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*Fancamp Resources Ltd* **SUPPL**  
**FANCAMP EXPLORATION LTD.**



**QUARTERLY REPORT**

**FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2001**

**PROCESSED**

**FEB 14 2002**

**THOMSON  
FINANCIAL**

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Prepared By Management  
December 19, 2001

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**FORM 51-901F  
QUARTERLY REPORT**

Incorporated as part of:       X     Schedule A  
  X     Schedule B & C

**ISSUER DETAILS:**

Name of Issuer:                     Fancamp Exploration Ltd.

Issuer's Address:                 7290 Gray Avenue  
  Burnaby, British Columbia, V5J 3Z2

Issuer's Telephone and Fax        Tel: 604-434-8829   Fax: 604-434-8823

Contact Person:                    Debra Chapman

Contact's Position:                Director and Secretary

Contact Telephone Number:        604-434-8829

Contact Email Address             dchapman@axion.net

Web Site Address                  N/A

For Quarter Ended:                October 31, 2001

Date of Report:                     December 19, 2001

**CERTIFICATE**

The Schedule(s) required to complete this Quarterly Report are attached and the disclosure contained herein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it. Please note this form is incorporated as part of both the required filing of Schedule A and Schedules B and C.

Peter Smith  
Name of Director

December 19, 2001  
Date Signed

Debra Chapman  
Name of Director

December 19, 2001  
Date Signed

# **FANCAMP EXPLORATION LTD.**

## **FINANCIAL STATEMENTS For the six months ended October 31, 2001 (Unaudited - prepared by management)**

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**FANCAMP EXPLORATION LTD.****BALANCE SHEET**  
(Unaudited - Prepared by Management)October 31, 2001

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	October 31 <u>2001</u>	April 30 <u>2001</u>
<b>Assets</b>		
Current		
Cash and Marketable Securities	174	10,467
Accounts Receivable	1,430	8,712
Accrued Mining Duty Refunds	816	816
Prepaid Expenses	<u>322</u>	<u>1,098</u>
Total Current Assets	2,742	21,093
Investment - South African Minerals Corporation	142	141
Incorporation Costs	1,100	1,100
Mineral Properties	<u>297,060</u>	<u>301,364</u>
<b>Total Assets</b>	<b><u>\$301,044</u></b>	<b><u>\$323,698</u></b>
<b>Liabilities</b>		
Current		
Accounts Payable and Accrued Liabilities	213,313	193,658
Long-term		
Botswana Exploration Obligations	886,000	886,000
Deferred Quebec Mining Duties	<u>125,709</u>	<u>125,709</u>
<b>Total Liabilities</b>	<b><u>1,225,022</u></b>	<b><u>1,205,367</u></b>
<b>Shareholders' Equity</b>		
Capital	5,304,160	5,301,160
Deficit	<u>-6,228,138</u>	<u>-6,182,829</u>
<b>Total Shareholders' Equity</b>	<b><u>-923,978</u></b>	<b><u>-881,669</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$301,044</u></b>	<b><u>\$323,698</u></b>

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**FANCAMP EXPLORATION LTD.****STATEMENT OF OPERATIONS**  
**(Unaudited - Prepared by Management)**For the six months ended October 31, 2001

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	Three Months Ended October 31 <u>2001</u>	Six Months Ended October 31 <u>2001</u>	Three Months Ended October 31 <u>2000</u>	Six Months Ended October 31 <u>2000</u>
<b>Revenue</b>				
Interest Income	0	0	0	0
Operator Fee Income	0	0	0	0
<b>Total Revenue</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>Expenses</b>				
Bank and Interest Charges	1,391	2,375	527	5,885
Geological Fees	7,500	15,000	7,500	15,000
Legal and Accounting	-500	-500	-6,497	-6,497
New Project Examinations	0	0	0	2,000
Office and General	10,166	17,866	7,925	15,854
Transfer Agent and Listing Fees	8,159	9,550	10,027	11,444
Travel and Promotion	0	1,425	0	338
<b>Total Expenses</b>	<b><u>26,716</u></b>	<b><u>45,715</u></b>	<b><u>19,482</u></b>	<b><u>44,024</u></b>
<b>Net Profit(Loss) from Operations</b>	<b><u>-\$26,716</u></b>	<b><u>-\$45,715</u></b>	<b><u>-\$19,482</u></b>	<b><u>-\$44,024</u></b>
<b>Gain (Loss) on Investments</b>	<b>395</b>	<b>406</b>	<b>0</b>	<b>0</b>
<b>Mineral Properties Written Off</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Net Profit(- Loss)</b>	<b><u>-\$26,321</u></b>	<b><u>-\$45,309</u></b>	<b><u>-\$19,482</u></b>	<b><u>-\$44,024</u></b>
Deficit, Beginning of Period	6,201,817	6,182,829	5,748,531	5,723,989
Deficit, End of Period	6,228,138	6,228,138	5,768,013	5,768,013
Profit(Loss) Per Share	-0.003	-0.005	-0.002	-0.005

