



British Columbia Securities Commission

QUARTERLY AND YEAR END
REPORT

BC FORM 51-901F

(previously Form 61)

BCSC

INCORPORATED AS PART:

 X Schedule A
 Schedule B and C

| ISSUER DETAILS | | |
|--|---|------------------------------------|
| <i>Name of Issuer</i> | <i>For Quarter Ended</i> | <i>Date of Report YY/MM/DD</i> |
| CANASIL RESOURCES INC. | March 31, 2003 | |
| <i>Issuer's Address</i> | <i>Issuer's Fax No.</i> | <i>Issuer's Telephone No.</i> |
| 1695 MARINE DRIVE, SUITE 200 NORTH VANCOUVER B.C. V7P 1V1 | (604) 986-6825 | (604) 984-6270 |
| <i>Contact Person</i> | <i>Contact's Position</i> | <i>Contact's Telephone No.</i> |
| BAHMAN YAMINI | PRESIDENT | (604) 984-6270 |
| <i>Contact Email Address:</i> info@canasil.com | <i>Web Site Address:</i> www.canasil.com | |
| CERTIFICATE | | |
| <p>The three schedules required to complete this Report are attached and the disclosures contained herein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.</p> | | |
| <i>Director's Signature</i> | <i>Print Full Name</i> | <i>Date Signed</i> |
| "Bahman Yamini" | BAHMAN YAMINI | 2003-05-28 |
| <i>Director's Signature</i> | <i>Print Full Name</i> | <i>Date Signed</i> |
| "Gary Nordin" | GARY NORDIN | 2003-05-28 |

CANASIL RESOURCES INC.
INTERIM BALANCE SHEET
(UNAUDITED)

| | March 31 2003 | December 31 2002 |
|---|------------------|---------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | 76,190 | 113,663 |
| Interest receivables | 216 | 160 |
| GST recoverable | 849 | 5,204 |
| Prepaid expenses | 2,396 | 1,115 |
| | 79,651 | 120,142 |
| Reclamation bond | 13,000 | 13,000 |
| Resource properties | 1,331,052 | 1,331,005 |
| Capital assets | 2,944 | 3,099 |
| | 1,426,647 | 1,467,246 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current | | |
| Accounts payable | 27,049 | 27,147 |
| Stockholders' equity | | |
| Capital stock | 4,839,971 | 4,845,059 |
| Contributed surplus | 30,000 | 30,000 |
| Deficit | (3,470,373) | (3,434,960) |
| | 1,399,598 | 1,440,099 |
| | 1,426,647 | 1,467,246 |

On behalf of the Board:

“Bahman Yamini”

Director

“Gary Nordin”

Director

The accompanying notes are an integral part of these financial statements.

CANASIL RESOURCES INC.
STATEMENT OF OPERATIONS AND DEFICIT
THREE MONTH PERIOD ENDED MARCH 31
(UNAUDITED)

| | 2003 | 2002 |
|--|-------------|-------------|
| EXPENSES | | |
| Accounting and audit | 4,500 | 1,080 |
| Amortization | 155 | 209 |
| Directors fees | 2,500 | - |
| Foreign exchange loss | 637 | - |
| Investor relations | 742 | 693 |
| Legal fees | 1,526 | 2,625 |
| Management fees | 8,000 | 6,500 |
| Office rent | - | 1,200 |
| Office services and supplies | 1,788 | 1,963 |
| Registration, licence and filing | 5,816 | 3,395 |
| Stock transfer fees | 1,325 | 1,051 |
| Telephones | 740 | 587 |
| Travel and conferences | 99 | 696 |
| | 27,827 | 19,999 |
| Interest income | (256) | (246) |
| General exploration | 7,842 | - |
| | 7,586 | (246) |
| Loss for the period | (35,413) | (19,753) |
| Deficit, beginning of period | (3,434,960) | (3,255,561) |
| Deficit, end of period | (3,470,373) | (3,275,314) |
| Basic and diluted loss per share | (0.003) | (0.002) |
| Weighted average number of shares outstanding | 12,877,342 | 11,877,342 |

The accompanying notes are an integral part of these financial statements.

CANASIL RESOURCES INC.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED MARCH 31
(UNAUDITED)

| | 2003 | 2002 |
|---|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the year | (35,413) | (19,753) |
| Items not affecting cash: | | |
| Amortization | 155 | 209 |
| Changes in non-cash working capital items: | 2,919 | (7,489) |
| Net cash used in operating activities | (32,339) | (27,033) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Resource properties excluding amortization | (47) | (369) |
| Net cash used in investing activities | (47) | (369) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Share issue costs | (5,087) | - |
| Net cash used in financing activities | (5,087) | - |
| Change in cash during the period | (37,473) | (27,402) |
| Cash position, beginning of period | 113,663 | 129,325 |
| Cash position, end of period | 76,190 | 101,923 |

1 BASIS OF PRESENTATION

These financial statements do not contain all the information required for annual financial statements and should be read in conjunction with the most recent annual financial statements of the company.

2 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.

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.

3. RESOURCE PROPERTIES

Resource properties consist of:

| | March 31 2003 \$ | December 31 2002 \$ |
|-----------------------------------|------------------------|---------------------------|
| Brenda property, B.C., Canada | | |
| Acquisition costs | 174,551 | 174,551 |
| Deferred development expenditures | 1,156,501 | 1,156,454 |
| | <u>1,331,052</u> | <u>1,331,005</u> |

The company incurred assay costs of \$47 during the period which costs are included in deferred development expenditures.

CANASIL RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

4. RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties:

| | March 31 2003 \$ | March 31 2002 \$ |
|-------------------|------------------------|------------------------|
| Management fees | 8,000 | 6,500 |
| Legal Fees | 1,526 | 2,625 |
| Directors fees | 2,500 | - |
| Share issue costs | 5,087 | - |

5. SEGMENTED INFORMATION

The Company conducts substantially all of its operations in Canada in one business segment, being the exploration and development of resource properties.