

Schedule "A" Schedules "B" and "C" is attached hereto and forms a part hereof
 (Please circle appropriate category)

Quarterly Report FORM 61			
ISSUER DETAILS For the Quarter Ended: Date of Report Name of Issuer: Issuer's Address: Issuer's Fax No.:: Issuer's Tel. No. Contact Person: Contact Position: Contact Tel. No.:	December 31, 1999 April 12, 2000 Canasil Resources Inc. 200-1695 Marine Drive, N. Vancouver, B.C. V7P 1V1 (604) 986-6825 (604) 984-6270 Paul J. Weishaupt President (604) 984-6270		
CERTIFICATE The schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.			
Director's Name:	Paul J. Weishaupt	Date Signed:	April 12, 2000
Director's Name:	Bahman Yamini	Date Signed:	April 12, 2000

Canasil Resources Inc.

Financial Statements
December 31, 1999 and 1998

March 31, 2000

Auditors' Report

To the Shareholders of Canasil Resources Inc.

We have audited the balance sheets of **Canasil Resources Inc.** as at December 31, 1999 and 1998 and the statements of operations and deficit, deferred exploration expenditures and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been consistently applied.

PricewaterhouseCoopers LLP

Chartered Accountants

Canasil Resources Inc.

Balance Sheets

As at December 31, 1999 and 1998

	1999 \$	1998 \$
Assets		
Current assets		
Cash and cash equivalents	591,696	154,620
Interest receivable	464	1,826
Advances receivable	2,326	-
GST recoverable	17,145	781
Prepaid expenses	1,650	3,668
	<u>613,281</u>	<u>160,895</u>
Reclamation bond	25,000	25,000
Mineral properties (note 3)	224,552	224,552
Capital assets (note 4)	5,092	974
Deferred exploration expenditures	1,379,088	1,362,963
Incorporation cost	410	410
	<u>2,247,423</u>	<u>1,774,794</u>
Liabilities		
Current liabilities		
Accounts payable	93,683	6,623
Shareholders' Equity		
Capital stock (note 5)	4,745,059	4,009,174
Contributed surplus	30,000	30,000
Deficit	<u>(2,621,319)</u>	<u>(2,271,003)</u>
	<u>2,153,740</u>	<u>1,768,171</u>
	<u>2,247,423</u>	<u>1,774,794</u>

Approved by the Board of Directors

“Paul J. Weishaupt”

Director

“Bahman Yamini”

Director

Canasil Resources Inc.

Statements of Operations and Deficit

For the years ended December 31, 1999 and 1998

	1999 \$	1998 \$
Expenses		
Accounting and audit	12,166	9,339
Advertising and promotion	6,588	965
Amortization	1,977	71
Consulting	5,968	-
Foreign exchange loss	527	-
Insurance	395	395
Legal	35,634	275
Management fees (note 7(a))	28,000	18,000
Office equipment storage	4,070	-
Office rent	12,912	4,800
Office services and supplies	12,125	6,920
Printing	5,685	-
Registration, licence and filing	10,522	4,152
Stock transfer fees	2,829	2,808
Telephone	2,655	2,359
Travel	14,261	2,611
Website development and maintenance	5,793	-
	<u>162,107</u>	<u>52,695</u>
Other expenses (income)		
General exploration expenses (note 6)	200,658	-
Interest income	(12,449)	(9,279)
	<u>188,209</u>	<u>(9,279)</u>
Loss for the year	(350,316)	(43,416)
Deficit - Beginning of year	<u>(2,271,003)</u>	<u>(2,227,587)</u>
Deficit - End of year	<u>(2,621,319)</u>	<u>(2,271,003)</u>
Loss per share	<u>(0.03)</u>	<u>(0.01)</u>
Weighted average number of shares	<u>10,383,359</u>	<u>8,877,342</u>

Canasil Resources Inc.

