

FORM 51-901F

QUARTERLY REPORT

Incorporated as part of Schedules A,B & C

<b>ISSUER DETAILS:</b>	
<b>Name of Issuer</b>	<b>BRETT RESOURCES INC.</b>
<b>Issuer's Address</b>	Suite 900, 475 Howe Street Vancouver, B.C., V6C 2B3
<b>Issuer Telephone Number</b>	(604) 488-0008
<b>Issuer Web Site</b>	www.brettresources.com
<b>Contact Person</b>	Robert A. Evans
<b>Contact's Position</b>	Secretary
<b>Contact Telephone Number</b>	(604) 488-0008
<b>For Quarter Ended</b>	May 31, 2004
<b>Date of Report</b>	July 21, 2004
<b><i>CERTIFICATE</i></b>	
<i>The three 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.</i>	
<i>"Lawrence J. Nagy"</i>	<i>2004/07/21</i>
<b>Name of Director</b>	<b>Date Signed</b>
<i>"Ronald K. Netolitzky"</i>	<i>2004/07/21</i>
<b>Name of Director</b>	<b>Date Signed</b>

**SCHEDULE "A"**  
**Quarterly Report**

**BRETT RESOURCES INC.**  
**CONSOLIDATED BALANCE SHEET**  
**Unaudited**

	<b>May 31, 2004</b>	<b>August 31, 2003</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 729,455	\$ 339,982
Accounts receivable	28,519	548
Prepaid expenses	1,000	1,000
	758,974	341,530
Office Equipment	4,936	-
Investment in mineral properties	1,413,766	1,117,647
	\$ 2,177,676	\$ 1,459,177
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 37,734	\$ 76,192
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	10,594,910	9,556,434
Contributed Surplus	16,910	16,910
Deficit	(8,471,878)	(8,190,359)
	2,139,942	1,382,985
	\$ 2,177,676	\$ 1,459,177

**APPROVED BY THE DIRECTORS:**

*"Lawrence J. Nagy" (signed)*

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Lawrence J. Nagy, Director

*"Ronald K. Netolitzky" (signed)*

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Ronald K. Netolitzky, Director

These financial statements have been prepared by management and have not been reviewed by the Company's auditors.

**BRETT RESOURCES INC.**  
**CONSOLIDATED STATEMENT OF LOSS AND DEFICIT**

**Unaudited**

	<b>Three Months Ended May 31,</b>		<b>Nine Months Ended May 31,</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b>INTEREST AND OTHER INCOME</b>	\$ 3,434	\$ 740	\$ 5,208	\$ 933
<b>ADMINISTRATIVE EXPENSES</b>				
Promotion and shareholder costs	4,702	2,165	22,454	15,781
Professional fees	64,150	4,361	132,396	42,882
Listing and transfer agent fees	1,102	7,762	12,666	17,524
Management fees	7,500	10,500	22,500	22,500
Rent and office costs	10,950	7,308	16,357	18,235
Depreciation	400	-	400	-
Property evaluation	50,962	450	79,954	7,650
	139,766	32,546	286,727	124,572
<b>Loss for Period</b>	136,332	31,806	281,519	123,639
<b>Deficit, beginning of period</b>	8,335,546	8,109,158	8,190,359	8,017,325
<b>Deficit, end of period</b>	\$ 8,471,878	\$ 8,140,964	8,471,878	\$ 8,140,964
<b>Loss per share</b>	\$0.01	\$0.00	\$0.01	\$0.01

