

**Form 51-901F
Quarterly Report**

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

ISSUER DETAILS:

NAME OF ISSUER: Bitterroot Resources Ltd.

ISSUER ADDRESS: 218-470 Granville Street, Vancouver, BC, V6C 1V5

CONTACT NAME: Michael S. Carr

CONTACT POSITION: President and Director

CONTACT TELEPHONE NUMBER: 604 922 1351

CONTACT EMAIL ADDRESS: info@bitterrootresources.com

WEB SITE ADDRESS: www.bitterrootresources.com

FOR THE QUARTER ENDED: April 30, 2004

DATE OF REPORT: June 29, 2004

CERTIFICATE

THE SCHEDULES REQUIRED TO COMPLETE THIS REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT.

NAME OF DIRECTOR	SIGN (TYPED)	DATE SIGNED (YY/MM/DD)
Michael S. Carr	<i>"Michael S. Carr"</i>	2004/06/29

George W. Sanders	<i>"George W. Sanders"</i>	2004/06/29
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BITTERROOT RESOURCES LTD.

**UNAUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

APRIL 30, 2004



NEMETH THODY ANDERSON

Chartered Accountants

NOTICE TO READER

We have compiled the balance sheet of Bitterroot Resources Ltd. as at April 30, 2004, and the statements of operations and deficit, and changes in cash flow for the six month period then ended from information provided by management. We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Nemeth Thody Anderson

Chartered Accountants
Vancouver, B.C.
June 16, 2004

BITTERROOT RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED – SEE NOTICE TO READER)

	April 30 2004	October 31 2003
	\$	\$
ASSETS		
Current Assets		
Cash	663,946	88,044
Accounts receivable	14,656	4,040
Prepaid expenses	1,271	1,271
	<hr/>	<hr/>
	679,873	93,355
Reclamation Deposit	5,804	5,804
Resource Properties (Note 2)	3,318,466	2,706,577
Property, Plant And Equipment	1,661	1,902
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	4,005,804	2,807,638
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LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 5(b))	5,500	9,566
Future Income Taxes (Note 4)	249,340	-
	<hr/>	<hr/>
	254,840	9,566
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SHAREHOLDERS' EQUITY		
Share Capital (Note 3)	7,007,052	6,077,229
Stock Options	344,543	66,884
Deficit	(3,600,631)	(3,346,041)
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	3,750,964	2,798,072
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	4,005,804	2,807,638
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APPROVED BY THE DIRECTORS

(Signed) Michael S. Carr
Michael S. Carr, Director

(Signed) George W. Sanders
George W. Sanders, Director

Refer to accompanying notes.

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(UNAUDITED – SEE NOTICE TO READER)

	Three Month Period Ended April 30 2004	Three Month Period Ended April 30 2003	Six Month Period Ended April 30 2004	Six Month Period Ended April 30 2003
	\$	\$	\$	\$
Revenue				
Interest income	2,516	-	3,746	-
Expenses				
Amortization	121	145	241	291
Foreign exchange loss	236	174	477	226
Interest and bank charges	181	173	635	530
Management fees	12,000	12,000	24,000	24,000
Office, printing and travel	9,048	11,133	21,030	15,086
Professional fees	12,929	8,313	16,545	16,868
Regulatory fees	5,964	5,591	14,704	5,791
Stock-based compensation	-	-	177,702	-
Transfer agent fees	1,004	3,830	3,002	4,468
	41,483	41,359	258,336	67,260
Loss Before Undernoted Item	(38,967)	(41,359)	(254,590)	(67,260)
Write-off of resource property	-	(182,322)	-	(182,322)
Net Loss For The Period	(38,967)	(223,681)	(254,590)	(249,582)
Deficit, Beginning Of Period	(3,561,664)	(3,014,274)	(3,346,041)	(2,988,373)
Deficit, End Of Period	(3,600,631)	(3,237,955)	(3,600,631)	(3,237,955)
Basic And Diluted Loss Per Share	(0.002)	(0.012)	(0.010)	(0.012)
Weighted Average Number Of Shares Outstanding	25,392,144	18,563,350	25,204,304	18,535,140

Refer to accompanying notes.

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED – SEE NOTICE TO READER)

	Three Month Period Ended April 30 2004	Three Month Period Ended April 30 2003	Six Month Period Ended April 30 2004	Six Month Period Ended April 30 2003
	\$	\$	\$	\$
Operating Activities				
Net loss for the period	(38,967)	(223,681)	(254,590)	(249,582)
Items not involving cash				
Amortization	121	145	241	291
Non-cash stock-based compensation	-	-	277,659	-
	(38,846)	(223,536)	23,310	(249,291)
Cash applied to changes in non-cash working capital items				
Accounts receivable	(6,113)	(2,161)	(10,616)	1,225
Accounts payable	(5,817)	15,635	(4,066)	28,328
	(11,930)	13,474	(14,682)	29,553
	(50,776)	(210,062)	8,628	(219,738)
Financing Activities				
Share issuance, net	40,500	40,300	1,179,163	58,300
Loan payable	-	(3,362)	-	-
	40,500	36,938	1,179,163	58,300
Investing Activities				
Purchase of property, plant and equipment	-	-	-	(343)
Resource properties	(153,046)	(3,048)	(611,889)	(9,190)
Write-off resource properties	-	182,322	-	182,322
	(153,046)	179,274	(611,889)	172,789
Decrease During the Period	(163,322)	6,150	575,902	11,351
Cash, beginning of period	827,268	6,397	88,044	1,196
Cash, End Of Period	663,946	12,547	663,946	12,547

Refer to accompanying notes.

