

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: September 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 0-30489

YAAK RIVER RESOURCES, INC.

(Exact name of small business issuer as specified in its charter)
Colorado 84-1097796

(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organization)

2501 East Third Street, Casper, Wyoming 82609

(Address of principal executive offices)

(307) 235-0012

(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed
by Section 13 or 15(d) of the Exchange Act during the past 12 months
(or for such shorter period that the registrant was required to file
such reports), and (2) has been subject to such filing requirements
for the past 90 days.

Yes No

As of October 31, 2000, 64,808,857 shares of common stock, par value
\$0.0001 per share, were outstanding.

Transitional Small Business Disclosure Format: Yes No

This Form 10-QSB consists of 13 pages. Exhibits are indexed at
page 6.

1

PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Please see pages F-1 through F-6.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

Plan of Operations

The Company's plan of operations has two aspects.
Management intends to pursue both of those aspects on a concurrent
basis until such time as it appears that the Company has a strong
prospect of carrying one of the aspects to a successful conclusion.

First, management intends to seek out and pursue a
business combination with one or more existing private business
enterprises that may wish to take advantage of the Company's status
as a public corporation. At this time, management does not intend
to target any particular industry but, rather, intends to judge any
opportunity on its individual merits.

Second, management intends to seek opportunities to

develop the Company's unimproved real estate holdings in Teller County, Colorado. See "Company Properties," below. Both the risks and the potential rewards of this real-estate-development possibility are substantial. See "Summary Description of Possible Plan of Operations for the Company's Properties," below.

Management is unable at this time to predict which of the two aspects of its current business plan will prove to be the more attractive one as events unfold. A full assessment of the needs and the potentials of the real-estate-development possibility, in particular, has not yet been made. Management intends to begin to make such an assessment in the near future.

Company Properties

In 1999, a real-estate development business opportunity in Teller County, Colorado, was brought to management's attention. The nucleus of the opportunity consisted of the availability of 91 unimproved lots zoned for residential development. The lots comprise a total of approximately 4.7 acres of land. They are located in the scenic Pike's Peak region approximately six miles by road from the historic mining town of Cripple Creek, Colorado, and approximately 40 miles by highway from the Colorado Springs metropolitan area.

The Company acquired the lots on September 25, 1999, from Donald J. Smith of Casper, Wyoming. Mr. Smith was elected to be a Director of the Company at the Company's 1999 Annual Meeting of Shareholders held on December 18, and was then appointed by the Board of Directors to serve as President of the Company. In connection with the purchase, the Company's board of directors deemed the lots to have a total fair market value of \$162,000. The purchase price was paid in the form of approximately 23,000,000 treasury shares of the Company's common stock. See Note 2 of Notes to Financial Statements.

2

As stated above, the Company's board of director's determined that the lots had a fair market value, at the time of their acquisition by the Company, of \$162,000. The lots were acquired, however, from a person who, as a result of the acquisition, became an affiliate of the Company. In such a transaction, generally accepted accounting principles require that the lots be carried on the Company's balance sheet not at their market value or at their cost to the Company but, rather, at their historical cost to the affiliate. The affiliate/seller, Donald J. Smith, paid a total of \$35,743 for the lots in 1992. Accordingly, the asset value of the lots is carried on the Company's balance sheet at that lower, historical figure. See Note 2 of Notes to Financial Statements.

Summary Description of Possible Plan of Operations for the Company's Properties

A. Economic Concept.

The economic theory that underlies the real-estate-development aspect of the Company's business plan has three bases.

The primary basis of the plan is found in the local economy of Cripple Creek, Colorado. In 1991, limited-stakes gaming became legal in three historical mining communities in Colorado. Cripple Creek is one of the three. Subsequent to the legalization of limited-stakes gaming, Cripple Creek has developed an active casino business. This activity has created a demand for residential housing, particularly among casino workers but also among service workers in businesses, such as the food and beverage businesses, that are supported by the casino trade. Management believes that the supply of existing housing to meet this demand is very limited.

Two additional economic bases for the real-estate-development aspect of the Company's business plan are of lesser significance, but deserve nevertheless to be identified. The first of these lies in the ongoing geographical expansion of the Colorado Springs residential base.

The second additional basis lies in the local, regional, national, and worldwide demand for second homes and

vacation homes in areas having attractive natural or historical settings. Management believes that the sources of this demand include (i) the strength of the U.S. economy, (ii) new concentrations of wealth created by the success of the U.S. stock markets in general, and by the phenomenon of tech-company stock options and the like, (iii) substantial inter-generational wealth transfers to the so-called baby-boomer generation, (iv) relatively low interest rates, and (v) availability of the mortgage-interest deduction. Management believes that the historical and natural attractions of the Pike's Peak region, together with reasonable proximity to the business and transportation hub of Colorado Springs, form a base from which this demand can be exploited.