**BRETT RESOURCES INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN CASH**

	<b>Unaudited</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>May 31,</b>		<b>May 31,</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b>OPERATING ACTIVITIES</b>				
Gain (loss) for the period	\$ (136,332)	\$ (31,806)	\$ (281,519)	\$ (123,639)
Add items not involving cash				
Depreciation	400	-	400	-
Cash provided by changes in non-cash working capital	(63,143)	(11,387)	(66,429)	77,508
Cash provided by (used in) operating activities	(199,075)	(43,193)	(347,548)	(46,131)
<b>FINANCING ACTIVITIES</b>				
Issue share capital	-	500,000	993,476	500,000
Cash provided by financing activities	-	500,000	993,476	500,000
<b>INVESTING ACTIVITIES</b>				
Office equipment	-	-	(5336)	-
Deferred exploration expenditures, net of recoveries	(83,980)	(111,224)	(251,119)	(135,826)
Cash used in investing activities	(83,980)	(111,224)	(256,455)	(135,826)
<b>Increase (Decrease) in cash position</b>	<b>(283,055)</b>	<b>345,583</b>	<b>389,473</b>	<b>318,043</b>
<b>Cash, beginning of period</b>	<b>1,012,510</b>	<b>33,009</b>	<b>339,982</b>	<b>60,549</b>
<b>Cash, end of period</b>	<b>\$ 729,455</b>	<b>\$ 378,592</b>	<b>\$ 729,455</b>	<b>\$ 378,592</b>
<b>Non-Cash Items</b>				
Issue shares for property payment	--	--	\$ 4,500	\$ 4,500
Issue of units to agent on private placement	--	--	11,250	--

**BRETT RESOURCES INC.**  
**Notes to Consolidated Financial Statements**  
Unaudited

**1. INCORPORATION AND NATURE OF OPERATIONS**

The Company was incorporated under the Company Act of British Columbia on September 11, 1986. The Company's principal business activity is the exploration for and development of natural resource properties.

**2. GOING CONCERN**

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles on a going concern basis. This presumes funds will be available to finance on-going development, operations and capital expenditures and the realization of assets and the payment of liabilities in the normal course of operations for the foreseeable future.

The Company has minimal capital resources presently available to meet obligations which normally can be expected to be incurred by similar companies and has an accumulated deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern which is dependent on its ability to obtain and maintain an appropriate level of financing on a timely basis and to achieve sufficient cash flows to cover obligations and expenses. Management is continuously working to obtain financing. The outcome of these matters cannot be predicted. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and accordingly do not include all disclosure required for annual financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered for a fair presentation have been included. Operating results for the nine months ended May 31, 2004 are not necessarily indicative of the result that may be expected for the full year ending August 31, 2004

These statements should be read in conjunction with the August 31, 2003 annual financial statements, including the accounting policies and notes thereto, included in the Annual Report for the year ended August 31, 2003. These financial statements reflect the same significant accounting policies as those described in the notes to the audited financial statements of Brett Resources Inc. for the year ended August 31, 2003.

Effective December 1, 2003, the Company adopted, on a prospective basis, the fair value based method of accounting for stock option awards granted to employees and directors, as prescribed by CICA 3870 stock-based compensation and other stock-based payments. Under this method, the fair value of the stock options at the date of grant is amortized over the vesting period, with the offsetting credit to contributed surplus. If the stock options are exercised; the proceeds are credited to share capital.

**4. REALIZATION OF ASSETS**

The Company's investment in mineral properties comprises a significant portion of the Company's assets. Realization of the Company's investment in these properties is dependent on establishing legal ownership of the properties, and on the attainment of successful commercial production or from the proceeds of their disposal.

**BRETT RESOURCES INC.**

**QUARTERLY REPORT – May 31, 2004**

**1. ANALYSIS OF EXPENSES AND DEFERRED COSTS**

**Expenses**

The breakdown is provided on the income statement.

**Deferred Costs**

Personnel	\$81,872
Field	78,748
Analysis	25,031
Land	<u>110,468</u>
	<u>\$296,119</u>

**2. RELATED PARTY TRANSACTIONS**

Management and geological fees to Carl Hering	\$68,214
Accounting and administration fees to Robert Evans	10,200
Geological Fees to Larry Nagy	2,500
Geological Fees to Paul Dirksen	54,541

**3. SUMMARY OF SECURITIES ISSUED AND OPTIONS GRANTED DURING THE QUARTER**

**Securities Issued**

None

**Options Granted**

None

**4. SUMMARY OF SECURITIES AS AT END OF REPORTING PERIOD**

**Authorized Capital**

100,000,000 common shares without par value.