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED APRIL 30, 2004
(UNAUDITED – SEE NOTICE TO READER)

1. Basis Of Presentation

These interim financial statements have been prepared using the same accounting policies as used in the financial statements for the year ended October 31, 2003 and should be read in conjunction with the audited annual financial statements.

2. Resource Properties

The current period's expenditures consist of:

	Mistassini Quebec, Canada	GK Project B.C., Canada	Michigan Lands Michigan, USA	Total
	\$	\$	\$	\$
Balance – October 31, 2003	98,009	15,495	2,593,073	2,706,577
Deferred costs during the period				
Consulting and professional	6,001	12,989	19,782	38,772
Field supplies	1,954	3,608	-	5,562
Geochemistry	-	4,235	520	4,755
Geophysics	175,455	-	199,780	375,235
Ground transportation	-	9,533	-	9,533
Leases, permits and claims	69,704	24,805	7,898	102,407
Other	14	-	1,905	1,919
Recovery of costs	-	-	(32,272)	(32,272)
Room and board	-	6,020	-	6,020
Stock-based compensation	49,979	49,979	-	99,958
	303,107	111,169	197,613	611,889
Balance – April 30, 2004	401,116	126,664	2,790,686	3,318,466

3. Share Capital

(a) Authorized

The authorized share capital consists of 100,000,000 common shares without par value.

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
PAGE TWO

3. Share Capital (Cont'd)

(b) Issued

	Number Of Shares	Value \$
Balance - October 31, 2003	22,274,811	6,077,229
Issued for cash pursuant to private placement	2,468,750	1,056,000
Exercise of warrants	200,000	20,000
Exercise of options	624,000	66,400
Financing and share issuance costs	98,750	36,763
Flow-through share issuance costs	-	(249,340)
Balance – April 30, 2004	25,666,311	7,007,052

(c) Common Shares Reserved

At April 30, 2004, the Company had reserved a total of 1,896,032 common shares related to director and employee stock options:

Number Of Options	Exercise Price \$	Expiry Date
311,032	0.10	January 10, 2005
500,000	0.10	July 8, 2006
100,000	0.10	February 5, 2007
215,000	0.10	September 9, 2007
270,000	0.15	September 20, 2008
500,000	0.61	January 29, 2009

The weighted average grant-date fair value of options granted during the 365 day period ended January 29, 2004, was \$0.56 per option. Total compensation expense recognized for stock options granted during the period ended January 31, 2004 was \$277,659. Stock-based compensation of \$99,957 was recognized for the 180,000 options granted to consultants and \$177,702 was recognized for the 320,000 options granted to directors of the Company. The following assumptions were used for the Black Scholes Option Pricing Model:

	\$
Volatility percentage	148%
Risk-free interest rate	3.63%
Dividend yield	-
Expected life of options	5 years

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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3. Share Capital (Cont'd)

(d) Warrants

The following share purchase warrants were outstanding at April 30, 2004:

<u>Number Of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
	\$	
1,000,000	0.30	October 23, 2005
1,000,000	0.60	December 5, 2004
1,000,000	0.60	December 5, 2004
	then at 0.70	December 5, 2005
234,375	0.80	December 22, 2004

4. Income Taxes

Income tax expense attributable to income from operations was \$Nil for the period ended April 30, 2004 (2003 - \$Nil).

The tax effects of temporary differences that give rise to significant portions of the future tax assets at April 30, 2004, are presented below:

	<u>2004</u>
	\$
Future Tax Assets	
Net operating loss carry-forwards	328,596
Mineral properties	59,979
Capital loss carry-forwards	43,709
Property, plant and equipment	3,732
Valuation allowance	<u>(436,016)</u>
Net Future Tax Assets	<u>-</u>
Future Tax Liability	
Flow-through share issuance costs	<u>249,340</u>
Net Future Tax Liability	<u>249,340</u>

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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4. Income Taxes (Cont'd)

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the years in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. In order to fully realize the future tax asset, the Company will need to generate future taxable income of approximately \$1,200,000 prior to the expiration of the net operating loss carry-forwards starting in 2004. Taxable income for the six month period ended April 2004 was \$Nil. Based upon the level of historical taxable income and projections for future taxable income over the years which the future tax assets are deductible, management has provided a full valuation allowance for the future tax assets.

5. Related Party Transactions

The following is a summary of related party transactions and balances for the three month period ended April 30, 2004:

- (a) Management fees of \$24,000 (2003 - \$24,000) were incurred with a company controlled by a director in common with the Company.
- (b) Accounts payable at April 30, 2004, includes \$Nil (2003 - \$62,654) due to a company controlled by a director in common with the Company.

6. Subsequent Events

- (a) On May 25, 2004, the company granted incentive stock options to acquire 670,000 common shares at \$0.53 per share, expiring May 24, 2009.
- (b) On June 10, 2004, the company announced a private placement of 897,500 units at \$0.40 per unit, consisting of one common share and one non-transferable common share purchase warrant entitling the holder to purchase an additional common share at \$0.60 for a period of one year.

On June 10, 2004, the company announced a private placement of 1,227,500 flow-through units at \$0.40 per unit, consisting of one flow-through common share and one non-transferable common share purchase warrant entitling the holder to purchase an additional common share at \$0.60 for a period of one year.

A finder's fee of 7% plus 181,500 warrants will be paid on 907,500 units and 35,000 warrants will be paid on 500,000 in relation to these private placements.