

**British Columbia
Securities Commission**

QUARTERLY REPORT

Form 61 –Schedule A

Name of Issuer – FM Resources Corp.

For Quarter Ended – March 31, 2000

Date of Report – May 26, 2000

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

Issuer's Fax No. - (604) 688-4712

Issuer's Telephone No. - (604) 331-3395

Contact Person – H. Christopher Schultze

Contact's Position - President

Contact Telephone No. – (604) 331-3395

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 – "*H. Chris Schultze*" – May 26, 2000

Director's Signature – "*Luard Manning*" – May 26, 2000

FM Resources Corp.

Balance Sheet

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	March 31,	
	<u>2000</u>	<u>1999</u>
Assets		
Current assets		
Cash	\$ 963	\$ 889
Accounts receivable	6,108	6,015
	<u>7,071</u>	<u>6,904</u>
Capital assets, net of depreciation	6,328	105,046
Milling credits	1	100
Mineral properties & equipment	452,600	1,858,323
Deferred exploration & development	84,300	7,043,196
	<u>\$ 550,300</u>	<u>\$ 9,013,570</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 359,110	\$ 335,723
Loans payable	124,600	19,875
	<u>483,710</u>	<u>355,598</u>
Loans payable	825,000	825,000
Gold-Based Investment Contracts	943,750	2,140,000
	<u>2,252,460</u>	<u>3,320,598</u>
Shareholder's Equity (Deficiency)		
Share capital	14,482,248	13,285,998
Contributed surplus	305,000	305,000
Deficit	(16,489,408)	(7,898,027)
	<u>(1,702,160)</u>	<u>5,692,972</u>
	<u>\$ 550,300</u>	<u>\$ 9,013,570</u>

Approved by the board

"H. Chris Schultze" Director

"Luard Manning" Director

FM Resources Corp.

Statement of Operations and Deficit

(unaudited - prepared internally by
management)

(Expressed in Canadian dollars)

	Three-month period ended March 31,	
	<u>2000</u>	<u>1999</u>
Income:		
Interest and miscellaneous	\$ <u>105</u>	\$ <u>37</u>
	105	37
Expenses:		
Filing & transfer fees	1,046	2,097
Interest & bank charges	714	1,086
Investor relations, travel & promotion	-	140
Depreciation	1,541	-
Management fees	7,100	19,440
Administration	15,000	-
Office expenses	2,951	-
Professional fees	268	3,993
Rent	5,817	5,817
Telephone	<u>692</u>	<u>924</u>
	<u>35,130</u>	<u>33,497</u>
Net (loss) income	(35,025)	(33,460)
Foreign exchange (loss) gain	(1)	3
Deficit, beginning of period	<u>(16,454,383)</u>	<u>(7,864,570)</u>
Deficit, end of period	\$ <u>(16,489,408)</u>	\$ <u>(7,898,027)</u>

FM Resources Corp.

Statement of Changes in Financial Position

(unaudited - prepared internally by management)
(Expressed in Canadian dollars)

	Three-month period ended March 31,	
	<u>2000</u>	<u>1999</u>
Cash provided by (used in)		
Operating activities:		
Loss for the period	\$ (35,025)	\$ (33,457)
Add (deduct) items not involving cash		
Depreciation	1,541	-
Changes in non-cash working capital		
Accounts receivable	22,411	4,756
Accounts payable	(16,758)	12,688
	<u>7,194</u>	<u>17,444</u>
	(27,831)	(16,013)
Investing activities:		
Deferred exploration expenditures	(4,300)	(1,443)
Proceeds on disposal of mineral properties & equipment	31,000	-
	<u>26,700</u>	<u>(1,443)</u>
Financing activities:		
Issuance of share capital	56,250	5,000
Gold-based Investment contracts	(56,250)	-
Loan payable	-	12,077
	<u>-</u>	<u>17,077</u>
Increase (decrease) in cash position	(1,131)	(380)
Cash position, beginning of period	2,094	1,269
Cash position, end of period	\$ <u>963</u>	\$ <u>889</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash receipts for interest	\$ 105	\$ 37
Cash payments for interest	\$ 524	\$ 967

SUPPLEMENTAL DISCLOSURE OF NON- CASH FINANCING ACTIVITIES

Shares issued on conversion of Gold-based investment contracts	\$ 56,250	\$ -
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