B. Alternative Approaches to Development of the New Properties

Management is in the early stages of evaluating the tack it intends to take to exploit the Company's properties. Critical issues as to financing, staffing, identification of development partners or builders, and the like, have not advanced beyond the discussion stage. As a result, management's intentions with respect to the properties can be described only in outline form. It is more likely than not that those intentions will undergo considerable change in the near term.

3

Subject to those limitations, management currently believes that possible business strategies include the following:

1. The Company could contract with, or enter into a joint venture with, a development firm to develop the entire package of lots.
2. The Company could market the lots directly to consumers through local, regional, or national promotions.
3. The Company could "gin up" to be its own prime contractor.
4. Instead of trying to develop the properties as a whole, the Company could act as a custom builder or a spec. builder for individual lots, one by one.

Development might consist of stand-alone residences, multi-unit housing, or mobile-home parks.

C. Financial Requirements of the Alternatives Listed in B, above

The Company's properties are in an unimproved state. The greatest initial cost associated with any of the options listed above, therefore, would be that of installing streets and utilities. Management estimates that the cost of such basic improvements would be in the range of \$4 million to \$5 million. The Company's properties lie many miles by mountain highway from the nearest sources of building materials and equipment. As a result, the cost of transportation would be a significant component of the overall cost of basic improvements. Management believes that this cost is among the factors that have inhibited other developers from attempting to satisfy the sizeable, unmet demand for housing that became obvious in Cripple Creek beginning in 1991.

Aside from capital required to meet the costs of basic improvements, substantial capital would be required to implement most of the alternatives listed in B, above. The Company does not currently have sources for such capital, and there is no certainty that such sources will become available in the future.

Management has held preliminary discussions with possible conventional and venture-capital lenders. In those discussions, the lenders have expressed a preference to offer financing only with respect to the most desirable of the lots contained in the new properties, and have insisted that the Company subordinate its interest in the properties in favor of project financing. In such circumstances, a failure of the project would result in foreclosure on the project financing, and a consequent

loss by the Company of its interest in the properties. Management does not believe a risk of this magnitude to be appropriate for a public corporation and, therefore, determined not to consider such subordination. The Company's unwillingness to subordinate its interest in the properties to providers of project financing will limit the Company's ability to obtain capital to develop the properties.

4

D. Other Special Business Risks Associated with the Company's Plan of Operations

In addition to the financial risks described in C, above, the real-estate-development aspect of the Company's business plan outlined in this section entails a high degree of business risk. Among the risk factors are:

1. Interest rate increases, which are likely to have a negative impact upon:
 - a. the availability of purchase financing to potential buyers of improved or unimproved properties of the Company; and
 - b. the availability of project financing to the Company or its contractors.
2. Changes in tax laws that might result, for example, in a loss or diminution of the mortgage-interest deduction.
3. A downturn in the local or general U.S. economies, thus depressing demand for developed or unimproved properties.
4. Competition from other development projects, both local and regional.

Special Note Regarding Forward-Looking Statements

Some of the statements in this Item 2 "Management's Discussion and Analysis or Plan of Operation," and elsewhere in this Report and in the Company's other periodic filings with the Securities and Exchange Commission constitute forward-looking statements. These statements involve known and unknown risks, significant uncertainties, and other factors that may cause actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, those listed under "Other Special Business Risks Associated with the Company's Plan of Operations" and elsewhere in this Report.

In some cases, one can identify forward-looking statements by terminology such as "may," "will," "should," "could," "intends," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other similar terminology.

The forward-looking statements herein are based on current expectations that involve a number of risks and uncertainties. Such forward-looking statements are based on assumptions that the Company will obtain or have access to adequate financing for each successive phase of its growth, that there will be no material adverse competitive or technological change in condition of the Company's business, that the Company's President and other significant employees will remain employed as such by the Company, and that there will be no material adverse change in the Company's operations or business, or in governmental regulation affecting the Company. The foregoing assumptions are based on judgments with respect to, among other things, future economic, competitive, and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the Company's control.

Although management believes that the expectations reflected in the forward-looking statements are reasonable, management cannot guarantee future results, levels of activity,

performance, or achievements. Moreover, neither management nor any other person assumes responsibility for the accuracy and completeness of such statements.

5

PART II -- OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

Exhibit No. -----	Description -----	Location -----
27	Financial Data Schedule	

6

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 10, 2000

YAAK RIVER RESOURCES, INC.

