Bourdeau” – Mike Bourdeau – August 16, 1999

Director’s Signature – “Luard Manning” – Luard Manning – August 16, 1999

FM Resources Corp.

Balance Sheet

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

June 30,

	<u>1999</u>	<u>1998</u>
Assets		
Current assets		
Cash	\$ 790	\$ 224,141
Prepaid expenses	5,000	-
Accounts receivable	6,701	14,745
	<u>12,490</u>	<u>238,886</u>
Capital assets, net of depreciation	105,046	186,041
Milling credits	100	524,587
Resource property acquisitions	1,858,323	1,933,324
Deferred exploration & development	7,044,321	7,502,297
	<u>\$ 9,020,281</u>	<u>\$ 10,385,135</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 366,516	\$ 352,362
Loans payable	89,000	825,000
	<u>455,516</u>	<u>1,177,362</u>
Loans payable	825,000	-
Gold-Based Investment Contracts	2,140,000	2,165,000
	<u>3,420,516</u>	<u>3,342,362</u>
Shareholder's Equity		
Share capital	13,285,998	13,255,998
Contributed surplus	305,000	305,000
Deficit	(7,991,233)	(6,518,225)
	<u>5,599,765</u>	<u>7,042,773</u>
	<u>\$ 9,020,281</u>	<u>\$ 10,385,135</u>

Approved by the board

“Mike Bordeau” Director

“Luard J Manning” Director

FM Resources Corp.

Statement of Operations and Deficit (unaudited - prepared internally by management) *(Expressed in Canadian dollars)*

	Six-month period ended June 30,	
	<u>1999</u>	<u>1998</u>
Revenue:		
Interest and miscellaneous	\$ <u>83</u>	\$ <u>583</u>
	83	583
Expenses:		
Filing & transfer fees	4,371	15,676
Interest & bank charges	2,033	9,772
Investor relations, travel & promotion	1,806	5,282
Depreciation	-	13,755
Management fees	36,960	30,000
Office expenses	38,948	56,172
Professional fees	29,006	45,417
Rent	11,635	34,934
Travel	-	1,387
Telephone	1,954	4,158
Wages & benefits	-	49,640
	<u>126,714</u>	<u>266,193</u>
Net (loss) income	(126,630)	(265,610)
Foreign exchange (loss) gain	(33)	28,788
Deficit, beginning of period	<u>(7,864,570)</u>	<u>(6,281,403)</u>
Deficit, end of period	\$ <u>(7,991,233)</u>	\$ <u>(6,518,225)</u>

FM Resources Corp.

Statement of Resource Properties

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	June 30,	
	<u>1999</u>	<u>1998</u>
Mineral Properties:		
Resource property acquisitions		
La Forma	\$ 1,276,688	\$ 1,272,188
GoldStar	398,000	398,000
Antoniuk	75,000	75,000
Ant	103,835	103,835
Seymour Creek	4,800	4,800
Port Renfrew	-	30
Whalesback/Shoal Arm	-	79,471
	<u>\$ 1,858,323</u>	<u>\$ 1,933,324</u>
Deferred Exploration & Development expenses		
For the six months ended June 30, 1999 & 1998		
Balance, beginning of period	\$ 7,041,753	\$ 7,659,902
Consulting fees	2,250	5,950
Field Assessment Work	319	-
Field overhead costs	-	350
Mill building and equipment recoveries	-	(159,576)
Site preparation cost recoveries	-	(4,807)
Travel	-	477
	<u>\$ 7,044,321</u>	<u>\$ 7,502,296</u>

FM Resources Corp.

Statement of Changes in Financial Position

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	Six-month period ended June 30,	
	<u>1999</u>	<u>1998</u>
Cash provided by (used in)		
Operating activities:		
Loss for the period	\$ (126,663)	\$ (236,822)
Add (deduct) items not involving cash		
Depreciation	-	13,755
Changes in non-cash working capital		
Accounts receivable	4,070	(7,507)
Pre-paid expenses	(5,000)	-
Accounts payable	43,481	83,818
	<u>42,551</u>	<u>90,066</u>
	(84,112)	(146,756)
Investing activities:		
Deferred exploration expenditures	(2,568)	157,605
Resource property acquisitions	-	(61,510)
	<u>(2,568)</u>	<u>96,095</u>
Financing activities:		
Issuance of share capital	5,000	175,196
Issuance of shares for resource properties	-	60,000
Loan payable	81,202	-
	<u>86,201</u>	<u>235,196</u>
Increase (decrease) in cash position	(479)	184,535

Cash position, beginning of period	<u>1,269</u>	<u>39,606</u>
Cash position, end of period	\$ <u>790</u>	\$ <u>224,141</u>