

**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: mscarr@telus.net

WEB SITE ADDRESS: N/A

FOR THE QUARTER ENDED: July 31, 2002

DATE OF REPORT: September 10, 2002

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	<i>SIGN (TYPED)</i>	DATE SIGNED (YY/MM/DD)
Michael S. Carr	<i>“Michael S. Carr”</i>	2002/09/10

George W. Sanders	<i>“George W. Sanders”</i>	2002/09/10
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BITTERROOT RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2002
(Prepared By Management)

BITTERROOT RESOURCES LTD.
CONSOLIDATED BALANCE SHEET
(UNAUDITED – PREPARED BY MANAGEMENT)

	July 31 2002	October 31 2001
	\$	\$
ASSETS		
Current Assets		
Cash	44,558	-
Accounts receivable	3,265	3,897
	<u>47,823</u>	<u>3,897</u>
Reclamation Deposit	5,804	5,804
Resource Properties (Note 2)	2,835,339	2,755,271
Capital Assets	1,882	2,293
	<u>2,890,848</u>	<u>2,767,265</u>

LIABILITIES

Current Liabilities		
Bank advances	-	1
Accounts payable and accrued liabilities	41,947	68,853
Loan payable (Note 4)	64,211	12,299
	<u>106,158</u>	<u>81,153</u>

SHAREHOLDERS' DEFICIENCY

Share Capital (Note 3)	5,751,606	5,569,606
Deficit	<u>(2,966,916)</u>	<u>(2,883,494)</u>
	<u>2,784,690</u>	<u>2,686,112</u>
	<u>2,890,848</u>	<u>2,767,265</u>

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 STATEMENT OF OPERATIONS
(UNAUDITED – PREPARED BY MANAGEMENT)

	Three Month Period Ended July 31 2002	Three Month Period Ended July 31 2001	Nine Month Period Ended July 31 2002	Nine Month Period Ended July 31 2001
	\$	\$	\$	\$
Revenue				
Interest income	-	26	-	345
Expenses				
Amortization	137	184	412	551
Foreign exchange (gain) loss	(1,030)	24	(307)	506
Interest and bank charges	384	517	766	3,168
Management fees	12,000	12,000	36,000	36,000
Office, printing and travel	4,276	883	21,663	14,264
Professional fees	3,074	5,240	13,679	23,978
Regulatory fees	500	535	6,923	5,350
Transfer agent fees	645	838	4,286	3,836
	19,986	20,221	83,422	87,653
Net Loss For The Period	(19,986)	(20,195)	(83,422)	(87,308)

Refer to accompanying notes.

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENT OF DEFICIT
(UNAUDITED – PREPARED BY MANAGEMENT)

NINE MONTH PERIOD ENDED JULY 31	2002	2001
	\$	\$
Deficit, Beginning Of Period	(2,883,494)	(2,772,220)
Net loss for the period	<u>(83,422)</u>	<u>(87,308)</u>
Deficit, End Of Period	<u>(2,966,916)</u>	<u>(2,859,528)</u>
Loss Per Share	<u>(0.004)</u>	<u>(0.005)</u>
Weighted Average Number Of Shares	<u>18,878,865</u>	<u>17,484,509</u>

Refer to accompanying notes.

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENT OF CASH FLOW
(UNAUDITED – PREPARED BY MANAGEMENT)

	Three Month Period Ended July 31 2002	Three Month Period Ended July 31 2001	Nine Month Period Ended July 31 2002	Nine Month Period Ended July 31 2001
	\$	\$	\$	\$
Operating Activities				
Net loss for the period	(19,986)	(20,195)	(83,422)	(87,308)
Item not involving cash				
Amortization	137	184	412	551
	(19,849)	(20,011)	(83,010)	(86,757)
Cash applied to changes in non-cash working capital items				
Accounts receivable	(832)	(28,153)	631	(2,607)
Prepaid expenses	-	204	-	(102)
Accounts payable	(6,573)	2,363	(26,906)	4,362
	(7,405)	(25,586)	(26,275)	1,653
	(27,254)	(45,597)	(109,285)	(85,104)
Financing Activities				
Share issuance	-	-	182,000	171,008
Loan payable	64,211	280	51,912	(14,429)
	64,211	280	233,912	156,579
Investing Activities				
Reimbursement of reclamation deposit	-	2,002	-	17,577
Resource properties	(33,690)	11,425	(80,068)	(112,016)
	(33,690)	13,427	(80,068)	(94,439)
Increase During The Period	3,267	(31,890)	44,559	(22,964)
Cash, beginning of period	41,291	2,328	(1)	(6,598)
Cash, End Of Period	44,558	(29,562)	44,558	(29,562)

Refer to accompanying notes.