**Shares Issued**

18,561,475 at a recorded value of \$10,594,910

**Outstanding Options**

699,998 options exercisable at \$0.30 to June 11, 2007  
467,002 options exercisable at \$0.20 to June 16, 2008

**Outstanding Warrants**

2,475,000 common share purchase warrants exercisable in the first year at \$0.25 to April 22, 2004 or, if exercised in the second year, at \$0.30 to April 22, 2005.  
3,344,999 common shares purchase warrants exercisable at \$0.40 to January 13, 2005  
75,000 agents warrants exercisable at \$0.40 to January 13, 2005  
37,500 agents warrants exercisable at \$0.40 to January 13, 2005

**Shares in Escrow**

None.

**5. LIST OF DIRECTORS & OFFICERS**

**Directors**

John Anderson, *Vancouver, BC*  
Lawrence J. Nagy, *Vancouver, B.C.*  
Ronald K. Netolitzky, *Victoria, B.C.*  
Carl W. Hering, *Denver, Colorado*  
Paul Dircksen, *Coeur de' Alene, Idaho*

**Officers**

Carl W. Hering, Chairman of the Board & CEO  
Paul Dircksen, President & COO  
Robert A. Evans, Secretary/Treasurer

**BRETT RESOURCES INC.**

**QUARTERLY REPORT – MAY 31, 2004**

**1. DESCRIPTION OF BUSINESS**

Brett Resources Inc. is in the mineral exploration business. To date, the Company's major activity has been identifying gold and silver properties for joint venture by conducting early stage exploration programs. The Company's main properties are in Central and South America. Brett and its wholly owned subsidiary, Gridiron Exploration Ltd., conduct their activities through local subsidiary companies.

(a) El Salvador

Santa Clara/Gaspar: The Company held 100% of two exploration licenses on this gold project located in Eastern El Salvador. On August 1, 2002, the Company entered into a joint venture on the project with Pacific Rim Mining Corp. ("Pacific Rim). Under the JV with Pacific Rim, the existing two licenses were terminated, and two new licenses (totalling 82 square kilometres) were granted to the joint venture operator under the new mining laws of El Salvador. Pacific Rim did not meet their obligations to vest in the joint venture, and have terminated the agreement. Accordingly, they are in the process of returning the two new licenses to the Company.

Santa Clara is a high-grade gold vein occurrence that projects over 2 km along strike towards Gaspar, a high level zone of silicified volcanic rocks. Surface sampling of the Santa Clara vein returned 24.7 g/t Au over 2.3 m true width. In 1998, Brett drilled five core holes on the vein, with the best results returning 3.55 m (2.5 m true width) of 11.8 g/t Au and 94 g/t Ag, including 0.95 m of 26.5 g/t Au and 147 g/t Ag. No further drilling has been conducted. The Company is presently actively soliciting new joint venture interest in the Project, and several companies are currently reviewing the opportunity.

El Potosi: The Company holds 100% of the rights to the 48 square kilometre El Potosi area, located 90 km east of the capital city of San Salvador. El Potosi is a high grade vein district with past gold production.

On August 24, 2002, the Company entered into a purchase option agreement with Tournigan Gold Corporation ("Tournigan") whereby Tournigan was granted an option to acquire a 100% interest in the El Potosi concession by making payments as follows:

- (i) US \$25,000 within 30 days of signing the agreement (received);
- (ii) US \$25,000 on the first anniversary (received);
- (iii) US \$50,000 on the second anniversary;
- (iv) US \$100,000 on the third anniversary and;
- (v) US \$1,250,000 on the fourth anniversary.

Tournigan can delay payment of the final US \$1,250,000 payment until the fifth anniversary of the agreement by paying the Company US \$150,000 on the fourth anniversary date. The Company will retain a 1% net smelter royalty on production of gold and silver in excess of 200,000 ounces.

Tournigan assigned their rights in El Potosi (with Brett's agreement) to Condor Securities Ltd., a private Australian company. Condor's 2003 exploration program consisted of over 20 km of

line-cutting, geologic mapping, trenching and sampling, with 200 samples submitted for analysis. The analytical results (Inspectorate Lab, Reno, Nevada) reveal strong gold mineralization (14% of samples assayed >5g/t Au). The maximum value of all samples assayed was 46.4 g/t Au. Condor is currently conducting further surface exploration work on the property. A proposed drilling program for 2004 has been proposed, but has not yet been initiated.

