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

	ASSETS	December 31 2001	September 30 2001
CURRENT			
Cash and cash equivalents	\$	742,595	\$ 778,913
Accounts receivable		73,323	70,132
Prepays		-	5,625
		<u>815,918</u>	<u>854,670</u>
INVESTMENTS , at cost (fair value \$27,000, Sept30 \$33,000)		60,000	60,000
MINERAL PROPERTIES AND EQUIPMENT		<u>1,038,234</u>	<u>1,021,729</u>
	\$	<u><u>1,914,152</u></u>	\$ <u><u>1,936,399</u></u>

LIABILITIES

CURRENT			
Accounts payable and accrued liabilities	\$	<u>51,139</u>	\$ <u>38,827</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK		7,110,533	7,110,533
DEFICIT		<u>(5,247,520)</u>	<u>(5,212,961)</u>
		<u>1,863,013</u>	<u>1,897,572</u>
	\$	<u><u>1,914,152</u></u>	\$ <u><u>1,936,399</u></u>

Approved on behalf of the Board

"James Devonshire" Director

"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)

For the three months ended December 31	2001	2000
REVENUE		
Interest and other	\$ <u>4,836</u>	\$ <u>12,963</u>
EXPENSES		
General and administrative	29,309	24,865
Professional fees	5,487	4,979
Stock exchange and transfer agent fees	972	1,709
Depreciation	<u>1,489</u>	<u>1,846</u>
	<u>37,257</u>	<u>33,399</u>
LOSS FOR THE PERIOD BEFORE THE UNDERNOTED	(32,421)	(20,436)
Gain on sale of assets	3,321	-
Write-down and abandonment of mineral properties	<u>(5,459)</u>	<u>-</u>
NET LOSS FOR THE PERIOD	(34,559)	(20,436)
DEFICIT, beginning of period	(5,212,961)	(4,712,468)
ADOPTION OF NEW ACCOUNTING POLICY - Note 1	-	1,391,000
DEFICIT, end of period	\$ <u>(5,247,520)</u>	\$ <u>(3,341,904)</u>
LOSS PER SHARE		
Basic and diluted	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic and diluted	<u>15,570,402</u>	<u>15,520,402</u>

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

For the three months ended December 31	2001	2000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Interest and other income received	\$ 4,836	\$ 12,963
Cash operating expenses	<u>(15,851)</u>	<u>(16,999)</u>
	<u>(11,015)</u>	<u>(4,036)</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Proceeds on disposal of investment	-	88,015
Mineral property additions	<u>(25,303)</u>	<u>(32,209)</u>
	<u>(25,303)</u>	<u>55,806</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(36,318)	51,770
CASH AND CASH EQUIVALENTS:		
Beginning of period	<u>778,913</u>	<u>920,181</u>
End of period	\$ <u>742,595</u>	\$ <u>971,951</u>

See accompanying notes to the financial statements

MANSON CREEK RESOURCES LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
December 31, 2001
(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 \$1,067,000 future tax asset at December 31, 2001, (\$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 months ended December 31, 2001 or the three months ended December 31, 2000. The prior period's diluted loss per share has 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

There were no changes to issued and outstanding capital stock during the period ended December 31, 2001. There were no warrants outstanding at December 31, 2001. No options were granted or cancelled and none expired during the three months ended December 31, 2001.

a) Outstanding Stock Options

The following summarizes stock options outstanding at December 31, 2001:

Expiry Date	Number of shares	Price
February 27,2002	75,000	\$0.62
July 19, 2006	<u>1,100,000</u>	\$0.10
	<u>1,175,000</u>	

