

MANSON CREEK RESOURCES LTD.

UNAUDITED INTERIM FINANCIAL STATEMENTS

**3rd Quarter Reports
June 30, 2004**

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In accordance with national instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the period ended June 30, 2004.

MANSON CREEK RESOURCES LTD.**BALANCE SHEETS**

(Unaudited - prepared by management)

	June 30, 2004	September 30, 2003
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 319,603	\$ 311,056
Accounts receivable	4,923	8,408
Due from related parties Note 4	500	30,454
Prepays	9,485	11,434
	<u>334,511</u>	<u>361,352</u>
INVESTMENTS AND OTHER ASSETS Note 2	28,653	28,653
MINERAL PROPERTIES AND EQUIPMENT Schedule	<u>992,569</u>	<u>958,989</u>
	<u>\$ 1,355,733</u>	<u>\$ 1,348,994</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 26,533	\$ 35,291
Due to related parties Note 4	7,160	9,855
	<u>33,693</u>	<u>45,146</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK note 3	7,124,199	7,019,199
CONTRIBUTED SURPLUS	91,334	91,334
DEFICIT	<u>(5,893,493)</u>	<u>(5,806,685)</u>
	<u>1,322,040</u>	<u>1,303,848</u>
	<u>\$ 1,355,733</u>	<u>\$ 1,348,994</u>

Commitments note 5

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 STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited - prepared by management)

	<u>Three months ended June 30,</u>		<u>Nine months ended June 30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
REVENUE				
Interest and other	\$ 929	\$ 2,522	\$ 4,598	\$ 4,695
EXPENSES				
General and administrative	14,419	18,405	59,605	73,589
Reporting to shareholders	(568)	28	8,336	8,752
Professional fees	733	1,155	8,766	8,504
Stock exchange and transfer agent fees	4,025	2,012	7,937	5,943
Depreciation	620	466	1,554	1,400
	<u>19,229</u>	<u>22,066</u>	<u>86,198</u>	<u>98,188</u>
LOSS BEFORE THE UNDERNOTED	(18,300)	(19,544)	(81,600)	(93,493)
Write-down of mineral properties	(7,708)	(6,118)	(7,708)	(323,453)
Mineral property proceeds in excess of carrying cost	<u>-</u>	<u>7,500</u>	<u>2,500</u>	<u>7,500</u>
NET LOSS	(26,008)	(18,162)	(86,808)	(409,446)
DEFICIT, beginning of period	(5,867,485)	(5,757,276)	(5,806,685)	(5,365,992)
DEFICIT, end of period	\$ (5,893,493)	\$ (5,775,438)	\$ (5,893,493)	\$ (5,775,438)
LOSS PER SHARE				
-basic and diluted	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.03)
WEIGHTED AVERAGE SHARES OUTSTANDING - basic and dilute	<u>15,447,875</u>	<u>15,370,402</u>	<u>15,396,132</u>	<u>15,408,497</u>

See accompanying notes to the financial statements.

MANSON CREEK RESOURCES LTD.
INTERIM STATEMENTS OF CASH FLOW
(Unaudited - prepared by management)

	Three months ended June 30,		Nine months ended June 30,	
	2004	2003	2004	2003
Increase (decrease) in cash and cash equivalents				
OPERATING ACTIVITIES				
Interest and other income received	\$ 929	\$ 2,522	\$ 4,598	\$ 4,695
Cash operating expenses	<u>(9,552)</u>	<u>(30,016)</u>	<u>(62,329)</u>	<u>(109,066)</u>
	<u>(8,623)</u>	<u>(27,494)</u>	<u>(57,731)</u>	<u>(104,371)</u>
FINANCING ACTIVITIES				
Capital stock issued for cash	100,000	-	100,000	-
Exploration incentives received	<u>2,223</u>	-	<u>2,223</u>	<u>134,446</u>
	<u>102,223</u>	<u>-</u>	<u>102,223</u>	<u>134,446</u>
INVESTING ACTIVITIES				
Mineral property additions	<u>(17,250)</u>	<u>(6,229)</u>	<u>(38,445)</u>	<u>(23,560)</u>
Proceeds on sale of mineral property	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
	<u>(17,250)</u>	<u>(6,229)</u>	<u>(35,945)</u>	<u>(23,560)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	76,350	(33,723)	8,547	6,515
CASH AND CASH EQUIVALENTS:				
Beginning of period	<u>243,253</u>	<u>368,374</u>	<u>311,056</u>	<u>328,136</u>
End of period	\$ <u><u>319,603</u></u>	\$ <u><u>334,651</u></u>	\$ <u><u>319,603</u></u>	\$ <u><u>334,651</u></u>