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**FANCAMP EXPLORATION LTD.****STATEMENT OF CASH FLOWS**  
**(Unaudited - Prepared by Management)**For the six months ended October 31, 2001

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	Three Months Ended October 31 <u>2001</u>	Six Months Ended October 31 <u>2001</u>	Three Months Ended October 31 <u>2000</u>	Six Months Ended October 31 <u>2000</u>
<b>Operating Activities</b>				
Profit(Loss) for the Period	-26,321	-45,309	-19,481	-44,024
Non-Cash Charges to Income:				
Net Change in Non-Cash Working Capital	<u>19,601</u>	<u>37,613</u>	<u>2,560</u>	<u>26,044</u>
<b>Total Operating Activities</b>	<u>-6,820</u>	<u>-7,696</u>	<u>-16,921</u>	<u>-17,980</u>
<b>Financing Activities</b>				
Private Placement	0	0		0
Exercise of Options	<u>3,000</u>	<u>3,000</u>	<u>10,000</u>	<u>24,000</u>
<b>Total Financing Activities</b>	<u>3,000</u>	<u>3,000</u>	<u>10,000</u>	<u>24,000</u>
<b>Investing Activities</b>				
Gamache	0	-198	0	0
Rasle	0	-110	0	0
Sept-Iles Lac Mechant	0	-488	0	-1,600
Browns Mountain	0	0	-116	-116
St. George	0	5,100	0	-1,200
Turgeon	0	0	7,349	3,146
Kourouba Concession	0	0	0	-6,800
Botswana - KSZ Project	0	0	0	-2,800
<b>Total Investing Activities</b>	<u>0</u>	<u>4,304</u>	<u>7,233</u>	<u>-9,370</u>
Change in Cash during the Period	-3,820	-392	312	-3,350
Cash at Beginning of Period	<u>3,997</u>	<u>567</u>	<u>1,752</u>	<u>5,415</u>
<b>Cash at End of Period</b>	<u>\$174</u>	<u>\$174</u>	<u>\$2,065</u>	<u>\$2,065</u>

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**FANCAMP EXPLORATION LTD.**

**SCHEDULE OF MINERAL PROPERTY COSTS DEFERRED**  
(Unaudited - Prepared by Management)

For the three months ended October 31, 2001

Costs Incurred (Recovered) During the Period

	Acquisition <u>Costs</u>	Engineering Consulting and Sundry <u>Costs</u>	Option and Other Payments <u>Received</u>	2001 Net Costs <u>For Period</u>	2000 Net Costs <u>For Period</u>
Gamache		0		0	
Rasles		0		0	
Sept-iles		0		0	
Browns Mountain					0
St George		0		0	116
Turgeon					0
Botswana KSZ					-7,350
Kourouba Concession					0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-7,234</u>

Cumulative Mineral Property Costs Deferred, Beginning of Period

297,060 659,215

Cumulative Mineral Property Costs Deferred, End of Period

\$297,060 **\$651,981**

**FANCAMP EXPLORATION LTD.**

**SCHEDULE OF MINERAL PROPERTY COSTS DEFERRED**  
(Unaudited - Prepared by Management)

For the six months ended October 31, 2001

**Costs Incurred (Recovered) During the Period**

	<u>Acquisition Costs</u>	<u>Engineering Consulting and Sundry Costs</u>	<u>Option and Other Payments Received</u>	<u>2001 Net Costs For Period</u>	<u>2000 Net Costs For Period</u>
Gamache		198		198	
Rasles		110		110	
Sept-Iles		488		488	1,600
Browns Mountain					116
St George		2,400	-7,500	-5,100	1,200
Turgeon					-3,145
Botswana KSZ					2,800
Kourouba Concession					6,800
<b>Total</b>	<u>0</u>	<u>3,196</u>	<u>-7,500</u>	<u>-4,304</u>	<u>9,371</u>

**Cumulative Mineral Property Costs Deferred, Beginning of Period**

301,364

642,610

**Cumulative Mineral Property Costs Deferred, End of Period**

**\$297,060**

**\$651,981**

**NOTES TO FINANCIAL STATEMENTS  
(Unaudited - Prepared by Management)**

October 31, 2001

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**1. Continuing Operations**

The Company is a development stage enterprise in the business of mineral exploration. It is in the process of exploring its mineral properties interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. The carrying value of the mineral properties interests represents only the total of net costs capitalized, and is not intended to reflect either present or future value. The carrying value of the mineral properties interests represents only the total of net costs capitalized, and is not intended to reflect either present or future value.

