

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.		MARCH 31, 2003		2003/05/20	
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	
(S) MICHAEL C. JUDSON		MICHAEL C. JUDSON		YY MM DD 2003 05 20	
DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED	
(S) JOHN MAVRIDIS		JOHN MAVRIDIS		YY MM DD 2003 05 20	

SCHEDULE A : Interim Financial Statements

Forest Gate Resources Inc.

Interim Financial Statements

March 31, 2003

(Unaudited)

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Forest Gate Resources Inc.

Balance Sheet (Unaudited)

	March 31, 2003 \$	December 31, 2002 \$
Assets		
<i>Current assets</i>		
Cash and cash equivalents	585,253	6,709
Sundry receivables	2,734	-
Prepaid expenses	9,216	-
	597,203	6,709
Deferred financing costs	-	74,927
Mining properties and deferred exploration costs [note 3]	579,507	579,507
Leasehold improvements (net of accumulated amortization of \$548 (2002 - \$487))	426	487
	1,177,136	661,630
Liabilities		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities	149,713	237,128
Due to an affiliated company	10,873	50,873
Due to a director	-	18,055
	160,586	306,056
Shareholders' equity		
Capital stock [note 4]	1,444,733	754,075
Deficit	(428,183)	(398,501)
	1,016,550	355,574
	1,177,136	661,630

Approved on behalf of the board:

(signed) "Michael Judson" Director

(signed) "John Mavridis" Director

Forest Gate Resources Inc.

Statement of Earnings and Deficit (Unaudited)

Period ended	3 months ended March 31, 2003 \$	3 months ended March 31, 2002 \$
Revenue		
Interest	488	-
Expenses		
Management fees, salaries and levies	10,253	5,153
Professional and consulting fees	6,336	6,085
Rent	4,759	4,121
Office expenses	2,240	4,424
Taxes, licenses and registration fees	3,652	169
Telephone	365	362
Travel and business development	2,427	4,224
Bank charges and interest <i>[note 5]</i>	77	73
Amortization of leasehold improvements	61	61
	30,170	24,672
Net loss	29,682	24,672
Deficit at the beginning of period	398,501	209,476
Deficit at the end of period	428,183	234,148
Basic loss per share and diluted loss per share <i>[note 7]</i>	\$0.00351	\$0.00396

Forest Gate Resources Inc.

Statement of Cash Flows (Unaudited)

Period ended	3 months ended March 31, 2003 \$	3 months ended March 31, 2002 \$
Cash flows from (used for):		
Operating activities		
Net loss	(29,682)	(24,672)
<i>Non-cash items:</i>		
Amortization of leasehold improvements	61	61
Net changes in non-cash components of operating working capital <i>[note 5]</i>	(99,365)	(11,049)
	(128,986)	(35,660)
Financing activities		
Net proceeds from the issue of special warrants <i>[note 4]</i>	-	11,000
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	(40,000)	37,273
	707,530	48,273
Investing activities		
Mining properties and deferred exploration costs	-	(3,000)
Net increase in cash and cash equivalents	578,544	9,613
Cash and cash equivalents - beginning of period	6,709	1,423
Cash and cash equivalents - end of period	585,253	11,036
Represented by:		
Cash with bank, net of outstanding cheques in excess of cash	(14,747)	11,036
Redeemable term deposit	600,000	-
	585,253	11,036

Forest Gate Resources Inc.

Notes to the Financial Statements (Unaudited)

March 31, 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 interim financial statements of the company have been prepared by management in accordance with Canadian generally accepted accounting principles. 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.

These interim unaudited financial statements follow the same accounting policies and methods that were used in and disclosed in the most recent audited annual financial statements. These statements should be read in conjunction with the most recent audited annual financial statements.

3. Mining properties and deferred exploration costs

	Cost of claims \$	Deferred exploration costs \$	Write-off of abandoned property \$	March 31, 2003 Net \$	December 31, 2002 Net \$
Saskatchewan					
East Side	113,558	14,921	-	128,479	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	165,504	84,835	579,507	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)

March 31, 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>	March 31, 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 March 31, 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 March 31, 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, 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)

March 31, 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. The company has also granted the agent an option, exercisable within 60 days of the closing of the offering, to acquire additional units up to an amount equal to 15% of units at a price of \$0.15 per unit.

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

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

	March 31, 2003 \$	March 31, 2002 \$
(Increase) in:		
Sundry receivables	(2,734)	(1,731)
Prepaid expenses	(9,216)	(16,329)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(87,415)	7,011
	(99,365)	(11,049)

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

Forest Gate Resources Inc.

Notes to the Financial Statements (Unaudited)

March 31, 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.

FOREST GATE RESOURCES INC.
(the “Company”)

SCHEDULE B : *Supplementary information*

1. Analysis of expenses and deferred costs.

Refer to Financial Statements of March 31, 2003.

2. List of Directors of the Corporation

Michael C. Judson
John Mavridis
André Fortier
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, 2003

The 704,090 Share Purchase Warrants have been exchanged for 704,090 units. Each unit is comprised of one common share and one transferable purchase warrant entitling the holder to acquire one additional common share at a price of \$0.15 per share for a period of two years from the date of issuance.

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 March 31, 2003

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

The Company has \$ (149,713) of accounts payable as at March 31, 2003. Cash and receivables stood at \$ 2,734. 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.