

**British Columbia
Securities Commission**

QUARTERLY REPORT

Form 61 –Schedule A

Name of Issuer – FM Resources Corp.

For Quarter Ended – March 31, 1999

Date of Report – May 31, 1999

Issuer’s Address - 9th 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 – Mike Bourdeau

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 – “Mike Bourdeau” – Mike Bourdeau – May 31, 1999

Director’s Signature – “Luard Manning” – Luard Manning – May 31, 1999

FM Resources Corp.

Balance Sheet

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

March 31,

	<u>1999</u>	<u>1998</u>
Assets		
Current assets		
Cash	\$ 889	\$ 9,916
Accounts receivable	6,015	1,423
	<u>6,904</u>	<u>11,339</u>
Capital assets, net of depreciation	105,046	191,495
Milling credits	100	524,587
Resource property acquisitions	1,858,323	1,873,324
Deferred exploration & development	7,043,196	7,627,621
	<u>\$ 9,013,570</u>	<u>\$ 10,228,366</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 335,723	\$ 277,660
Loans payable	19,875	0
	<u>355,598</u>	<u>277,660</u>
Loans payable	825,000	825,000
Gold-Based Investment Contracts	2,140,000	2,165,000
	<u>3,320,598</u>	<u>3,267,660</u>
Shareholder's Equity		
Share capital	13,285,998	13,020,802
Contributed surplus	305,000	305,000
Deficit	(7,898,027)	(6,365,096)
	<u>5,692,972</u>	<u>6,960,706</u>
	<u>\$ 9,013,570</u>	<u>\$ 10,228,366</u>

Approved by the board

“Mike Bordeau”

Director

“Luard J Manning” Director

FM Resources Corp.

Statement of Operations and Deficit
(unaudited - prepared internally by management)
(Expressed in Canadian dollars)

	<u>1999</u>	Three-month period ended March 31, <u>1998</u>
Revenue:		
Interest and miscellaneous	\$ <u>37</u>	\$ <u>174</u>
	37	174
Expenses:		
Filing & transfer fees	2,097	9,386
Interest & bank charges	1,086	286
Investor relations, travel & promotion	140	5,264
Depreciation	-	8,300
Management fees	19,440	15,000
Office expenses	-	17,781
Professional fees	3,993	3,385
Rent	5,817	12,000
Telephone	924	5,270
Wages & benefits	-	7,440
	<u>33,497</u>	<u>84,112</u>
Net (loss) income	(33,460)	(83,938)
Foreign exchange (loss) gain	3	246
Deficit, beginning of period	<u>(7,864,570)</u>	<u>(6,281,403)</u>
Deficit, end of period	\$ <u>(7,898,027)</u>	\$ <u>(6,365,095)</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>1999</u>	<u>1998</u>
Cash provided by (used in)		
Operating activities:		
Loss for the period	\$ (33,457)	\$ (83,693)
Add (deduct) items not involving cash		
Depreciation	-	8,300
Changes in non-cash working capital		
Accounts receivable	4,756	5,815
Accounts payable	12,688	9,117
	<u>17,444</u>	<u>23,232</u>
	(16,013)	(60,461)
Investing activities:		
Deferred exploration expenditures	(1,443)	32,281
Resource property acquisitions	-	(1,510)
	<u>(1,443)</u>	<u>30,771</u>
Financing activities:		
Issuance of share capital	5,000	-
Loan payable	12,077	-
	<u>17,077</u>	<u>0</u>
Increase (decrease) in cash position	(380)	(29,690)
Cash position, beginning of period	<u>1,269</u>	<u>39,606</u>
Cash position, end of period	\$ <u>889</u>	\$ <u>9,916</u>