Statements of Deferred Exploration Expenditures For the years ended December 31, 1999 and 1998

	1999 \$	1998 \$
Deferred exploration expenditures - Beginning of year	1,362,963	1,294,928
Exploration expenditures		
Amortization	270	181
Assessment and recording	640	1,310
Camp provisions (note 7(a))	-	5,836
Equipment rent and repairs (note 7(a))	-	7,487
Freight	1,499	3,573
Geological services (note 7(a))	5,850	24,125
Lab fees	-	2,331
Miscellaneous	1,620	70
Survey supplies	282	1,312
Technical services (note 7(a))	3,211	9,735
Travel	2,600	5,306
Truck expense (note 7(a))	153	6,769
	16,125	68,035
Deferred exploration expenditures - End of year	1,379,088	1,362,963
Deferred exploration expenditures consist of		
Brenda Claims	1,134,245	1,122,274
Granite Claims	183,255	182,337
Lil Claim	39,687	38,937
Vega Claim	2,675	2,275
Mat Claim	19,226	17,140
	1,379,088	1,362,963

Canasil Resources Inc.

Statements of Cash Flows

For the years ended December 31, 1999 and 1998

	1999 \$	1998 \$
Cash flows from operating activities		
Loss for the year	(350,316)	(43,416)
Item not affecting cash - amortization	1,977	71
	<hr/>	<hr/>
	(348,339)	(43,345)
Net change in non-cash working capital items	71,750	(7,691)
	<hr/>	<hr/>
	(276,589)	(51,036)
Cash flows from financing activities		
Proceeds from issuance of special warrants (note 5)	750,000	-
Payment of warrant issue costs	(14,115)	-
	<hr/>	<hr/>
	735,885	-
Cash flows from investing activities		
Deferred exploration expenditures excluding amortization	(15,855)	(67,854)
Payment for capital assets	(6,365)	-
	<hr/>	<hr/>
	(22,220)	(67,854)
Increase (decrease) in cash and cash equivalents	437,076	(118,890)
Cash and cash equivalents - Beginning of year	<hr/>	<hr/>
	154,620	273,510
Cash and cash equivalents - End of year	<hr/>	<hr/>
	591,696	154,620

Canasil Resources Inc.

Notes to Financial Statements

December 31, 1999 and 1998

1 Nature of operations

Canasil Resources Inc. (the “company”) is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the company’s interest in the underlying mineral claims, the ability of the company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

2 Summary of accounting policies

These financial statements are expressed in Canadian dollars (unless otherwise indicated) and have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies followed by the company.

Amortization

Amortization of capital assets is provided for on a declining-balance basis at the following annual rates:

Furniture and equipment	20%
Geological equipment	20%
Radio equipment	25%

Mineral property interests and deferred exploration expenditures

Mineral property interests include direct and indirect acquisition and exploration costs associated with specific mineral exploration properties. Costs are capitalized until properties are put into commercial production, sold or abandoned. Capitalized costs relating to abandoned properties are charged against operations in the period of abandonment. General exploration costs are charged to operations in the period incurred.

The recoverability of amounts shown as mineral property interests and deferred exploration is dependent upon the discovery of economically recoverable mineral reserves, the company’s ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of properties.

Comparative financial statements

Certain of prior year’s amounts have been reclassified to conform with the current year’s presentation.

Loss per share

Loss per share is determined using the weighted-average number of shares outstanding during the year.

Canasil Resources Inc.

Notes to Financial Statements
December 31, 1999 and 1998

Use of estimates

The preparation of these financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income taxes

The company follows the deferral method of accounting for income taxes.

Cash and cash equivalents

Cash and cash equivalents includes cash and short-term deposits maturing within 90 days of the original date of acquisition.

Stock-based compensation

The company has granted stock options, which are described in note 5. No compensation expense is recognized when stock or stock options are issued to employees. Any consideration paid by employees on the exercise of stock options or purchase of stock is credited to capital stock.

3 Mineral properties

Mineral property interests consist of:

	1999		1998	
	Brenda Claims \$	Granite Claims \$	Total \$	Total \$
Acquisition costs	174,551	50,001	224,552	224,552

The company owns a 100% interest in:

- a) 22 mineral claims consisting of 178 units known as the Brenda Claims (expiring between June 15, 2003 and August 21, 2004);
- b) one mineral claim consisting of 20 units known as the Lil Claim (expiring May 31, 2001);
- c) one mineral claim consisting of 16 units known as the Mat Claim (expiring September 9, 2003);
- d) two mineral claims consisting of 18 units known as the Vega Claim (expiring October 19, 2003); and

Canasil Resources Inc.

Notes to Financial Statements
December 31, 1999 and 1998

- e) four mineral claims consisting of 76 units known as the Granite Claims (expiring between October 9, 2002 and October 8, 2006).

