

**British Columbia
Securities Commission**

QUARTERLY REPORT

Form 61 –Schedule A

Name of Issuer – FM Resources Corp.

For Quarter Ended – June 30, 2000

Date of Report – August 18, 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*" – August 18, 2000

Director's Signature – "*Luard Manning*" – August 18, 2000

FM Resources Corp.

Balance Sheet

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	June 30,	
	<u>2000</u>	<u>1999</u>
Assets		
Current assets		
Cash	\$ 20,132	\$ 790
Prepaid expenses	1,126	5,000
Accounts receivable	10,039	6,701
	<u>31,297</u>	<u>12,491</u>
Capital assets, net of depreciation	4,674	105,046
Milling credits	1	100
Mineral properties & equipment	388,862	1,858,323
Deferred exploration & development	85,050	7,044,321
	<u>\$ 509,884</u>	<u>\$ 9,020,281</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 378,436	\$ 366,516
Loans payable	124,600	89,000
	<u>503,036</u>	<u>455,516</u>
Loans payable	825,000	825,000
Gold-Based Investment Contracts	893,750	2,140,000
	2,221,786	3,420,516
Shareholder's Equity (Deficiency)		
Share capital	14,532,248	13,285,998
Contributed surplus	305,000	305,000
Deficit	(16,549,151)	(7,991,233)
	<u>(1,711,902)</u>	<u>5,599,765</u>
	<u>\$ 509,884</u>	<u>\$ 9,020,281</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>2000</u>	Six-month period ended June 30,	<u>1999</u>
Income:			
Interest and miscellaneous	\$ 291		\$ 83
	<u>291</u>		<u>83</u>
Expenses:			
Filing & transfer fees	3,590		4,371
Interest & bank charges	193		2,033
Investor relations, travel & promotion	2,431		1,806
Depreciation	3,083		-
Expenses related to sale of equipment	15,657		-
Management fees	6,000		36,960
Consulting fees	2,380		-
Administration	33,000		-
Office expenses	11,092		38,948
Professional fees	5,149		29,006
Rent	11,635		11,635
Telephone	850		1,954
	<u>95,058</u>		<u>126,714</u>
Net (loss) income	(94,768)		(126,630)
Foreign exchange (loss) gain	-		(33)
Deficit, beginning of period	<u>(16,454,383)</u>		<u>(7,864,570)</u>
Deficit, end of period	\$ <u>(16,549,151)</u>		\$ <u>(7,991,233)</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>2000</u>	<u>19</u>
Cash provided by (used in)			
Operating activities:			
Loss for the period	\$	(94,768)	\$
Add (deduct) items not involving cash			
Depreciation		3,083	
Changes in non-cash working capital			
Accounts receivable		18,480	
Pre-paid expenses		(1,126)	
Accounts payable		2,568	
		<u>23,005</u>	
		(71,763)	
Investing activities:			
Deferred exploration expenditures		(5,050)	
Proceeds on disposal of fixed assets		112	
Proceeds on disposal of mineral properties & equipment		94,738	
		<u>89,800</u>	
Financing activities:			
Issuance of share capital		106,250	
Gold-based Investment contracts		(106,250)	
Loan payable		-	
		<u>-</u>	
Increase (decrease) in cash position		18,038	
Cash position, beginning of period		2,094	
Cash position, end of period	\$	<u><u>20,132</u></u>	\$
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash receipts for interest	\$	291	\$
Cash payments for interest	\$	-	\$
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES			
Shares issued on conversion of Gold-based investment contracts	\$	106,250	\$