

**British Columbia  
Securities Commission**

## **QUARTERLY REPORT**

### **Form 61 –Schedule B and C**

**Name of Issuer** – FM Resources Corp.

**For Quarter Ended** – September 30, 1999

**Date of Report** – November 26, 1999

**Issuer's Address** - 11<sup>th</sup> 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.

### Schedule B

Supplementary Information (*expressed in Canadian dollars*)

September 30, 1999

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#### Section 1

The fiscal year to date aggregate amount of expenditures made to parties not at arm's length from the issuer amounted to \$54,240. This was paid to a related company controlled by a director/officer of the Company.

#### Section 2

a) Summary of securities issued during this quarter:

<u>Issue Date</u>	<u>Security Type</u>	<u>Type of Issue</u>	<u>Number Issued</u>	<u>Price</u>	<u>Total Proceeds</u>	<u>Consideration Type</u>
September 14/99	Common	Investment contract conversion	13,936	\$45.00	\$552,500	Cash

b) There were no options granted during the quarter:

#### Section 3

a) Particulars of Authorized Capital as at September 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	2,353,670	\$13,838,498

b) Summary of options and warrants outstanding at September 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 <sup>st</sup> year \$ 0.20/2 <sup>nd</sup> year	January 6, 2001
Options	42,500	\$ 6.00	October 8, 2002
Options	21,250	\$ 3.00	November 14, 2002

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

d) 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**

On September 25, 1999 fifteen of Europe's Central Banks declared their intention to refrain from increasing their gold sales above currently declared levels. Further, decided upon sales will be limited to a maximum of 400 tons of gold over the next five years. The banks also agreed to not expand their existing gold leasing programs or to augment their use of gold futures. The resulting fundamental shift in perceptions relating to the global gold market and the resulting increase in the price of gold are somewhat encouraging at this juncture in the history of FM Resources Corp.

This enhanced confidence in the future price of gold will aid FM in its efforts to achieve commercial production status at the Mt. Freegold properties. Near-term plans include a modest geochem-sampling program aimed at expanding the size of the currently known halo of the ore-bearing structures. Information gleaned from this program will be used to optimize the design of further exploration and development efforts. While remaining cognizant of the difficulties still imposed by the current market environment, Management remains committed to the responsible development of the Company's holdings in the Mt. Freegold area.

The Mt. Nansen mill, which was to accommodate the Mt. Freegold ore on a custom milling basis, has suspended operations and indications are that it will probably remain on a care and maintenance status for some time. 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 cost effective and timely means by which it may advance its promising Yukon properties to a "production ready" status.

### **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.