

QUARTERLY REPORT

BC FORM 51-901 F

ISSUER DETAILS		FOR QUARTER ENDED		DATE OF REPORT	
NAME OF ISSUER				YY/MM/DD	
FOREST GATE RESOURCES INC.		JUNE 30, 2003		2003/08/28	
ISSUERS' ADDRESS					
345 VICTORIA AVE, SUITE 203					
CITY/PROVINCE		POSTAL CODE		ISSUER FAX NO.	
MONTREAL, QUEBEC		H3Z 2N2		(514) 486-1317	
CONTACT PERSON		CONTACT'S POSITION		CONTACT TELEPHONE NO.	
MICHAEL C. JUDSON		PRESIDENT		(514) 486-3040	
CONTACT EMAIL ADDRESS			WEB SITE ADDRESS		
mjudson@forestgate.ca			www.forestgate.ca		
CERTIFICATE					
THE THREE 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 SIGNATURE		PRINT FULL NAME		DATE SIGNED	
<i>Signed Michael C. Judson</i>		MICHAEL C. JUDSON		YY MM DD	
				2003 08 28	
DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED	
<i>Signed John Mavridis</i>		JOHN MAVRIDIS		YY MM DD	
				2003 08 28	

SCHEDULE A : Interim Financial Statements

Forest Gate Resources Inc.

Interim Financial Statements

June 30, 2003

(Unaudited)

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Forest Gate Resources Inc.

Balance Sheet (Unaudited)

	June 30, 2003 \$	December 31, 2002 \$
Assets		
<i>Current assets</i>		
Cash and cash equivalents	471,325	6,709
Sundry receivables	7,796	-
	479,121	6,709
Deferred financing costs	-	74,927
Mining properties and deferred exploration costs [note 3]	718,641	579,507
Leasehold improvements (net of accumulated amortization of \$608 (2002 - \$487))	365	487
	1,198,127	661,630
Liabilities		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities	259,417	237,128
Due to an affiliated company	-	50,873
Due to a director	-	18,055
	259,417	306,056
Shareholders' equity		
Capital stock [note 4]	1,444,733	754,075
Deficit	(506,023)	(398,501)
	938,710	355,574
	1,198,127	661,630

Approved on behalf of the board:

Signed Michael C. Judson Director

Signed John Mavridis Director

Forest Gate Resources Inc.

Statement of Earnings and Deficit (Unaudited)

Period ended	3 months ended June 30, 2003 \$	6 months ended June 30, 2003 (note 8) \$
Revenue		
Interest	3,740	4,228
Expenses		
Management fees, salaries and levies	9,359	19,612
Professional and consulting fees	36,420	42,756
Rent	2,178	6,937
Office expenses	19,486	21,726
Taxes, licenses and registration fees	6,966	10,618
Telephone and utilities	1,757	2,122
Travel and business development	2,482	4,909
Bank charges and interest [note 5]	2,871	2,948
Amortization of leasehold improvements	61	122
	81,580	111,750
Net loss	77,840	107,522
Deficit at the beginning of period	428,183	398,501
Deficit at the end of period	506,023	506,023
Basic loss per share and diluted loss per share [note 7]	\$0.00567	\$0.00968

Forest Gate Resources Inc.

Statement of Cash Flows (Unaudited)

Period ended	3 months ended June 30, 2003 \$	6 months ended June 30, 2003 (note 8) \$
Cash flows from (used for):		
Operating activities		
Net loss	(77,840)	(107,522)
<i>Non-cash items:</i>		
Amortization of leasehold improvements	61	122
Net changes in non-cash components of operating working capital [note 5]	113,858	14,493
	36,079	(92,907)
Financing activities		
Net proceeds from the issue of share capital	-	814,816
Share issue costs and other professional fees	-	(124,158)
Deferred financing costs	-	74,927
Due to a director	-	(18,055)
Due to an affiliated company	(10,873)	(50,873)
	(10,873)	696,657
Investing activities		
Mining properties and deferred exploration costs	(139,134)	(139,134)
Net increase in cash and cash equivalents	(113,928)	464,616
Cash and cash equivalents - beginning of period	585,253	6,709
Cash and cash equivalents - end of period	471,325	471,325
Represented by:		
Cash with bank, net of outstanding cheques in excess of cash	6,325	6,325
Redeemable term deposit	465,000	465,000
	471,325	471,325

Forest Gate Resources Inc.