Supplementary Information:

No cash was expended on interest or taxes during the periods ended June 30, 2004 and June 30, 2003.

See accompanying notes to the financial statements.

MANSON CREEK RESOURCES LTD
INTERIM SCHEDULE OF MINERAL PROPERTIES AND EQUIPMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2004 AND JUNE 30, 2003

2004	Yukon				British Columbia	
	Total	NAD	Tanner	JRS	CR Property	Kendall
Exploration and development expenditures:						
Balance September 30, 2003	\$ 913,475	\$ 510,144	\$ 200,680	\$ 202,651	\$ -	\$ -
Geological consulting	7,970	-	1,059	-	5,823	1,088
Field costs	5,285	-	-	-	3,665	1,620
Mineral property write-offs	(2,708)	-	-	-	-	(2,708)
Yukon mineral exploration tax credit	(2,223)	-	(2,223)	-	-	-
Balance June 30, 2004	921,799	510,144	199,516	202,651	9,488	-
Property acquisition costs:						
Balance September 30, 2003	39,075	23,000	15,190	885	-	-
Costs incurred	28,020	-	10,420	-	12,600	5,000
Mineral property write-offs	(5,000)	-	-	-	-	(5,000)
Balance June 30, 2004	62,095	23,000	25,610	885	12,600	-
Total mineral properties June 30, 2004	\$ 983,894	\$ 533,144	\$ 225,126	\$ 203,536	\$ 22,088	\$ -
Equipment	15,999					
Accumulated depreciation	(7,324)					
Total mineral properties and equipment June 30, 2004	\$ 992,569					

2003	Yukon					Unstaked Property and Other
	Total	NAD	Rusty/KLA	Tanner	JRS	
Exploration and development expenditures:						
Balance September 30, 2002	\$ 1,205,419	\$ 509,119	\$ 274,721	\$ 204,191	\$ 215,352	\$ 2,036
Geological consulting	18,675	2,318	872	6,692	410	8,383
Project field costs and miscellaneous	5,372	564	-	3,086	1,689	33
Exploration incentives	(43,446)	(1,746)	(11,300)	(15,600)	(14,800)	-
Abandonments and write-downs	(274,745)	-	(264,293)	-	-	(10,452)
Balance June 30, 2003	911,275	510,255	-	198,369	202,651	-
Property acquisition costs:						
Balance September 30, 2002	81,873	22,991	40,982	15,190	885	1,825
Costs incurred	5,918	17	1,165	-	-	4,736
Abandonments and write-downs	(48,708)	-	(42,147)	-	-	(6,561)
Balance June 30, 2003	39,083	23,008	-	15,190	885	-
Total mineral properties June 30, 2003	\$ 950,358	\$ 533,263	\$ -	\$ 213,559	\$ 203,536	\$ -
Equipment	12,209					
Accumulated depreciation	(5,303)					
Total mineral properties and equipment June 30, 2003	\$ 957,264					

MANSON CREEK RESOURCES LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
June 30, 2004
(Unaudited – prepared by management)

1. Accounting Policies

Basis of presentation

These unaudited interim financial statements, which have not been reviewed by the Company's auditors, should be read in conjunction with the audited financial statements for the year ended September 30, 2003 as not all disclosures required by Generally Accepted Accounting Principles for annual financial statements are presented. Certain information and note disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The interim financial statements follow the same accounting policies and methods of computation as the audited financial statements for the year ended September 30, 2003.