By: /s/ Donald J. Smith

Donald J. Smith, President (Principal
Executive Officer)

By: /s/ James K. Sandison

James K. Sandison, Secretary and
Treasurer (Principal
Financial Officer and Principal
Accounting Officer)

7

YAAK RIVER RESOURCES, INC.
(A Development Stage Company)

FINANCIAL STATEMENTS

September 30, 2000
(Unaudited)

REPORT ON REVIEW BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors
Yaak River Resources, Inc.
Casper, Wyoming

We have reviewed the accompanying balance sheet of Yaak River Resources, Inc. as of September 30, 2000 and the related statements of operations for the three month and nine month periods ended September 30, 2000 and 1999, and the cash flows for the nine months ended September 30, 2000 included in the accompanying

Securities and Exchange Commission Form 10-Q for the period ended September 30, 2000. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the balance sheet as of December 31, 1999, and the related statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein). In our report dated March 6, 2000, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of September 30, 2000 is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

Michael Johnson & Co., LLC.
 Denver, Colorado
 October 31, 2000

F-1

YAAK RIVER RESOURCES, INC.
 (A Development Stage Company)
 Balance Sheet
 (Unaudited)

	September 30, 2000	December 31, 1999
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash	\$ 13,738	\$ -
Investment - Properties	35,743	35,743
	-----	-----
Total current assets	49,481	35,743
	-----	-----
OTHER ASSETS		
Organizational Costs - Net of Amortization	-	-
	-----	-----
Total Other Assets	-	-
	-----	-----
TOTAL ASSETS	\$ 49,481	35,743
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable	\$ 25	\$ 2,000
Advance from (YRML) Purchase, 1.5 Units	-	-
Shareholder Loans	-	22,000
	-----	-----
Total current liabilities	25	24,000
	-----	-----
STOCKHOLDERS' EQUITY		

Series A Common Stock, par value \$.0001 per share; 250,000,000 Shares, Issued and outstanding - 64,808,857 and 56,666,000 respectively	6,480	5,666
Series B Common Stock, par value \$.0001 per share; Authorized 250,000,000 Shares, Issued and outstanding, None	-	-
Capital paid in excess of par value	360,849	304,663
Deficit accumulated during the development stage	(317,873)	(298,586)
TOTAL STOCKHOLDERS' EQUITY	49,456	11,743
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 49,481	\$ 35,743
	=====	=====

See accompanying independent accountant's review report and notes to financial statements.

F-2

Yaak River Resources, Inc.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Nine Month Period Ended September 30, 2000	For the Year Ended December 31, 1999	June 10, 1988 (Inception) thru September 30, 2000
	-----	-----	-----
REVENUE	\$ -	\$ -	\$ -
EXPENSES			
Amortization	-	-	1,500
Bank Charge	10	56	545
Legal & Accounting	10,731	5,562	69,635
Director Fees	-	-	800
Office Expense	-	382	7,843
Stock Fees & Other Costs	147	65	10,219
Administration/Consulting	8,399	9,139	133,389
Mining Assessments & Fees	-	-	75,479
Bad Debt	-	-	6,250
Rent/Telephone	-	-	12,213
Total Expenses	19,287	15,204	317,873
NET LOSS ACCUMULATED DURING THE DEVELOPMENT STAGE	\$ (19,287)	\$ (15,204)	\$ (317,873)
	=====	=====	=====
* - NET LOSS PER COMMON SHARE IS LESS THAN \$.0002	\$ *	\$ *	
	=====	=====	
Weighted average number of common shares outstanding	61,333,234	56,666,000	
	=====	=====	

See accompanying independent accountant's review report and notes to financial statements.

F-3

Yaak River Resources, Inc.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Month Period Ended September 30, 2000	For the Year Ended December 31, 1999	June 10, 1988 (Inception) thru September 30, 2000
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss Accumulated During The Development Stage	\$ (19,287)	\$ (15,204)	\$ (317,873)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization and Depreciation	-	-	1,500
Organization Costs	-	-	(1,500)
Stock Issued for Services	7,000	-	8,800
(Decrease) Increase in Accounts Payable	(1,975)	(104,772)	25
Decrease(Increase) in Accounts Receivable	-	-	-
(Decrease) Increase in Loans to Shareholder	-	(7,406)	22,000
	-----	-----	-----
Net cash flows used in operating activities	(14,262)	(127,382)	(287,048)
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES			
Exchange of properties - net	-	147,167	147,167
Investment Purchase	-	-	(305,410)
	-----	-----	-----
Net cash used in investing activities	-	147,167	(158,243)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from LP Investors	-	(20,000)	-
Proceeds from Long-Term Debt	-	-	167,500
Payment of Long-Term Debt	-	-	(45,000)
Issuance of common stock	28,000	-	336,529
	-----	-----	-----
Net cash flows provided by financing activities	28,000	(20,000)	459,029
	-----	-----	-----
Net Increase (Decrease) in cash	13,738	(215)	13,738
Cash at beginning of period	-	215	-
	-----	-----	-----
Cash at end of period	\$ 13,738	\$ -	\$ 13,738
	=====	=====	=====
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the period For interest	\$ -	\$ -	\$ -
	=====	=====	=====
Cash paid during the period For income taxes	\$ -	\$ -	\$ -
	=====	=====	=====

