

**British Columbia
Securities Commission**

QUARTERLY REPORT

Form 61 –Schedule A

Name of Issuer – FM Resources Corp.

For Quarter Ended – September 30, 1999

Date of Report – November 26, 1999

Issuer's Address - 11th 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 – Chris Schultze

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 – “Chris Schultze” – Chris Schultze – November 26, 1999

Director's Signature – “Luard Manning” – Luard Manning – November 26, 1999

FM Resources Corp.

Balance Sheet

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

September 30,

	<u>1999</u>	<u>1998</u>
Assets		
Current assets		
Cash	\$ 642	\$ 4,207
Prepaid expenses	5,000	-
Accounts receivable	8,791	9,723
	<u>14,434</u>	<u>13,930</u>
Capital assets, net of depreciation	105,046	171,726
Milling credits	100	524,587
Resource property acquisitions	1,858,323	1,938,224
Deferred exploration & development	7,045,446	7,463,748
	<u>\$ 9,023,349</u>	<u>\$ 10,112,215</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 381,049	\$ 232,603
Loans payable	114,500	825,000
	<u>495,549</u>	<u>1,057,603</u>
Loans payable	825,000	-
Gold-Based Investment Contracts	1,587,500	2,165,000
	<u>2,908,049</u>	<u>3,222,603</u>
Shareholder's Equity		
Share capital	13,838,498	13,255,998
Contributed surplus	305,000	305,000
Deficit	(8,028,197)	(6,671,386)
	<u>6,115,301</u>	<u>6,889,612</u>
	<u>\$ 9,023,349</u>	<u>\$ 10,112,215</u>

Approved by the board

“Chris Schultze” Director

“Luard Manning” Director

FM Resources Corp.

Statement of Operations and Deficit

(unaudited - prepared internally by
management)

(Expressed in Canadian dollars)

	<u>1999</u>	<u>Nine-month period ended September 30, 1998</u>
Revenue:		
Interest and miscellaneous	\$ 94	\$ 1,112
	<u>94</u>	<u>1,112</u>
Expenses:		
Filing & transfer fees	7,752	20,731
Interest & bank charges	2,865	10,055
Investor relations, travel & promotion	1,831	5,282
Depreciation	-	25,039
Management fees	54,240	45,000
Office expenses	50,851	64,847
Professional fees	26,075	108,892
Rent	17,452	40,751
Travel	-	845
Telephone	2,624	5,912
Wages & benefits	-	62,975
	<u>163,689</u>	<u>390,329</u>
Net (loss) income	(163,595)	(389,217)
Foreign exchange (loss) gain	(33)	-
Loss on disposal of fixed assets	-	(766)
Deficit, beginning of period	<u>(7,864,570)</u>	<u>(6,281,403)</u>
Deficit, end of period	<u>\$ (8,028,197)</u>	<u>\$ (6,671,386)</u>

FM Resources Corp.

Statement of Resource Properties (unaudited - prepared internally by management) *(Expressed in Canadian dollars)*

	September 30,	
	<u>1999</u>	<u>1998</u>
Mineral Properties:		
Resource property acquisitions		
La Forma	\$ 1,276,688	\$ 1,276,688
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	-	79,871
	<u>\$ 1,858,323</u>	<u>\$ 1,938,224</u>
Deferred Exploration & Development expenses For the nine months ended September 30, 1999 & 1998		
Balance, beginning of period	\$ 7,041,753	\$ 7,659,902
Consulting fees	3,375	7,825
Core analysis & shipping	-	375
Field Assessment Work	319	1,500
Field overhead costs	-	350
Mill building and equipment recoveries	-	(201,874)
Site preparation cost recoveries	-	(4,807)
Travel	-	477
	<u>\$ 7,045,446</u>	<u>7,463,748</u>

FM Resources Corp.

Statement of Changes in Financial Position (unaudited - prepared internally by management) *(Expressed in Canadian dollars)*

	Nine-month period ended September 30,	
	<u>1999</u>	<u>1998</u>
Cash provided by (used in)		
Operating activities:		
Loss for the period	\$ (163,628)	\$ (389,983)
Add (deduct) items not involving cash		
Depreciation	-	25,039
Changes in non-cash working capital		
Increase (decrease)	54,994	204,572
	(108,634)	(160,372)
Investing activities:		
Deferred exploration (expenditures) recoveries	(3,693)	(196,154)
Resource property acquisitions	-	85,931
	(3,693)	(110,223)
Financing activities:		
Share capital issued	557,500	175,196
Gold Based investment contracts conversion	(552,500)	
Issuance of shares for resource properties	-	60,000
Loan payable	106,702	-
	111,701	235,196
Increase (decrease) in cash position	(626)	(35,399)
Cash position, beginning of period	1,269	39,606
Cash position, end of period	\$ 642	\$ 4,207

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash receipts for interest	\$ 94	\$ 1,112
Cash payments for interest	\$ 2,490	\$ 9,655

SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES

Shares issued for acquisition of resource property	\$ -	\$ 60,000
Conversion of Gold based investment contracts	\$ 552,500	\$ -