Pedernal: In June 2001, the Company was granted an exploration license covering 50 square kilometres for the Horcones-Cerro Pedernal area, located in western El Salvador. The license covers a large area of silification and in addition, covers a potential limestone resource.

On August 24, 2002, the Company entered into an agreement with Tournigan whereby Tournigan has an option to acquire a 60% interest in the Pedernal project by expending a minimum of US \$500,000 on the project over a four year period as follows:

Year 1 (done)	\$35,000
Year 2	90,000
Year 3	125,000
Year 4	250,000
TOTAL	\$500,000

If Tournigan earns its 60% interest, a joint venture will be formed whereby Tournigan is the operator and all further expenditures will be pro-rated between Tournigan and the Company.

The Company granted an extension to Tournigan for the Year 1 work obligation until November 30, 2003. Tournigan conducted extensive mapping and geochemical sampling (371 samples) on the project last fall. Reconnaissance geologic and geochemical work identified a sequence of silica-flooded sandstone and felsic volcanic rock containing elevated trace element values, however no areas of significant gold or silver values were located. Tournigan has now assigned their rights in this joint venture to Condor, who is evaluating the existing data prior to contemplating a 2004 program.

(b) Argentina

La Frontera: The Company holds an option to acquire a 100% interest in the La Frontera Property in Argentina by paying to Mansfield Minerals, Inc. ("Mansfield") US \$550,000, incurring cumulative expenditures of US \$1,500,000 on the property and issuing 200,000 common shares to Mansfield as follows:

	Cash (US)	Shares	Expenditures (US)
Execution of agreement (done)	\$0	50,000	\$0
6 months (done)	25,000	0	0
Year 1 (done)	0	50,000	50,000
Year 2	50,000	50,000	150,000
Year 3	75,000	50,000	300,000
Year 4	150,000	0	500,000
Year 5	250,000	0	500,000

In 2003, the Company completed detailed geologic mapping, rock chip sampling and a ground geophysical survey. Rock outcrops containing significant silver and gold mineralization occur as small windows in the predominantly scree/talus covered, central portion of the property. Silver values range from low values up to 5,640 g/t Ag (165 opt), with gold grades typically less than a gram to a maximum value of 8.32 g/t Au. All surface rock samples collected by Brett to date on the property average 261 g/t Ag. The Company is currently seeking necessary permits, to complete an initial drill test of the property, in September, 2004.

(c) Honduras

The Company signed a letter of intent with Tierra Colorada on October 20, 2003, giving the Company the option to acquire an interest in seven different exploration projects in Honduras.

The agreement with Tierra Colorada calls for a US \$25,000 payment and the issuance of 100,000 shares of the Company upon Exchange approval (done). The company is further committed to US \$50,000 of exploration work done over the following six months, with an additional US \$25,000 payment (delayed) and 100,000 shares (done) due on the 6 month anniversary following approval, May 24, 2004. On or before January 1, 2005, the Company will select specific project areas to pursue and make a US \$10,000 payment for each such project area. Over the following four years the Company will at its option, make additional payments of US \$100,000 for each project area it wishes to retain. On January 1, 2005, and over the following four year period, the Company will also issue a total of 500,000 shares as long as the Company maintains its right to earn an interest in one or more project areas.

If the Company completes the scheduled payments for each project area and issues the 500,000 shares, it will have earned 100% in the selected project areas, subject to a 2% net smelter royalty. The Company would be required to make annual advance minimum royalty payments of US \$50,000 beginning on January 1, 2010 and increasing to US \$100,000 on January 15, 2015. The Company would have the right to buy down the above royalty to 1% by making a US \$2,000,000 payment on or before January 1, 2010.

Currently, only about one half of the important concession applications have been approved because the concession approval process in Honduras is temporarily on hold. We plan no additional work until this situation is resolved, and have entered into a force majeure with Tierra Colorada to delay obligations.

