

FORM 61

QUARTERLY REPORT

ISSUER DETAILS:

NAME OF ISSUER: Fytokem Products Inc.

ISSUER ADDRESS: 101 – 110 Research Drive
Saskatoon, SK S7N 3R3

ISSUER TELEPHONE NO.: (306) 668-2552

ISSUER FAX NO.: (306) 978-2436

CONTACT PERSON: Mark S. Pasloski, C.A.

CONTACT'S POSITION: Vice-President – Finance & Administration

CONTACT'S TELEPHONE NO.: (306) 668-2552

FOR QUARTER ENDED: June 30, 2000

DATE OF REPORT: August 31, 2000

CERTIFICATE

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

Greg Dutka NAME OF DIRECTOR	<u>“Greg Dutka”</u> SIGNED (TYPED)	<u>00/09/05</u> DATE SIGNED (YY/MM/DD)
Paul Marciniak NAME OF DIRECTOR	<u>“Paul Marciniak”</u> SIGNED (TYPED)	<u>00/09/05</u> DATE SIGNED (YY/MM/DD)

SCHEDULE A

Previously filed under SEDAR Project #294474

SCHEDULE B SUPPLEMENTARY INFORMATION

1. There were no expenditures made to parties not at arm's length to the issuer in the period.
2. For the quarter ended June 30, 2000:
 - a) Securities issued in the period:

Date of Issue	Type of Security	Type of Issue	Number	Price	Gross Proceeds	Type of Consideration	Commission Paid
Apr 03/00	Common Shares	Exercise of Options	5000	\$0.26	\$1,300	Cash	Options
Apr 25/00	Common Shares	Exercise of Options	10,000	\$0.26	\$2,600	Cash	Options
Jun 06/00	Common Shares	Exercise of Options	10,000	\$0.34	\$3,400	Cash	Options
Jun 27/00	Common Shares	Exercise of Options	12,000	\$0.34	\$4,080	Cash	Options
May 03/00	Special Warrants (i)	Private Placement	1,808,997	\$0.60	\$1,085,425	Cash	see (1)
May 03/00	Special Warrants (1) (Agents)	Private Placement	121,167	\$0.00	0	Agents Commission	

(i) The May 03, 2000 Special Warrants entitle the holder to purchase one common share at no additional cost. The Special Warrant also comes with one-half (1/2) warrant. Each full warrant entitles the holder to purchase one (1) common share at \$1.00 per common share.

- b) Options granted in the period:

As part of the above Special Warrants private placement, the company issued special compensation options to the agent, Yorkton Securities Inc., to purchase 121,167 Special Warrants at \$0.60 until May 03, 2001.

3. As at June 30, 2000:
 - a) Unlimited number of Common shares without nominal or par value and an unlimited number of Preferred shares were authorized for issuance.

There were 12,266,957 Common shares outstanding as at June 30, 2000.

b) Summary of options, warrants and convertible securities outstanding:

Type	Number	Price	Expiry Date
Directors/Officers/Employees Options	180,000	\$0.26	Dec 08/03
Directors/Officers/Employees Options	250,000	\$0.27	Jun 10/04
Directors/Officers/Employees Options	385,000	\$0.34	Mar 29/05
Convertible Note Payable (\$500,000) (ii)	1,515,152	\$0.33	Jan 31/01
	or 1,315,789	\$0.38	Jan 31/02
	or 1,162,791	\$0.43	Jan 31/03
	or 1,041,667	\$0.48	Jan 31/04

(ii) The company has the option to pay this out at any time at face value.

c) Total number of shares in escrow:

There are 920,918 common shares subject to a Statutory Escrow Agreement.

There are a total of 2,404,581 common shares (includes above) common shares subject to a voluntary escrow agreement. This agreement will terminate on December 31, 2000.

d) List of Directors

Greg Dutka
Peter Oliver
Rita Mirwald
Paul Marciniak

SCHEDULE C MANAGEMENT DISCUSSION

a) Operations in the quarter ended June 30, 2000:

Acquisition of Fixed Assets:

During the period the company acquired Scientific Lab Equipment under a capital lease. The value of this equipment and related prepaid warranty costs was \$80,468.

Management Changes:

The company appointed Greg Dutka to Interim President during the period
The company appointed Mark Hetherington to Vice-President – Research & Development in the period
The company appointed Mark Pasloski to Vice-President – Finance & Administration
The board of directors appointed Mark Pasloski as the corporate Secretary-Treasurer

Special Resolutions Passed by the Shareholders:

At the Annual General Meeting held June 23, 2000 the shareholders passed a special resolution to replace the existing share option plan with a new one, subject to regulatory approval. The new plan allows for up to 2,400,000 common shares to be issued. The plan also was extended to include Directors, Employees and Consultants.

Use of Proceeds:

The company has not had any material differences in the actual use of proceeds from the intended use previously reported. The only exception is that Marketing Expenses were lower than first proposed because the company has chosen to pursue a major distributor in its marketing effort to the personal care industry.

b) Investor Relations Activities:

The investor relations activities were almost non-existent as the company was in the process of “closing” its Special Warrants private placement during the period.