2. Investments and other assets

	<u>June 30, 2004</u>	<u>September 30, 2003</u>
Investments (fair value \$32,000, September 30, 2003 - \$20,000)	\$22,412	\$22,412
Non-current prepaid expenses	6,241	6,241
	<u>\$28,653</u>	<u>\$28,653</u>

3. Capital Stock

a) Issued

	<u>Number of shares</u>	<u>Amount</u>
Balance September 30, 2003	15,370,402	\$7,019,199
Private placement	1,000,000	100,000
Issued for mineral property(note 5b)	50,000	5,000
Balance June 30, 2004	<u>16,420,402</u>	<u>\$7,124,199</u>

On June 23, 2004, the Company closed a private placement with CDG Investments Inc., (CDG), a company related by virtue of certain common officers and directors. CDG subscribed for 1,000,000 units at \$0.10 per unit. Each unit was comprised of one common share and one-half of a non-transferable share purchase warrant. Each full warrant may be exercised to purchase one common share at \$0.15 per share until December 24, 2005.

b) Stock options and warrants

As a result of the above-noted private placement, 500,000 warrants are outstanding at June 30, 2004 subject to the terms described above. The Company has an option plan, (the Plan), that authorizes reserving for issuance up to 10% of the issued and outstanding common shares. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date from which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than the market price of the common shares, defined as the weighted average of the trading price per share for the last five trading days before the grant date. No options were granted, exercised or cancelled during the nine months ended June 30, 2004. The following summarizes outstanding options, including expiries, at June 30, 2004, all of which vested immediately upon granting:

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

MANSON CREEK RESOURCES LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
June 30, 2004
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4. Related Party Transactions

During the nine months ended June 30, 2004, the Company billed companies related by virtue of certain common officers and directors \$27,300 for their share of base office lease costs and \$21,700 for their share of lease operating costs. Related party receivables relate to these charges.

A company related by virtue of certain common officers and directors billed the Company for its share of certain general and administrative costs and allocated secretarial salaries. The total billed for the nine months ended June 30, 2004 was \$16,700. Officers of the Company billed for their consulting services at hourly or daily rates, either personally or through their controlled corporations. The aggregate billed for the nine months ended June 30, 2004 was \$23,600. Related party payables relate to these administrative and consulting charges.

Related party transactions were in the normal course of business and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties. (Refer also to note 3 (a)).

5. Commitments

Mineral Properties

a) Kendall, British Columbia

During the nine months ended June 30, 2004, the Company entered into an agreement with an unrelated individual to acquire a mineral property situated in the Cariboo Mining District of British Columbia. The Company paid \$5,000 in cash to the vendor upon signing the agreement. After the Company's initial property evaluation, Management decided to terminate the agreement. As a result the initial evaluation costs were written-off during the nine months ended June 30, 2004. The Company is not required to make further payments to the vendor.

b) CR Property, British Columbia

During the nine months ended June 30, 2004, the Company entered into an agreement with an unrelated individual to acquire a mineral property situated in the Omineca Mining District of British Columbia. The agreement requires that the Company make the following cash payments and issue common shares in order to acquire the property as follows:

<u>Date</u>	<u>Cash</u>	<u>Common Shares</u>
Upon signing (paid)	\$ 2,500	-
June 30, 2004(paid)	\$ 5,000	50,000
June 30, 2005	\$15,000	50,000
June 30, 2006	\$15,000	100,000
June 30, 2007	\$15,000	100,000
June 30, 2008	\$20,000	125,000
June 30, 2009	<u>\$20,000</u>	<u>150,000</u>
Total	<u>\$92,500</u>	<u>575,000</u>

The Company may acquire 1.0% of the vendor's retained 1.5% Net Smelter Return in the property for \$1,000,000. If at any point the Company is in default of the above-noted payment schedule, the property will revert to the vendor. The agreement can be terminated at any time by the Company without the requirement to issue any shares or make any payments specified in the agreement that pertain to the period after termination.

Office Lease

The company has base rent office lease commitments in the following amounts for the fiscal years ended September 30:

2004	\$48,600
2005	\$48,600
2006	\$48,600
2007	\$12,200

The Company subleases office space to three companies, related by virtue of certain common officers and directors that, in aggregate, contribute 70% of the aforementioned lease amounts as well as 70% of lease operating costs.