

MANSON CREEK RESOURCES LTD.

INTERIM FINANCIAL STATEMENTS

**2nd Quarter Reports
March 31, 2002**

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

	Three months ended March 31,		Six months ended March 31,	
	2002	2001	2002	2001
REVENUE				
Interest and other	\$ 3,132	\$ 13,487	\$ 7,968	\$ 26,451
EXPENSES				
General and administrative	29,278	16,751	58,587	41,617
Reporting to shareholders	12,520	9,161	12,520	9,161
Professional fees	1,541	2,005	7,028	6,983
Stock exchange and transfer agent fees	2,099	1,621	3,071	3,331
Depreciation	1,521	1,846	3,010	3,692
	<u>46,959</u>	<u>31,384</u>	<u>84,216</u>	<u>64,784</u>
LOSS BEFORE THE UNDERNOTED	(43,827)	(17,897)	(76,248)	(38,333)
Write-down of mineral property	(1,749)	-	(7,208)	-
Gain on sale of assets	-	-	3,321	-
	<u>(45,576)</u>	<u>(17,897)</u>	<u>(80,135)</u>	<u>(38,333)</u>
NET LOSS	(45,576)	(17,897)	(80,135)	(38,333)
DEFICIT, beginning of period	(5,247,520)	(3,341,904)	(5,212,961)	(4,712,468)
ADOPTION OF NEW ACCOUNTING POLICY - Note 1	-	-	-	1,391,000
	<u>(5,293,096)</u>	<u>(3,359,801)</u>	<u>(5,293,096)</u>	<u>(3,359,801)</u>
DEFICIT, end of period	\$ (5,293,096)	\$ (3,359,801)	\$ (5,293,096)	\$ (3,359,801)
LOSS PER SHARE Note 1				
-basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
WEIGHTED AVERAGE SHARES OUTSTANDING - basic and diluted	15,570,402	15,536,163	15,570,402	15,528,369

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

	Three months ended March 31,		Six months ended March 31,	
	2002	2001	2002	2001
Increase (decrease) in cash and cash equivalents				
OPERATING ACTIVITIES				
Interest and other income received	\$ 3,132	\$ 13,488	\$ 7,968	\$ 26,451
Cash operating expenses	(45,638)	(27,447)	(61,489)	(44,446)
	<u>(42,506)</u>	<u>(13,959)</u>	<u>(53,521)</u>	<u>(17,995)</u>
INVESTING ACTIVITIES				
Proceeds on disposal of investment	-	-	-	88,015
Mineral property additions	(12,629)	(3,190)	(37,932)	(35,399)
	<u>(12,629)</u>	<u>(3,190)</u>	<u>(37,932)</u>	<u>52,616</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(55,135)	(17,149)	(91,453)	34,621
CASH AND CASH EQUIVALENTS:				
Beginning of period	742,595	971,951	778,913	920,181
End of period	\$ <u>687,460</u>	\$ <u>954,802</u>	\$ <u>687,460</u>	\$ <u>954,802</u>

See accompanying notes to the financial statements.

MANSON CREEK RESOURCES LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
March 31, 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 \$1,091,000 future tax asset at March 31, 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 six month periods ended March 31, 2002 or the three and six month periods ended March 31, 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 March 31, 2002.

b) Stock options and warrants

There were no warrants outstanding at March 31, 2002.

At March 31, 2002 there were 1,100,000 stock options outstanding with an exercise price of \$0.10 per share. These options will expire on July 19, 2006. No options were granted or cancelled during the period, however 75,000 options, with an exercise price of \$0.62 per share, expired during the six months ended March 31, 2002.