

Schedule "A" is attached hereto and forms a part hereof

Quarterly Report FORM 51-901F			
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, 2001 April 8, 2002 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 8, 2002
Director's Name:	Bahman Yamini	Date Signed:	April 8, 2002

Canasil Resources Inc.

Financial Statements
December 31, 2001 and 2000

February 15, 2002

Auditors' Report

To the Shareholders of Canasil Resources Inc.

We have audited the balance sheets of **Canasil Resources Inc.** as at December 31, 2001 and 2000 and the statements of operations and deficit, resource properties 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, 2001 and 2000 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 applied on a consistent basis.

“PricewaterhouseCoopers LLP”

Chartered Accountants

Canasil Resources Inc.

Balance Sheets

As at December 31, 2001 and 2000

	2001 \$	2000 \$
Assets		
Current assets		
Cash and cash equivalents	129,325	230,639
Interest receivable	301	429
GST recoverable	1,041	36,290
Prepaid expenses	-	338
	<hr/>	<hr/>
	130,667	267,696
Reclamation bond	13,000	13,000
Resource properties (note 3)	1,391,184	1,781,699
Property and equipment (note 4)	4,184	4,821
Incorporation cost	410	410
	<hr/>	<hr/>
	1,539,445	2,067,626
Liabilities		
Current liabilities		
Accounts payable	19,947	37,863
	<hr/>	<hr/>
Shareholders' Equity		
Capital stock (note 5)	4,745,059	4,745,059
Contributed surplus	30,000	30,000
Deficit	(3,255,561)	(2,745,296)
	<hr/>	<hr/>
	1,519,498	2,029,763
	<hr/>	<hr/>
	1,539,445	2,067,626

Nature of operations and going concern (note 1)

Approved by the Board of Directors

"Paul Weishaupt" Director

"Bahman Yamini" Director

Canasil Resources Inc.

Statements of Operations and Deficit

For the years ended December 31, 2001 and 2000

	2001 \$	2000 \$
Expenses		
Accounting and audit	12,123	13,016
Amortization	1,046	1,077
Consulting (note 6(c))	-	5,838
General exploration (note 6(c))	-	6,648
Interest and penalties	-	1,860
Investor relations	2,609	7,004
Legal (note 6(d))	2,281	7,403
Management fees (notes 6(a) and (e))	27,333	30,000
Office rent	4,800	7,320
Office services and supplies	6,720	13,360
Registration, licence and filing	3,913	6,528
Stock transfer fees	2,811	3,184
Subscriptions and dues	-	1,305
Telephone	2,660	2,720
Travel and conferences	9,064	8,282
	<hr/>	<hr/>
	(75,360)	(115,545)
Interest income	<hr/>	<hr/>
	6,109	13,469
Loss before write-off of resource properties	<hr/>	<hr/>
	(69,251)	(102,076)
Write-off of resource properties	<hr/>	<hr/>
	(441,014)	(21,901)
Loss for the year	<hr/>	<hr/>
	(510,265)	(123,977)
Deficit - Beginning of year	<hr/>	<hr/>
	(2,745,296)	(2,621,319)
Deficit - End of year	<hr/>	<hr/>
	(3,255,561)	(2,745,296)
Basic and diluted loss per share	<hr/>	<hr/>
	(0.04)	(0.01)
Weighted average number of shares	<hr/>	<hr/>
	11,877,342	11,877,342

Canasil Resources Inc.

Statements of Resource Properties Expenditures For the years ended December 31, 2001 and 2000

	2001 \$	2000 \$
Resource properties - Beginning of year	1,781,699	1,603,640
Additions during the year (note 3)		
Acquisition costs (notes 6(b))	8,106	78,864
Assessment and recording	4,200	3,221
Camp provisions (note 6(a))	3,970	2,910
Freight	1,949	1,826
Geological consulting (notes 6(a) and (f))	16,650	56,709
Geological reports	1,007	36,592
Travel and miscellaneous (note 6(a))	14,617	19,838
	50,499	199,960
Write-off of resource properties (note 3)	(441,014)	(21,901)
Resource properties - End of year	1,391,184	1,781,699
Resource properties consist of		
Brenda Claims	1,336,646	1,320,594
Granite Claims	-	233,256
Tharsis and La Zarza, Spain	-	188,162
Lil Claim	54,538	39,687
	1,391,184	1,781,699

Canasil Resources Inc.

