

MANSON CREEK RESOURCES LTD.

INTERIM FINANCIAL STATEMENTS

**3rd Quarter Reports
June 30, 2002**

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MANSON CREEK RESOURCES LTD.
INTERIM BALANCE SHEET
(Unaudited - Prepared by Management)

	ASSETS	June 30 2002		September 30 2001
CURRENT				
Cash and cash equivalents	\$	635,291	\$	778,913
Accounts receivable		18,950		70,132
Prepays		-		5,625
		<u>654,241</u>		<u>854,670</u>
INVESTMENTS , at cost (fair value \$27,000, Sept30 \$33,000)		26,000		60,000
MINERAL PROPERTIES AND EQUIPMENT schedule		<u>1,144,100</u>		<u>1,021,729</u>
	\$	<u><u>1,824,341</u></u>	\$	<u><u>1,936,399</u></u>
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$	<u>66,990</u>	\$	<u>38,827</u>
SHAREHOLDERS' EQUITY				
CAPITAL STOCK Note 2				
Authorized:				
i) unlimited number of voting shares				
ii) unlimited number of Class A preferred shares issuable in series				
iii) unlimited number of Class B preferred shares issuable in series				
Issued: 15,570,402 common shares (Sept30,2001 - 15,570,402)		7,110,533		7,110,533
DEFICIT		<u>(5,353,182)</u>		<u>(5,212,961)</u>
		<u>1,757,351</u>		<u>1,897,572</u>
	\$	<u><u>1,824,341</u></u>	\$	<u><u>1,936,399</u></u>

Approved on behalf of the Board

"James Devonshire" _____ James Devonshire, Director

"Jean Pierre Jutras" _____ Jean Pierre Jutras, Director

See accompanying notes to the financial statements

MANSON CREEK RESOURCES LTD.
INTERIM STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited - Prepared by Management)

	Three months ended June 30,		Nine months ended June 30,	
	2002	2001	2002	2001
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUE				
Interest and other	\$ <u>3,121</u>	\$ 10,150	\$ <u>11,089</u>	\$ 36,601
EXPENSES				
General and administrative	21,988	19,336	80,576	60,953
Reporting to shareholders	677	(128)	13,196	9,032
Professional fees	1,454	2,014	8,482	8,998
Stock exchange and transfer agent fees	1,844	1,058	4,915	4,389
Depreciation	1,644	1,938	4,654	5,630
	<u>27,607</u>	<u>24,218</u>	<u>111,823</u>	<u>89,002</u>
LOSS BEFORE THE UNDERNOTED	(24,486)	(14,068)	(100,734)	(52,401)
Write-down of mineral properties	(1,600)	(180,004)	(8,808)	(180,004)
Write-down of investments	(34,000)	-	(34,000)	-
Gain on sale of assets	-	-	3,321	-
	<u>(60,086)</u>	<u>(194,072)</u>	<u>(140,221)</u>	<u>(232,405)</u>
DEFICIT, beginning of period	(5,293,096)	(3,359,801)	(5,212,961)	(4,712,468)
ADOPTION OF NEW ACCOUNTING POLICY - Note 1	-	-	-	1,391,000
	<u>(5,353,182)</u>	<u>(3,553,873)</u>	<u>(5,353,182)</u>	<u>(3,553,873)</u>
DEFICIT, end of period	\$ <u>(5,353,182)</u>	\$ (3,553,873)	\$ <u>(5,353,182)</u>	\$ (3,553,873)
LOSS PER SHARE Note 1				
-basic and diluted	\$ <u>(0.00)</u>	\$ (0.02)	\$ <u>(0.01)</u>	\$ (0.02)
WEIGHTED AVERAGE SHARES OUTSTANDING - basic and diluted	<u>15,570,402</u>	<u>15,570,402</u>	<u>15,570,402</u>	<u>15,542,624</u>

See accompanying notes to the financial statements.