Notes to the Financial Statements (Unaudited)

June 30, 2003

1. Description of operations

The Corporation's operations consist in the exploration of mineral properties, directly or through joint ventures. It is in the process of determining whether its properties contain economically recoverable reserves. Recovery of deferred exploration costs and mining properties depend on the existence of economically recoverable ore reserves, the Corporation's ability to obtain financing for its operations and future profitable commercial production.

2. Summary of significant accounting policies

The financial information as at June 30, 2003 is not audited. However, in the opinion of the management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

These interim financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods in the preparation of the company's most recent annual financial statements. All disclosures required for annual financial statements have not been included in these financial statements. These interim financial statements should be read in conjunction with the company's most recent annual financial statements.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgement within reasonable limits of materiality and within the framework of the accounting policies summarized in the most recent annual audited financial statements.

3. Mining properties and deferred exploration costs

	Cost of claims \$	Deferred exploration costs \$	Write-off of abandoned property \$	June 30, 2003 Net \$	December 31, 2002 Net \$
Saskatchewan					
East Side	113,558	154,055	-	267,613	128,479
New Brunswick					
Canoe Landing Lake	177,497	83,144	-	260,641	260,641
California Lake	141,256	49,131	-	190,387	190,387
Rio Road	66,527	18,308	84,835	-	-
	498,838	304,638	84,835	718,641	579,507

No amortization has been calculated on the mining properties and deferred exploration costs.

Forest Gate Resources Inc.

Notes to the Financial Statements (Unaudited)

June 30, 2003

4. Capital stock

The company is incorporated under the Canada Business Corporations Act.

Authorized

An unlimited number of common shares with no par value

<i>Issued</i>	June 30, 2003 \$	December 31, 2002 \$
13,730,034 common shares (December 31, 2002 - 6,226,753)	1,444,733	676,625
Special warrants	-	77,450
	1,444,733	754,075

a) Share purchase warrants

The company has, as at June 30, 2003, share purchase warrants outstanding entitling the holders to acquire common shares as follows:

Number of shares	Exercise price \$	Expiry date
18,750	0.40	August 1, 2003
6,799,191	0.15	March 3, 2005
704,090	0.15	March 17, 2005
1,693,167	0.15	May 2, 2005
9,215,198		

b) Stock options

As at June 30, 2003, the company had stock options outstanding to directors and shareholders for the purchase of common shares as follows:

Number of shares	Exercise price \$	Expiry date
1,900,000	0.15	March 17, 2008

c) During the period ended March 31, 2003, the following capital transactions have occurred:

- i) the special share purchase warrants have been exchanged for 704,090 units. Each unit is identical to those described below in note 4 c) ii).

...continued

Forest Gate Resources Inc.

Notes to the Financial Statements (Unaudited)

June 30, 2003

4. Capital stock (continued)

ii) public financing

The company completed an initial public offering on March 3, 2003 of units pursuant to a prospectus filed with the British Columbia, Alberta, Quebec and Ontario Securities Commissions to issue a maximum of 10,000,000 units for gross proceeds of \$1,500,000. Each unit, at an exercise price of \$0.15, consists of one common share and one transferable purchase warrant entitling the holder to acquire one additional common share at \$0.15 per share for a period of two years. A total of 6,799,191 units were issued, generating gross proceeds of \$1,019,879 and net proceeds of \$814,816, after payment of commissions and other issue related costs. The net proceeds were credited to share capital after an additional charge of \$124,158 for legal, accounting and other related issue costs, for a net increase to share capital of \$690,658.

The agent was issued a total amount of 1,693,167 non-transferable share purchase warrants to acquire shares at \$0.15 per share for a period of two years.