Statements of Cash Flows

For the years ended December 31, 2001 and 2000

	2001 \$	2000 \$
Cash flows from operating activities		
Loss for the year	(510,265)	(123,977)
Items not affecting cash		
Amortization	1,046	1,077
Write-off of resource properties	441,014	21,901
	<hr/>	<hr/>
	(68,205)	(100,999)
Net change in non-cash working capital items	17,799	(71,292)
	<hr/>	<hr/>
	(50,406)	(172,291)
Cash flows from investing activities		
Resource properties excluding amortization	(50,499)	(199,936)
Acquisition of property and equipment	(409)	(830)
Redemption of reclamation bond	-	12,000
	<hr/>	<hr/>
	(50,908)	(188,766)
Decrease in cash and cash equivalents	(101,314)	(361,057)
Cash and cash equivalents - Beginning of year	230,639	591,696
	<hr/>	<hr/>
Cash and cash equivalents - End of year	129,325	230,639
	<hr/>	<hr/>

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

1 Nature of operations and going concern

Canasil Resources Inc. (the company) is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable and is considered to be in the exploration stage. The recoverability of amounts shown for resource 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.

The company had losses from operations in the last three years. As at December 31, 2001, the company has \$129,325 in cash and cash equivalents, with a working capital of \$110,720.

The company's ability to fulfil its property acquisition and exploration obligations is dependent on its ability to secure additional financing. The company is negotiating with third parties to finance its projects, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These financial statements do not include the adjustments that would be necessary should the company be unable to continue as a going concern.

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.

Resource properties

Resource properties expenditures 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.

The recoverability of amounts shown as resource properties 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.

On a periodic basis, management reviews the carrying values of resources properties with a view to assessing whether there has been any impairment in value. If it is determined that there has been an impairment in value, the carrying value is written down or written off as appropriate.

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

Amortization

Amortization of property and equipment is provided for on a declining balance basis at the following annual rates:

Furniture and equipment	20%
Geological equipment	20%

Income taxes

The company accounts for income taxes using the liability method. Under this method, future income tax assets and liabilities are determined based on temporary differences between the accounting basis and the tax basis of assets and liabilities. These temporary differences are measured using substantively enacted income tax rates. Future tax benefits are recognized to the extent that realization of such benefits is considered more likely than not. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in earnings in the period that the change occurs.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Monetary assets and liabilities are translated at the period-end exchange rate. Foreign exchange gains or losses are immediately recognized in the statements of operations.

Comparative financial statements

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

Loss per share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the year. The company has adopted the revised recommendations of the Canadian Institute of Chartered Accountants, CICA 3500, whereby new rules are applied in the calculation of diluted earnings per share. The revised standard has been applied on a retroactive basis and did not result in any restatement of the company's financial statements. The effect of potential issuances of shares under options would be anti-dilutive, and therefore basic and diluted losses per share are the same.

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.

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

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 is credited to capital stock.

3 Resource properties

Resource properties consist of:

	2001 \$	2000 \$
Acquisition costs	174,551	303,416
Deferred development expenditures	1,216,633	1,478,283
	<u>1,391,184</u>	<u>1,781,699</u>

Canada

The company owns a 100% interest in claims located in the Omineca Mining Division of British Columbia, Canada:

- a) 22 mineral claims consisting of 178 units known as the Brenda Claims (expiring May 1, 2004). The company has incurred expenditures of \$1,336,646 which are included in resource properties;
- b) one mineral claim consisting of 20 units known as the Lil Claim (expiring May 31, 2002). The company intends to record assessment work in order to maintain this property in good standing. The company has incurred expenditures of \$386,247. Of this amount, \$331,709 has been written off in prior years and the balance of \$54,538 is included in resource properties;
- c) one mineral claim consisting of 16 units known as the Mat Claim (expiring September 9, 2003). The company incurred expenditures of \$353,483 in prior years on this claim which have been written off;
- d) two mineral claims consisting of 18 units known as the Vega Claims (10 units expiring June 15, 2003 and 8 units expiring October 19, 2003). The company incurred expenditures of \$17,400 in prior years on these claims which have been written off; and
- e) four mineral claims consisting of 76 units known as the Granite Claims (expiring between October 9, 2002 and October 8, 2006). The company incurred expenditures of \$233,256 in prior years on these claims which have been written off in the current year.

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

Spain

On September 27, 2000, the company entered into an option agreement with Selanor SA (Selanor) to acquire two Spanish companies, Sociedad de Estudios Investigaciones y Explotaciones Mineras SA (SEIEMSA) and Cominco España SA (COMESA), owned by Selanor. SEIEMSA and COMESA hold a 90% interest in the Tharsis and La Zarza mining concessions and surrounding exploration blocks in the Iberian Pyrite Belt in southwestern Spain.

Under the terms of the agreement, Selanor grants to the company the right and option to acquire at any time before the second anniversary of the effective date following the Canadian Venture Exchange (CDNX) approval, 100% of SEIEMSA and COMESA shares in consideration for US\$3,000,000 and assumption of approximately \$1,000,000 of liabilities.

In order to maintain the option in good standing, the company must incur total expenditures of US\$800,000 per year including exploration (US\$400,000 per year), technical services from the Bureau de Recherches Géologiques et Minières (BRGM) (US\$250,000 per year), and lease payments (US\$37,500 per quarter).

The company has been in discussion with other mining companies for funding the above requirements. The company will withdraw from the agreement if these discussions are not successful.

