

FM Resources Corp.

Three Months Ended March 31, 2005 and 2004

(Unaudited, prepared by Management)

FM RESOURCES CORP.

Balance Sheets

	March 31,	December
	2005	31, 2004
ASSETS		
Current		
Cash and cash equivalents	\$ 764	\$ 5,372
Prepaid expenses	1,338	-
Taxes recoverable	1,816	1,651
	3,918	7,023
Mining assets held for resale	-	-
Mineral property (note 3)	1	1
	\$ 3,919	\$ 7,024
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,473,040	\$ 1,382,564
Loans payable	1,043,524	1,043,524
	2,516,564	2,426,088
SHARE CAPITAL AND DEFICIT		
Share capital (note 4)	15,425,998	15,425,998
Contributed surplus	305,000	305,000
Deficit	(18,243,644)	(18,150,062)
	(2,512,646)	(2,419,064)
	\$ 3,919	\$ 7,024

Approved by the Directors: “Christopher Schultze”

“Luard Manning”

FM RESOURCES CORP.

Statements of Operations and Deficit
Three Months Ended March 31,

	2005	2004
Administrative expenses		
Administration fees	\$ 18,000	\$ 18,000
Filing and transfer agent fees	1,725	1,391
Interest and bank charges	65,827	50,175
Office and miscellaneous	5,970	5,497
Professional fees	567	-
Rent	1,500	1,500
	93,588	76,563
Other expenses (income)		
Interest and miscellaneous income	(6)	(7)
	(6)	(7)
Loss for the period	(93,582)	(76,556)
Deficit, beginning of year	(18,150,062)	(17,788,798)
Deficit, end of the period	\$ (18,243,644)	\$ (17,865,354)
Loss per share - basic and diluted	\$ (0.04)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	2,397,216	2,397,216

FM RESOURCES CORP.

Statements of Cash Flows
Three Months Ended March 31,

	2005	2004
Cash flows from (used in) operating activities		
Loss for the year	\$ (93,582)	\$ (76,556)
Changes in non-cash working capital:		
Increase in pre-paid expenses	(1,338)	-
Increase in accounts receivable	(166)	(1,847)
Increase in accounts payable and accrued liabilities	90,477	73,569
	(4,609)	(4,834)
Increase in cash and cash equivalents	(4,609)	(4,834)
Cash and cash equivalents, beginning of year	5,372	5,043
Cash and cash equivalents, end of the period	\$ 763	\$ 208

FM RESOURCES CORP.

Notes to Financial Statements
March 31, 2005

Financial Statements and Note disclosure should be read in conjunction with the year end audited financial statements for the year ended December 31, 2004.

1. Nature of Operations

The Company was incorporated under the laws of the Province of British Columbia, Canada and its principal business activities include the exploration and development of mineral properties.

2. Significant Accounting Policies

(a) Use of Estimates

The preparation of financial statements is in conformity with Canadian generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amount 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 period. Actual results may differ from those estimates.

(b) Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year.

3. Mineral Property

	Total	
	2005	2004
La Forma Property	\$ 1	\$ 1

The Company owns a 100% interest in the La Forma property located in Mount Freegold, Yukon Territory. The investment in the La Forma property has been reduced to a nominal value of \$1.

4. Share Capital

- (a) Authorized: 100,000,000 common shares without par value.
5,000,000 preferred shares without par value.

FM RESOURCES CORP.

Notes to Financial Statements
March 31, 2005

(b) Issued:

	March 31, 2005		December 31, 2004	
	Number of Common Shares	Amount	Number of Common Shares	Amount
Balance,	2,397,216	\$ 15,425,998	2,397,216	\$ 15,425,998

5. Comparative Information

Certain comparative amounts have been reclassified to comply with the financial statement presentation adopted in the current year.