

British Columbia  
Securities Commission

## QUARTERLY and YEAR END REPORT

### BC Form 51-901F – Schedule A

**Name of Issuer** – FM Resources Corp.

**For Quarter Ended** – September 30, 2001

**Date of Report** – November 27, 2001

**Issuer's Address** - 11<sup>th</sup> 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

**Contact Email Address** – info@fm-resources.bc.ca

**Web Site Address** – www.fm-resources.bc.ca

### 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** – “*H. Chris Schultze*” –H. Chris Schultze – November 27, 2001

**Director's Signature** – “*Peter Bryant*” – Peter Bryant – November 27, 2001

**FM Resources Corp.**

**Interim Financial Statements**

**Nine months ended September 30, 2001 and 2000**

# FM Resources Corp.

## Balance Sheets

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	As at September 30,	as at December 31,
	<u>2001</u>	<u>2000</u>
<b>Assets</b>		
Current assets		
Cash	\$ 31,738	\$ 14,014
Prepaid expenses	178	-
Accounts receivable	<u>3,365</u>	<u>7,155</u>
	35,281	21,169
Mining capital assets held for resale	200,238	215,000
Deferred exploration & development expenditure	<u>87,000</u>	<u>80,000</u>
	<u>\$ 322,519</u>	<u>\$ 316,169</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable & accrued liabilities	\$ <u>497,568</u>	\$ <u>426,726</u>
	497,568	426,726
Loans payable	1,010,524	990,524
<b>Shareholder's Deficiency:</b>		
Share capital	15,425,998	15,425,998
Contributed surplus	305,000	305,000
Deficit	<u>(16,916,573)</u>	<u>(16,832,079)</u>
	<u>(1,185,574)</u>	<u>(1,101,081)</u>
	<u>\$ 322,519</u>	<u>\$ 316,169</u>

On behalf of the Board:

"H Chris Schultze"

Director

"Peter Bryant"

Director

# FM Resources Corp.

## Statements of Operations and Deficit

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	Three Month period ended September 30, <u>2001</u>	Nine Month period ended September 30, <u>2001</u>	Three Month period ended September 30, <u>2000</u>	Nine Month period ended September 30, <u>2000</u>
Administrative expenses:				
Administration	\$ 18,000	\$ 54,000	18,000	\$ 51,000
Filing & transfer agent fees	584	6,430	2,863	6,453
Interest & bank charges	80	256	191	384
Management & consulting fees	-	-	3,100	11,480
Expenses related to sale of equip	-	-	2,300	17,957
Travel expenses	1,194	1,194	4,000	4,000
Telephone expense	425	922	385	1,235
Depreciation	-	-	749	3,832
Office expenses	2,897	12,712	498	14,021
Professional fees	-	4,748	2,831	7,980
Office rent	1,500	4,500	2,939	14,574
	<u>24,680</u>	<u>84,762</u>	<u>37,856</u>	<u>132,916</u>
Other expenses (income):				
Interest & miscellaneous income	(136)	(267)	(220)	(511)
Loss on disposal of fixed assets	-	-	3,491	3,491
Loss (gain) on foreign exchange	(2)	(1)	-	-
	<u>(138)</u>	<u>(268)</u>	<u>3,271</u>	<u>2,980</u>
Net (loss) income	(24,542)	(84,494)	(41,128)	(135,896)
Deficit, beginning of period	<u>(16,892,031)</u>	<u>(16,832,079)</u>	<u>(16,549,151)</u>	<u>(16,454,383)</u>
Deficit, end of period	\$ <u>(16,916,573)</u>	\$ <u>(16,916,573)</u>	\$ <u>(16,590,279)</u>	\$ <u>(16,590,279)</u>

# FM Resources Corp.

## Statements of Change in Financial Positions

(unaudited - prepared internally by management)

(Expressed in Canadian dollars)

	Three month period ended September 30, <u>2001</u>	Nine Month period ended September 30, <u>2001</u>	Three month period ended September 30, <u>2000</u>	Nine Month period ended September 30, <u>2000</u>
Cash provided by (used in):				
Operating activities				
Net income (loss) for the period	\$ (24,542)	\$ (84,494)	\$ (41,127)	\$ (135,895)
Changes in non-cash working capital:				
Depreciation	-	-	(6,915)	(3,832)
Decrease (Increase) in pre-paid expenses	27	(178)	26	(1,100)
Decrease (Increase) in accounts receivable	3,020	3,790	5,534	24,014
Increase (Decrease) in accounts payable	14,739	70,844	(17,505)	(14,937)
Cash applied to operating activities	(6,756)	(10,038)	(59,987)	(131,750)
Investing activities				
Proceeds on disposal of mineral properties and equipment & (recoveries)	18,500	14,762	72,030	166,768
Proceeds on disposal of fixed assets	-	-	433	545
Deferred exploration expenditures	-	(7,000)	(4,200)	(9,250)
Cash applied to investing activities	18,500	7,762	68,263	158,063
Financing activities				
Gold-based investment contracts	-	-	(168,750)	(275,000)
Loan payable	-	20,000	-	-
Issuance of share capital	-	-	168,750	275,000
Cash provided by financing activities	-	20,000	-	-
Increase (decrease) in cash position	11,744	17,724	8,275	26,313
Cash & cash equivalents, beginning of period	19,993	14,014	20,132	2,094
Cash & cash equivalents, end of period	\$ 31,738	\$ 31,738	\$ 28,407	\$ 28,407

**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.