The company paid US\$10 as consideration for this agreement. This agreement is subject to approval from the CDNX.

During the year, the company incurred expenditures of \$19,596 (2000 - \$188,162) which were included in resource properties. These expenditures totalling \$207,758 were written off during 2001.

4 Property and equipment

	2001		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Furniture and equipment	9,242	5,369	3,873
Geological equipment	9,798	9,487	311
	<u>19,040</u>	<u>14,856</u>	<u>4,184</u>

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

	2000		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Furniture and equipment	8,833	4,401	4,432
Geological equipment	9,798	9,409	389
	<u>18,631</u>	<u>13,810</u>	<u>4,821</u>

5 Capital stock

Authorized

50,000,000 common shares without par value

Issued

	2001		2000	
	Number	Amount	Number	Amount
	of shares	\$	of shares	\$
Capital stock - Beginning and end of year	11,877,342	4,745,059	11,877,342	4,745,059

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

Share purchase options

The company has granted options to its directors, employees and consultants. 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.

	2001		2000	
	Shares	Weighted average share price \$	Shares	Weighted average share price \$
Balance - Beginning of year	1,085,000	0.35	1,185,000	0.39
Granted	-	-	400,000	0.32
Expired	-	-	(500,000)	0.42
Balance - End of year	1,085,000	0.35	1,085,000	0.35

The following table summarizes information about stock options outstanding and exercisable at December 31, 2001:

	Options outstanding			Options exercisable	
Range of exercise prices \$	Number outstanding at December 31, 2001	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number exercisable at December 31, 2001	Weighted average exercise price \$
0.30 - 0.41	1,085,000	2.53	0.35	1,085,000	0.35
	1,085,000	2.53	0.35	1,085,000	0.35

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

6 Related party transactions

The company entered into the following transactions with related parties:

- a) The company incurred the following expenses for services provided by a company controlled by a director and officer of the company:

	2001	2000
	\$	\$
Included in resource properties		
Camp provisions	3,970	2,910
Geological consulting	8,050	7,375
Other expenses	1,920	1,826
Travel	3,523	3,984
Included in expenses		
Management fees	18,000	18,000

- b) The company incurred \$7,500 (2000 - \$32,350) in fees for services provided by a company related to a director. Of these fees, \$7,500 (2000 - \$30,850) is included in resource properties as acquisition costs, some of which were subsequently written off, and the balance is included in general exploration.

- c) The company incurred the following expenses for services provided by a director and officer:

	2001	2000
	\$	\$
Included in consulting	-	5,838
Included in general exploration	-	6,403

- d) The company incurred the following expenses for services provided by a firm of which an officer is a partner:

	2001	2000
	\$	\$
Included in resource properties		
Acquisition costs	500	36,342
Included in expenses		
Legal	2,281	7,403

- e) The company incurred \$9,333 (2000 - \$12,000) in management fees for services provided by a company controlled by an officer.

- f) The company incurred \$nil (2000 - \$4,000) in geological consulting fees for services provided by a company controlled by a director.

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

7 Income taxes

The company has non-capital loss carryforwards of approximately \$219,655 that may be applied against taxable income of future years as follows:

Expiry date	\$
2002	13,652
2003	16,135
2006	80,339
2007	91,263
2008	18,266
	<u>219,655</u>

The company has approximately \$3,398,928 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.

Unrecognized future income tax assets as at December 31, 2001 consist of the following:

	\$
Excess of tax over book value for resource properties and property and equipment	865,786
Operating loss carryforward	93,617
Financing costs	3,609
	<u>963,012</u>
Less: Valuation allowance for future tax assets	<u>(963,012)</u>
	<u>-</u>

The income taxes shown in the statements of operations and deficit differ from the amounts obtained by applying statutory rates due to the following:

	2001 \$	2000 \$
Statutory tax rate	<u>45.62%</u>	<u>45.62%</u>
Provision for income taxes based on statutory Canadian combined federal and provincial income tax rates	(232,783)	(56,558)
Permanent differences		
Resource allowance and share issue costs charged to equity	1,812	(1,401)
Losses for which an income tax benefit has not been recognized	230,971	57,959
	<u>-</u>	<u>-</u>

Canasil Resources Inc.

Notes to Financial Statements

December 31, 2001 and 2000

8 Financial instruments

Concentration of credit risk

The financial instrument that potentially exposes the company to concentrations of credit risk is cash and cash equivalents. The company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions.

Fair value of financial instruments

At December 31, 2001, the fair values of cash and cash equivalents and accounts payable approximate their carrying values because of the short-term nature of these instruments.

9 Segmented information

Substantially all of the company's operations have been in one industry, the exploration for precious metals. Management reviews the financial results according to expenditures by property as presented in the statements of resource properties expenditures. As at December 31, 2001, the company's mineral properties are all in Canada.

	2001 \$	2000 \$
Canada	1,391,184	1,593,537
Spain	-	188,162
	<hr/> 1,391,184	<hr/> 1,781,699