MANSON CREEK RESOURCES LTD.
INTERIM STATEMENT OF CASH FLOW
(Unaudited - Prepared by Management)

	Three months ended June 30,		Nine months ended June 30,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Increase (decrease) in cash and cash equivalents				
OPERATING ACTIVITIES				
Interest and other income received \$	3,121	\$ 10,150	\$ 11,089	\$ 36,601
Cash operating expenses	<u>(32,930)</u>	<u>(12,810)</u>	<u>(94,419)</u>	<u>(57,256)</u>
	<u>(29,809)</u>	<u>(2,660)</u>	<u>(83,330)</u>	<u>(20,655)</u>
INVESTING ACTIVITIES				
Proceeds on disposal of assets	-	-	-	88,015
Mineral property additions	<u>(67,360)</u>	<u>(48,722)</u>	<u>(105,292)</u>	<u>(84,121)</u>
	<u>(67,360)</u>	<u>(48,722)</u>	<u>(105,292)</u>	<u>3,894</u>
FINANCING ACTIVITIES				
Exploration incentives received	<u>45,000</u>	<u>-</u>	<u>45,000</u>	<u>-</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(52,169)	(51,382)	(143,622)	(16,761)
CASH AND CASH EQUIVALENTS:				
Beginning of period	<u>687,460</u>	<u>954,802</u>	<u>778,913</u>	<u>920,181</u>
End of period	\$ <u><u>635,291</u></u>	\$ <u><u>903,420</u></u>	\$ <u><u>635,291</u></u>	\$ <u><u>903,420</u></u>

See accompanying notes to the financial statements.

MANSON CREEK RESOURCES LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
June 30, 2002
(Unaudited – prepared by management)

1. Accounting Policies

Interim financial statements

These interim financial statements should be read in conjunction with the audited financial statements for the year ended September 30, 2001 as not all disclosures required by Generally Accepted Accounting Principles for annual financial statements are presented. The interim financial statements follow the same accounting policies and methods of computation as the audited financial statements for the year ended September 30, 2001.

Income taxes

On October 1, 2000, the Company retroactively adopted the liability method of accounting for income taxes as recommended by the Canadian Institute of Chartered Accountants. The liability method of calculating income taxes is based upon the difference between the financial and tax bases of assets and liabilities. Previously the Company used the deferral method, which was based upon the differences between the timing of reporting income and expenses for financial and income tax purposes.

The effect of this change in accounting policy was to decrease the opening deficit in fiscal 2001 by \$1,391,000 and decrease opening share capital in fiscal 2001 by \$1,391,000. The adjustments were the result of the tax treatment of flow-through share issues. The Company has not recognized a \$1,110,000 future tax asset at June 30, 2002, (\$1,076,000 -September 30, 2001), as management believes that it is more likely than not that the future tax asset will not be realized.

Earnings(Loss) per share

In the fourth quarter of fiscal 2001, the Company retroactively adopted the new standard for the computation, presentation and disclosure of per share amounts as recommended by the Canadian Institute of Chartered Accountants. Under this standard, the treasury stock method is used instead of the imputed earnings method to determine the dilutive effect of stock options, warrants and other dilutive instruments. Under the treasury stock method only "in the money" dilutive instruments impact the dilution calculations.

No adjustments were required to either reported net loss or weighted average number of shares in computing diluted per share amounts for either the three and nine month periods ended June 30, 2002 or the three and nine month periods ended June 30, 2001. The prior periods' diluted loss per share amounts have been restated for this change in accounting policy. If the imputed earnings method had been used to calculate these amounts the reported amounts would not have differed.

2. Capital Stock

a) Issued

There were no changes to issued and outstanding capital stock during the period ended June 30, 2002.

b) Stock options and warrants

There were no warrants outstanding at June 30, 2002.

i) Options outstanding – June 30, 2002

<u>Number of Options</u>	<u>Price</u>	<u>Expiry date</u>
1,000,000	\$0.10	July 19, 2006
<u>455,000</u>	\$0.11	May 29, 2007
<u>1,455,000</u>		

ii) Option transactions – Nine Months ended June 30, 2002

	<u>Number of options</u>	<u>Weighted Average Exercise price</u>
Balance September 30, 2001	1,175,000	\$0.13
Granted	455,000	\$0.11
Cancelled/expired	<u>(175,000)</u>	\$0.33
Balance June 30, 2002	<u>1,455,000</u>	\$0.10