(d) Nicaragua

Sabalos: The Company is soliciting rights for the 170 square kilometre Cerro Ventura II concession area, located near the border with Costa Rica. The application area covers the historic Sabalos mining district which lies on trend from the Cerro Crucitas discovery in Costa Rica. The Company plans to conduct further exploration work on the concession pending approval of the license, however approval has not been forthcoming.

Waulasa: The Company has also applied for a concession covering 327 square kilometres in north-eastern Nicaragua. Waulasa, covers several historic gold producing areas with both high grade vein potential and disseminated mineralization. No work has been conducted by the Company to date other than reviewing available historic data. Approval of this license appears unlikely at the moment.

Currently, Brett is focusing primarily on evaluation of several new and potentially significant property acquisition opportunities in Peru and elsewhere. This activity is considered to be a strategic and opportunistic approach, while we wait on approvals mentioned above.

**INVESTMENT IN MINERAL PROPERTIES**

	El Salvador	Argentina	Honduras	Nicaragua	Total
Balance,					
August 31, 2003	\$927,836	\$130,040	\$-	\$59,771	\$1,117,647
Additions	-	85,736	183,642	26,741	296,119
May 31, 2004	\$927,836	\$215,776	\$183,642	\$86,512	\$1,413,766

**2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION**

Brett's general and administrative costs for the three months ended May 31, 2004, were \$139,766. The largest component of this was professional fees of \$64,510. This includes \$14,978 paid to Carl Hering, CEO, for geological fees and \$41,087 paid to Paul Dircksen, President, for geological fees. Management fees of \$7,500 were paid to Carl Hering. Property evaluation costs of \$50,962 were mainly geological time not attributed to a particular property. This cost was higher than it has been as the Company was looking at potential property acquisitions. Overall the loss for the quarter was \$136,332 or \$0.01 per share.

The Company spent \$83,980 in the period on mineral properties, the bulk of which (\$53,060) was spent on the La Frontera property. There were no significant acquisitions or dispositions of property in the period.

Transactions with related parties are as follows:

- Carl Hering, Chairman of the Board & CEO, \$2,500 per month for management fees and US\$400 per day for geological consulting
- Paul Dircksen, President & COO, for geological fees, US \$10,000 per month
- a company controlled by Robert Evans, \$375 per day

Amounts paid under these arrangements for the year to date are shown in Schedule B.

Brett pays office rent to a company related by a common officer. This is paid at the rate of \$1,000 per month and includes rental for office space together with administrative personnel. Amounts paid for the year to date are shown on the income statement.

The Company does not have any material contracts or commitments.

The Company does not have any investor relations contracts, Carl Hering and Lawrence Nagy; Directors of Brett are available to answer shareholder inquiries.

The Company is not involved in any legal proceedings, it has no contingent liabilities, nor does it have any debt obligations. There have been no management changes in the period or special resolutions passed by shareholders. There are no pending regulatory approvals nor is the Company in breach of any corporate or securities laws.

**3. SUBSEQUENT ACTIVITIES**

The Company issued 100,000 shares pursuant to the Honduras agreement.

**4. FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES**

Brett's funds on hand are not committed to any specific project.

**5. LIQUIDITY AND SOLVENCY**

At May 31, 2004, Brett had a working capital of \$721,240. The Company's general and administrative costs net of its small interest income are approximately \$30,000 per month. The Company does not presently have sufficient funds to meet all of the payments necessary to complete the acquisition of all of its present mineral properties. The Company will require additional funding in order to meet these payments and to carry on exploration in those years. The Company has no internal source of funding, and its only source of funding is the issuance of additional equity securities or the sale of joint venture of its mineral properties. Management believes, that if the results of its exploration programs on its current properties are favorable, the Company will be able to raise the funding necessary to carry on its activities on these properties, but there can be no guarantee that the results will be favorable or that it will, in fact, be able to raise the required finding as and when necessary. The success of the Company depends on its ability to fund the exploration on, and acquisition costs of, its existing projects or to find new projects and then finance the acquisition and exploration of such properties.