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED JULY 31, 2002
(UNAUDITED – PREPARED BY MANAGEMENT)

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, 2001 and should be read in conjunction with the audited annual financial statements.

2. Resource Properties

The current period's expenditures consist of:

JULY 31	2002	2001
	\$	\$
Canada		
Nipigon Project		
Consulting and professional	800	21,648
Drilling	-	63,328
Geochemistry	1,428	-
Geophysics	2,000	12,096
Land acquisition	1,113	16,096
Other	157	1,428
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	5,498	114,596
 Mistassini Project		
Aircraft charter	9,346	-
Consulting and professional	5,937	-
Field supplies	6,530	-
Land acquisition	29,323	-
Other	1,858	-
Travel and freight	8,380	-
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	61,374	-
<i>Balance Forward To Next Page</i>	<hr/>	<hr/>
	66,872	114,596

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
PAGE TWO

2. Resource Properties (Cont'd)

July 31	2002	2001
	\$	\$
<i>Balance Forward From Previous Page</i>	66,872	114,596
U.S.A.		
Michigan Lands		
Consulting and professional	4,931	22,613
Leases and permits	11,511	11,840
Other	1,683	2,567
	<u>18,125</u>	<u>37,020</u>
Less: Exploration service reimbursement	(4,929)	(8,950)
Option payment	<u>-</u>	<u>(30,650)</u>
	<u>13,196</u>	<u>(2,580)</u>
Increase During The Period	80,068	112,016
Resource Properties, beginning of period	<u>2,755,271</u>	<u>2,647,663</u>
Resource Properties, End of Period	<u>2,835,339</u>	<u>2,759,679</u>

3. Share Capital

(a) Authorized

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

(b) Issued

	Number Of Shares	Value \$
Balance - October 31, 2001	18,094,811	5,569,606
Issuance of shares during the period	<u>1,820,000</u>	<u>182,000</u>
Balance - July 31, 2002	<u>19,914,811</u>	<u>5,751,606</u>

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

(c) Common Shares Reserved

At July 31, 2002, the Company had reserved a total of 1,756,032 common shares related to director and employee stock options:

<u>Number Of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
	\$	
25,000	0.15	September 18, 2002
661,032	0.10	January 10, 2005
920,000	0.10	July 8, 2006
150,000	0.10	February 5, 2007

On February 15, 2002, the company granted 150,000 options exercisable at \$0.10, expiring February 5, 2007 to M.S. Carr & Associates Ltd. (100,000) and two consultants at 25,000 each.

(d) Warrants

The following share purchase warrants were outstanding at July 31, 2002:

<u>Number Of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
	\$	
180,000	0.10	January 7, 2003

(d) Warrants

On November 26, 2001, 340,000 warrants were exercised and the company issued 340,000 common shares at \$0.10 per share, netting the company \$34,000.

On February 7, 2002, 1,480,000 warrants were exercised and the company issued 1,480,000 common shares at \$0.10 per share, netting the company \$148,000.

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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4. Related Party Transactions

The following is a summary of related party transactions and balances for the period ended July 31, 2002:

- (a) Management and geological fees of \$36,000 (2001 - \$36,000) were incurred with a company controlled by a director in common with the Company.
- (b) Accounts payable at July 31, 2002 includes \$29,960 (2001 - \$27,159) due to a company controlled by a director in common with the Company.
- (c) The 340,000 warrants exercised on November 26, 2001, were exercised by a director of the company.
- (d) The 1,480,000 warrants exercised on February 7, 2002, were exercised by a director of the company.
- (e) On February 15, 2002, 100,000 options were granted to a company controlled by a director in common with the company.
- (f) The loan payable bears simple interest at 10% per year and is payable to a company controlled by a director in common with the company.

5. Subsequent Events

- (a) On September 5, 2002, David M. Hall resigned as director of the company and George W. Sanders became a director of the company.
- (b) On September 5, 2002, the company granted a director 299,000 options exercisable at \$0.10 per share, subject to approval by the TSX Venture Exchange.
- (c) On September 9, 2002, the company received approval by the TSX Venture Exchange to issue 640,000 units priced at \$0.10 per unit in a non-brokered private placement. Each unit will consist of one common share and one non-transferable common share purchase warrant entitling the holder to acquire one common share of the company at \$0.10 per share, expiring September 9, 2004.