5. Supplemental disclosures of expenses and of cash flow information:

i) Net change in non-cash components of operating working capital

	3 months ended June 30, 2003 \$	6 months ended June 30, 2003 \$
(Increase) in:		
Sundry receivables	(5,062)	(7,796)
Prepaid expenses	9,216	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	109,704	22,289
	113,858	14,493

ii) No interest was paid during the period (2002 - \$1,490).

Forest Gate Resources Inc.

Notes to the Financial Statements (Unaudited)

June 30, 2003

6. Income taxes

As at December 31, 2002, the Corporation has exploration costs of approximately \$33,000 and losses of \$379,000 which are being carried forward and which can reduce future taxable income. The related potential future tax reduction is not recorded in these financial statements. The losses expire as follows:

	\$
2006	5,000
2007	37,000
2008	157,000
2009	180,000
	<hr/>
	379,000

7. Loss per share

Due to a loss for the fiscal year, no incremental shares are included in calculating the dilutive loss per share because the effect would be anti-dilutive.

8. Comparative figures

Since no quarterly financial statements were prepared for the prior year and the information was not readily available, comparative interim figures for the current interim period and year-to-date period have not been presented.

The fiscal year ended December 31, 2002 has been subject to an audit.

FOREST GATE RESOURCES INC.
(the “Company”)

SCHEDULE B : *Supplementary information*

1. Analysis of expenses and deferred costs.

Refer to Financial Statements of June 30, 2003.

2. List of Directors of the Corporation

Michael C. Judson	André Fortier
John Mavridis	Jean Girard

3. List of Officers of the Corporation

Michael C. Judson	President
John Mavridis	Secretary

4. Summary of Securities as at the end of the reporting period

a) Description of authorized share capital

Class	Number	Dividend rate on preferred shares	Cumulative Y/N	Redemption and conversion provisions
Common Shares	Unlimited	N/A	N/A	N/A

b) Number and recorded value for shares issued and outstanding

NUMBER	RECORDED VALUE
13,730,034	\$1,444,733

c) Description of options, warrants and convertible securities outstanding

Type of security	Number or Amount	Exercise or conversion price	Expiry date
Options	1,900,000	\$0.15	March 17, 2008
Share Purchase Warrants	18,750	\$0.40	August 1, 2003
Share Purchase Warrants	6,799,191	\$0.15	March 3, 2005
Share Purchase Warrants	704,090	\$0.15	March 17, 2005
Share Purchase Warrants	1,693,167	\$0.15	May 2, 2005

d) Number of shares in each class of shares subject to escrow or pooling agreements

4,633,343 common shares.

FOREST GATE RESOURCES INC.
(the "Company")

SCHEDULE C: *Management's Discussion and Analysis*

1. Description of Business

The Company is a mineral exploration company with properties located in New Brunswick and Saskatchewan. The business of the Company consists of the acquisition, exploration and development (if warranted) of the properties in which it holds an interest. The principal natural resources being targeted by the Company at the present time are gold, silver, base metals and diamonds.

2. Operations in the Period Ended June 30, 2003

The company has focused on evaluating opportunities, maintaining its properties and completing its initial public offering.

The Company has \$ (259,417) of accounts payable as at June 30, 2003. Cash and receivables stood at \$ 479,121. Future activities depend on access to capital through additional financing.

3. Subsequent Events

A limited line-cutting program was executed on the Company's Canoe-Landing Lake property in New Brunswick. The program was initiated in order to fulfill the minimum work requirements of the New Brunswick government in order to maintain the claims.

4. Financings, Principal Purposes and Milestones

The Company completed an Initial Public Offering of 10,000,000 units for gross proceeds of \$1,500,000. Each unit consists of one common share and one transferable purchase warrant entitling the holder to acquire one additional common share for a period of two years, at an exercise price of \$0.15. Warrants to acquire up to 2,500,000 shares of the company and a cash commission of 10% of the gross proceeds from the offering is payable to the agent. In addition, the Company has granted a greenshoe option to the Agent to sell a maximum of 15% of the common shares involved in the offering.

5. Liquidity and Solvency

Future liquidity and solvency is dependent upon further financing.