All of the claims are located in the Omineca Mining Division of British Columbia.

4 Capital assets

	1999		1998	
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Furniture and equipment	8,003	3,397	4,606	284
Geological equipment	9,798	9,312	486	593
Radio equipment	2,841	2,841	-	97
	20,642	15,550	5,092	974

5 Capital stock

Authorized
50,000,000 common shares without par value

Issued

	1999		1998	
	Number	Amount	Number	Amount
	of shares	\$	of shares	\$
Capital stock - Beginning of year	8,877,342	4,009,174	8,877,342	4,009,174
Issued during the year				
For cash - special warrants	3,000,000	750,000	-	-
	11,877,342	4,759,174	8,877,342	4,009,174
Less: Warrant issue costs	-	(14,115)	-	-
Capital stock - End of year	11,877,342	4,745,059	8,877,342	4,009,174

Canasil Resources Inc.

Notes to Financial Statements
December 31, 1999 and 1998

Share purchase options

The company has granted options to its directors and employees. The exercise price of each option equals the market price of the company's stock on the day of grant and an option's maximum term is five years. All options have no vesting period.

	1999		1998	
	Shares	Weighted average share price \$	Shares	Weighted average share price \$
Balance - Beginning of year	700,000	0.37	525,000	0.39
Granted	485,000	0.41	300,000	0.30
Expired	-	-	(125,000)	0.28
Balance - End of year	<u>1,185,000</u>	<u>0.39</u>	<u>700,000</u>	<u>0.37</u>

The following table summarizes information about stock options outstanding and exercisable at December 31, 1999:

Options outstanding				Options exercisable	
Range of exercise prices \$	Number outstanding at December 31, 1999	Weighted average remaining contractual life (Years)	Weighted average exercise price \$	Number exercisable at December 31, 1999	Weighted average exercise price \$
0.30 - 0.42	1,185,000	2.82	0.39	1,185,000	0.39

Special warrants

The company issued 3,000,000 (1998 - nil) special warrants in respect of certain private placement agreements. Each special warrant entitles the holder to receive one common share without any further payment.

Canasil Resources Inc.

Notes to Financial Statements

December 31, 1999 and 1998

6 General exploration expenses

During the year, the company incurred general exploration expenses in the amount of \$200,658 to evaluate eight properties located in Canada, Mexico, the United States and Europe. A total of \$112,000 was spent on geological and technical services with the balance made up of travel, legal and other.

7 Related party transactions

The company entered into the following transactions with related parties:

- a) Transactions with a company which is also a shareholder, controlled by a director and officer of the company:

	1999	1998
	\$	\$
Included in deferred exploration expenditures		
Camp provisions	-	4,060
Equipment rent and repairs	-	1,738
Geological services	5,850	23,375
Other expenses	1,499	3,758
Technical services	2,061	9,735
Truck expense	153	4,600
	<hr/>	<hr/>
	9,563	47,266
Included in expenses		
Management fees	18,000	18,000
	<hr/>	<hr/>
	27,563	65,266
	<hr/>	<hr/>

- b) Geological and administrative fees incurred for services provided by a director and officer of the company:

	1999	1998
	\$	\$
Included in consulting expenses	5,968	-
Included in general exploration expenses	22,032	-

- c) The company incurred a total of \$48,813 (1998 - \$275) in legal fees to a firm of which an officer is a partner.

Canasil Resources Inc.

Notes to Financial Statements
December 31, 1999 and 1998

8 Income taxes

The company has approximately \$3,059,000 of cumulative exploration and development expenses of which approximately \$415,000 were incurred by a predecessor corporation and can only be offset against future taxable income from properties formerly owned by that corporation. The company has operating losses of approximately \$145,000 (1998 - \$85,000) available to offset future years' taxable income. No recognition is given in the financial statements to potential tax savings that may arise from utilization of these losses in future years.

9 Fair value of financial instruments

At December 31, 1999, the values of cash, accounts receivable and accounts payable approximate their carrying values because of the short-term nature of these instruments.

10 Uncertainty due to Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using the year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the company, including those related to customers, suppliers or the third parties have been fully resolved.

11 Segmented information

The company operates in one industry, the exploration of mineral properties. All the company's assets are located in the Province of British Columbia, Canada.