

Schedule attached: A

**ISSUER DETAILS**

Name of Issuer	For Quarter Ended	Date of Report
FM Resources Corp.	June 30, 2002	August 26, 2002

Issuer's Address
11th Floor - 609 West Hastings Street

City	Province	Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver,	B.C.	V6B 4W4	(604) 688-4712	(604) 331-3395

Contact Person	Contact's Position	Contact Telephone No.
H. Christopher Schultze	President	(604) 331-3395

Contact Email Address	Web Site Address
<a href="mailto:info@fm-resources.bc.ca">info@fm-resources.bc.ca</a>	<a href="http://www.fm-resources.bc.ca">www.fm-resources.bc.ca</a>

**CERTIFICATE**

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

Director's Signature	Print Full Name	Date Signed
<i>"H. Chris Schultze"</i>	H. Chris Schultze	August 26, 2002
Director's Signature	Print Full Name	Date Signed
<i>"Peter Bryant"</i>	Peter Bryant	August 26, 2002

**FM Resources Corp.**

**Interim Financial Statements**

**Six months ended June 30, 2002 and 2001**

# FM Resources Corp.

## Balance Sheets

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	As at June 30,	As at December 31,
	<u>2002</u>	<u>2001</u>
<b>Assets</b>		
Current assets		
Cash	\$ 43,766	\$ 13,737
Prepaid expenses	111	-
Accounts receivable	<u>1,637</u>	<u>2,537</u>
	45,514	16,274
Mining capital assets held for resale	70,000	120,000
Deferred exploration & development expenditure	<u>83,850</u>	<u>80,000</u>
	<u>\$ 199,364</u>	<u>\$ 216,274</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable & accrued liabilities	\$ <u>726,299</u>	\$ <u>619,761</u>
	726,299	619,761
Loans payable	990,524	990,524
<b>Shareholder's Deficiency:</b>		
Share capital	15,425,998	15,425,998
Contributed surplus	305,000	305,000
Deficit	<u>(17,248,459)</u>	<u>(17,125,009)</u>
	<u>(1,517,460)</u>	<u>(1,394,011)</u>
	<u>\$ 199,364</u>	<u>\$ 216,274</u>

On behalf of the Board:

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"H Chris Schultze" Director

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"Peter Bryant" Director

# FM Resources Corp.

## Statements of Operations and Deficit

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	Three month period ended June 30, <u>2002</u>	Six Month period ended June 30, <u>2002</u>	Three month period ended June 30, <u>2001</u>	Six Month period ended June 30, <u>2001</u>
Administrative expenses:				
Administration	\$ 18,000	\$ 36,000	\$ 18,000	\$ 36,000
Filing & transfer agent fees	4,848	6,359	4,717	5,846
Interest & bank charges	29,692	57,008	75	176
Expenses related to sale of equipment	5,000	5,000	-	-
Telephone expense	760	760	227	497
Office expenses	6,580	10,463	6,431	9,815
Professional fees	813	4,917	3,921	4,748
Office rent	1,500	3,000	1,500	3,000
	<u>67,193</u>	<u>123,507</u>	<u>34,871</u>	<u>60,082</u>
Other expenses (income):				
Interest & miscellaneous income	(35)	(57)	(30)	(131)
Loss (gain) on foreign exchange	-	-	2	1
	<u>(35)</u>	<u>(57)</u>	<u>(28)</u>	<u>(130)</u>
Net (loss) income	(67,158)	(123,450)	(34,843)	(59,952)
Deficit, beginning of period	<u>(17,181,301)</u>	<u>(17,125,009)</u>	<u>(16,857,188)</u>	<u>(16,832,079)</u>
Deficit, end of period	<u>\$ (17,248,459)</u>	<u>\$ (17,248,459)</u>	<u>\$ (16,892,031)</u>	<u>\$ (16,892,031)</u>

# FM Resources Corp.

## Statement of Cash Flows

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	Three month period ended June 30, <u>2002</u>	Six month period ended June 30, <u>2002</u>	Three month period ended June 30, <u>2001</u>	Six month period ended June 30, <u>2001</u>
Cash provided by (used in):				
Operating activities				
Net income (loss) for the period	\$ (67,158)	\$ (123,450)	\$ (34,843)	\$ (59,952)
Changes in non-cash working capital:				
Decrease (Increase) in pre-paid expenses	784	(111)	895	(205)
Decrease (Increase) in accounts receivable	2,680	900	1,394	770
Increase (Decrease) in accounts payable	<u>57,727</u>	<u>106,538</u>	<u>33,200</u>	<u>56,103</u>
Cash provided by (applied to) operating activities	(5,966)	(16,122)	646	(3,284)
Investing activities				
Deferred exploration expenditures	(3,850)	(3,850)	-	(7,000)
Mining capital asset recoveries held for resale	<u>50,000</u>	<u>50,000</u>	<u>(3,738)</u>	<u>(3,738)</u>
Cash applied to investing activities	46,150	46,150	(3,738)	(10,738)
Financing activities				
Loan Payable	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Cash provided by financing activities	-	-	20,000	20,000
Increase (decrease) in cash position	40,185	30,029	16,907	5,978
Cash & cash equivalents, beginning of period	<u>3,581</u>	<u>13,737</u>	<u>3,086</u>	<u>14,014</u>
Cash & cash equivalents, end of period	<u>\$ 43,766</u>	<u>\$ 43,766</u>	<u>\$ 19,993</u>	<u>\$ 19,993</u>

**FM Resources Corp.**

NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars, unless noted)

(unaudited – prepared internally by management)

As at June 30, 2002

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

The Company is incorporated under the laws of British Columbia, Canada and its principal business activities include the exploration and development of mineral properties. The financial statements are prepared on the basis that the Company will continue to operate as a going concern. The Company has incurred operating losses and significant development costs relating to its mineral property interests, which have been written down to the estimated recoverable amount.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Mining capital assets held for resale**

Mining capital assets held for resale are recorded at estimated net realizable value.

**Deferred exploration and development expenditures**

The Company has capitalized exploration and development costs specifically identifiable to mineral properties. These exploration and development costs have been written down to an estimated net realizable value.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Comparative figures**

Certain comparative figures have been adjusted to conform with the current year's presentation.

**Financial instruments**

For certain of the Company's financial instruments including accounts receivable and accounts payable and accrued liabilities, the carrying amounts approximate fair value due to the immediate or short-term maturity of these financial instruments.

The fair value of the loans payable is not practical to determine, as there are no fixed repayment terms.