The recoverability of amounts shown for mineral properties interests and related deferred costs 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 development and future profitable production from or proceeds from the disposition of its mineral properties interests. For those properties in which it has a joint venture interest, it is required to contribute its proportionate share of costs or accept dilution of its interest.

The Company has a working capital deficiency. These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from carrying values shown in these financial statements should the Company be unable to continue as a going concern.

The Company's ability to maintain its existence is dependent upon the continuing support of its creditors in the short term and its success in obtaining new equity financing for the settlement of liabilities.

**2. Mineral Property Interests**

The Company follows the practice of capitalizing all costs relative to the acquisition, exploration and development of mineral properties. These costs are to be amortized over the estimated productive life of the property if it is placed into commercial production. If a property is abandoned as an exploration prospect or allowed to lapse, the related costs are charged to operations in the year.

Certain of the Company's mineral properties interests are held jointly with other parties. The book value of these property interests includes only the Company's joint venture share of costs.

**3. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

#### 4. Stock Based Compensation

No compensation expense is recognized when management incentive stock options are granted. The consideration received by the Company from employees and directors on the exercise of such options is credited to share capital.

#### 5. Loss Per Share

Basic loss per share is calculated by dividing the loss for the period by the weighted number of shares outstanding during the period.

#### 6. Share capital

Authorized: 50,000,000 common shares with no par value

Issued:

	2001		2000	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Balance, beginning of year	9,255,822	\$5,301,160	9,015,822	\$5,277,160
Options exercised in first quarter	0		140,000	14,000
Options exercised in second quarter	<u>30,000</u>	<u>3,000</u>	<u>100,000</u>	<u>10,000</u>
Balance, end of period	<u>9,285,822</u>	<u>\$5,304,160</u>	<u>9,255,822</u>	<u>\$5,301,160</u>

During the period options were exercised to purchase 30,000 common shares at \$0.10 per share.

There are currently warrants outstanding for the purchase of up to 1,000,000 common shares of the Company, at a price of \$0.10 per share, exercisable on or before February 1, 2002.

#### 7. Incentive Stock Options

Outstanding at the end of the period:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Date Granted</u>	<u>Expiry Date</u>
65,000	\$0.10	Feb. 15/00	Feb. 14/05
411,500	\$0.12	May 1/00	Apr. 30/05
125,000	\$0.10	Aug. 1/01	Jul. 31/06
<u>290,000</u>	<u>\$0.10</u>	<u>Aug. 31/01</u>	<u>Aug. 30/06</u>
<u>891,500</u>			

During the period, options were granted for the purchase of up to 125,000 common shares, at a price of \$0.10 per share, exercisable up to and including July 31, 2006; and, up to 290,000 common shares, at a price of \$0.10 per share, exercisable up to and including August 30, 2006.

During the period options were exercised to purchase 30,000 common shares at \$0.10 per share.

No options were re-priced during the period.

**8. Related Party Transactions**

Transactions with related parties for the year comprise:

	Paid - 3 months ended <u>October 31, 2001</u>	Paid - 6 months ended <u>October 31, 2001</u>
Professional geological fees paid to a director	\$7,500	\$17,998
Administration fees paid to directors (2)	\$5,550	\$11,100

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## FANCAMP EXPLORATION LTD.

### MANAGEMENT DISCUSSION

Fancamp Exploration Ltd. is involved in the acquisition, exploration and evaluation of mineral resource properties, either alone or in joint venture with other companies. The Company intends to explore, evaluate and, if feasible, bring such properties into commercial production. The Company currently has interest in several properties, with its principal properties being located in the Provinces of Quebec and New Brunswick.

Subsequent to the end of the period, the Company secured a \$100,000 flow-through financing to be used primarily on exploration of its St. George Batholith properties SE New Brunswick which show interesting gold potential. An extensive soil sampling survey is planned. A detailed government airborne magnetic survey will be completed over the district by year end - the first since 1958 - and this information will be of great use to the Company in its prospecting efforts.

The Company has recently acquired a 100% interest in the Manic III nickel prospect, north of Baie Comeau, Quebec, in return for the issuance of 100,000 shares, and a 2% NSR royalty. Recent sampling by the Company has returned nickel values up to 2.4% in rocks containing 20% sulphides. This is significantly higher than previous results from the property, and occurs in a section of the basic / ultrabasic complex never previously sampled. Further trenching and sampling will be carried out in the next field season.

The Company continues to seek further financing to explore its 100% owned Lac Mechant nickel-copper-cobalt prospect located north of Sept-Iles, Quebec.

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#### Directors and Officers

Peter H. Smith	President and Director
Debra Chapman	Secretary and Director
Gilles Dubuc	Director
Micheal Sayer	Director
Taylor Cahill	Director

*For further information, please contact: Peter H. Smith, P.Eng., President, at 514-481-3172*

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