Noncash Investing and financing activities:

In 1999, the Company exchanged properties with a book value of \$182,910 to a related party in payment of liabilities of \$147,167 and land with book value of \$35,743

In 2000, the company issued 3,142,857 to cancel loan of \$22,000

See accompanying independent accountant's review report and notes to financial

Yaak River Resources, Inc.
(A Development Stage Company)
Statement of Stockholders' Equity
(Unaudited)

	# of Shares	Common Stock	Capital Paid In Excess of Par Value	Deficit Accum. During the Development Stage	Totals
	-----	-----	-----	-----	-----
June 10, 1988 (Inception)	-	\$ -	\$ -	\$ -	\$ -
Issuance of common Stock: January 6, 1989 (for services)	10,000,000	1,000	500	-	1,500
January 6, 1989) (for cash)	5,000,000	500	-	-	500
November 27, 1989 (Public offering)	2,266,000	266	12,353	-	12,619
Net Loss	-	-	-	(3,765)	(3,765)
Balance- December 31, 1989	17,666,000	1,766	12,853	(3,765)	10,854
Net Loss	-	-	-	(10,129)	(10,129)
Balance- December 31, 1990	17,666,000	1,766	12,853	(13,894)	725
Net Loss	-	-	-	(300)	(300)
Balance- December 31, 1991	17,666,000	1,766	12,853	(14,194)	425
Issuance of common Stock: January 10, 1992 (for assets YRML)	30,000,000	3,000	134,910	-	137,910
Net Loss	-	-	-	(47,589)	(47,589)
Balance- December 31, 1992	47,666,000	4,766	147,763	(61,783)	90,746
Issuance of common Stock: June 30, 1993 (for cash)	6,000,000	600	149,400	-	150,000
June 30, 1993 (for services)	3,000,000	300	-	-	300
Net Loss	-	-	-	(54,951)	(54,951)
Balance- December 31, 1993	56,666,000	5,666	297,163	(116,734)	186,095
Net Loss	-	-	-	(26,293)	(26,293)
Balance- December 31, 1994	56,666,000	5,666	297,163	(143,027)	159,802
Net Loss	-	-	-	(17,764)	(17,764)
Balance- December 31, 1995	56,666,000	5,666	297,163	(160,791)	142,038

Net Loss	-	-	7,500	(19,842)	(12,342)
Balance- December 31, 1996	56,666,000	5,666	304,663	(180,633)	129,696
Net Loss	-	-	-	(24,037)	(24,037)
Balance- December 31, 1997	56,666,000	5,666	304,663	(204,670)	105,659
Net Loss	-	-	-	(78,712)	(78,712)
Balance- December 31, 1998	56,666,000	5,666	304,663	(283,382)	26,947
Net Loss	-	-	-	(15,204)	(15,204)
Balance - December 31, 1999	56,666,000	5,666	304,663	(298,586)	11,743
Issuance of common Stock for cash: March 28, 2000	3,000,000	300	20,700	-	21,000
Issuance of common Stock for cash: September 13, 2000	1,000,000	100	6,900	-	7,000
Issuance of common Stock for services:	1,000,000	100	6,900	-	7,000
Issuance of common Stock for debt:	3,142,857	314	21,686	-	22,000
Net loss for nine month period	-	-	-	(19,287)	(19,287)
Balance - September 30, 2000	64,808,857	\$6,480	\$360,849	\$(317,873)	\$49,456

See accompanying independent accountant's review report and notes to financial statements

F-5

YAAK RIVER RESOURCES, INC.
(A Development Stage Company)
Notes to Financial Statements

1. Presentation of Interim Information

In the opinion of the management of Yaak River Resources, Inc., the accompanying unaudited financial statements include all normal adjustments considered necessary to present fairly the financial position as of September 30, 2000, and the results of operations for the three months and nine months ended September 30, 2000 and 1999, and cash flows for the nine months ended September 30, 2000. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-Q, and do not contain certain information included in the Company's audited financial statements and notes for the fiscal year ended December 31, 1999.

F-6