

**British Columbia
Securities Commission**

QUARTERLY REPORT

Form 61 –Schedule B and C

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.

Schedule B

Supplementary Information (*expressed in Canadian dollars*)

June 30, 1999

Section 1

The fiscal year to date aggregate amount of expenditures made to parties not at arm's length from the issuer amounted to \$36,960. This was paid to a related company controlled by a director/officer of the Company.

Section 2

a) There were no securities issued during this quarter:

b) There were no options granted during the quarter:

Section 3

a) Particulars of Authorized Capital as at June 30, 1999

<u>Class</u>	<u>Par Value</u>	<u>Number Authorized</u>	<u>Number Issued</u>	<u>Total Consideration</u>
Common	Nil	100,000,000	2,357,358	\$13,285,998

a) Summary of options and warrants outstanding at June 30, 1999

<u>Security Type</u>	<u>Number Outstanding</u>	<u>Price</u>	<u>Expiry Date</u>
Warrants	1,111	\$ 5.20	October 29, 1999
Warrants	545,866	\$ 0.30	May 29, 2000
Warrants	33,334	\$ 0.15/1 st year \$ 0.20/2 nd year	January 6, 2001
Options	50,000	\$ 6.00	October 8, 2002
Options	25,000	\$ 3.00	November 14, 2002

a) There was an aggregate total of 1,123 held in escrow at June 30, 1999

b) Directors:

Mike Bourdeau	Maple Ridge, B.C.
Peter Bryant	Vancouver, B.C.
Luard J Manning	North Vancouver, B.C.
William B Horie	Richmond, B.C.

MANAGEMENT DISCUSSION

The persistent weakness of the gold markets continues to hamper the expedient development of the Mt. Freegold properties. Management is still confident however, that these holdings will at some point present sufficient upside potential so as to support further extensive development. We believe that the operating plans and mining methods conceived to date are still quite valid and represent the most feasible approach to the challenges presented by these properties. While remaining cognizant of the difficulties imposed by the current market environment, Management remains committed to the responsible development of the Company's holdings in the Mt. Freegold area.

On February 17, 1999 BYG ceased mining and milling operations at their Mt. Nansen minesite. Subsequent to these developments, BYG appointed a Receiver-Manager to oversee the affairs of BYG Natural Resources Inc. effective March 23, 1999. As FM Resources Corp. envisaged utilizing the Mt. Nansen facilities to process Mt. Freegold ore, this suspension of operations will necessitate adjustments to the Company's near term approach to the development of the Mt. Freegold properties.

To this end, FM Resources Corp. continues to explore the most effective and timely means by which it may advance its promising Yukon properties to a "production ready" status in spite of the lack of a currently available processing facility.

Y2K COMPLIANCE

The company has assessed its vulnerability to the Year 2000 ("Y2K") issue in all aspects of its business from the financial information systems to any foreseeable mechanical applications at its remote sites. A preliminary assessment suggests that there is no critical reliance on computer systems or programs that would expose the Company to any substantial Y2K problem. Dialogue and correspondence with our major suppliers indicates that their compliance programs are sufficiently advanced so as to pose little concern to the Company. The Company believes that its exposure is minimal and that the cost of addressing this issue is not significant. Because of the potentially pervasive nature of the potential difficulties posed by system failures beyond the Company's control, it is not possible however to gauge with certainty, the ultimate impact on the operations and or financial reporting capabilities of the Company.

ANNUAL GENERAL MEETING

The Company held its annual general meeting on June 24th 1999. All of the resolutions proposed by management were adopted by a majority of the members of the Company.

