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

FORM 10-KSB

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: DECEMBER 31, 1999

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: 33-28106

YAAK RIVER RESOURCES, INC.
(Name of small business issuer in its charter)

COLORADO	84-1097796
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2501 EAST THIRD STREET, CASPER, WYOMING 82609
(Address of principal executive offices, including zip code)

(307) 235-0012
(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act: NONE

Securities registered under Section 12(g) of the Exchange Act: NONE

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 X No

Check if disclosure of delinquent filers pursuant to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

The issuer's revenues for its most recent fiscal year were $ 0 .

The aggregate market value of the voting stock held by non-affiliates, computed by reference to the average bid and asked prices of such stock as of April 11, 2000, was approximately $705,000.

As of December 31, 1999, 56,666,000 shares of common stock, par value $0.0001 per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Registration Statement 33-28106, as amended, is incorporated into Parts I and IV of this Report.

Annual Report of Form 10-KSB for the fiscal year ended December 31, 1992, is incorporated into Part IV of this Report

Transitional Small Business Disclosure Format: Yes___ NO
X

This Form 10-KSB consists of 23, including F-1 through F-8, plus three additional pages as exhibits. Exhibits are indexed at page 13.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

GENERAL

Yaak River Resources, Inc. (the "Registrant" or the "Company"), was incorporated under the laws of the State of Colorado under the name Andraplex Corporation on June 10, 1988, for the primary purpose of seeking out acquisitions of properties, businesses, or merger candidates, without limitation as to the nature of the business operations or geographic area of the acquisition candidate. From inception through the date of completion of its initial public offering of securities, the Company's activities were directed toward the acquisition of operating capital.

The Company completed its initial public offering in November of 1989. After completion of the offering, the Company began the process of identification and evaluation of prospective acquisition candidates and other business opportunities.

HISTORICAL BUSINESS PLAN AND BUSINESS OPERATIONS

From 1993 through 1998, the Company was a development-stage enterprise that sought to engage in the mining of gold and other precious and base metals. Toward that objective, the Company acquired a number of mining properties located in or near the Yaak Mining District in Lincoln County, Montana.

Together with its other activities, the Company sought to obtain financing for development and operating purposes. Those efforts, however, failed to raise adequate working capital from outside sources. An insufficiency of capital, combined with regulatory impediments (see "Management's Re-evaluation of the Company's Historical Plan," below), prevented commencement of significant mining operations.

Management investigated other business properties and prospects, both domestic and international. Those investigations did not succeed in identifying a business opportunity that, on balance, appeared to management to be feasible for the Company to pursue.

MANAGEMENT'S RE-EVALUATION OF THE COMPANY'S HISTORICAL PLAN

Two powerful forces combined to frustrate achievement of the Company's historical objectives.

First, the world-wide markets for the metals that were the targets of the Company's historical plan have been weak for a number of years. Depressed prices in those markets are thought by reputable economists to be likely to prevail for an indefinite period of time.

Second, both historical and rapidly evolving regulatory impediments either prevented commencement of the Company's intended operations, or increased the Company's projected expenses enough to render the Company's business plan impracticable.

Maintenance expenses and taxes associated with the Company's mining properties represented an ongoing source of negative cash flow for the Company. That rendered it impracticable for the Company to continue to hold the properties merely to preserve the distant prospect of favorable future circumstances.

Owing to the perceived impracticability of continuing to pursue the Company's historical business plan, management determined it to be in the best interests of the Company and its shareholders that the plan be abandoned, and that the Company dispose of its mining properties. In place of the historical plan, management has adopted the new plan summarized under "New Plan of Operations," "New Properties," and "Summary Description of Possible Plan of Operations for the New Properties," below.

DISPOSITION OF HISTORICAL PROPERTIES

As a result of management's determination to abandon the Company's historical business plan, the Company's board of directors resolved to sell its Montana mining properties. The sale was consummated on July 1, 1999. The buyer was Wm. Ernest Simmons, a long-time officer and director of the Company. The purchase price consisted of the forgiveness by Mr. Simmons of the entirety of the Company's indebtedness to him. That indebtedness was in the total amount of $100,000.

Because of the circumstances outlined above, the Company's board of directors determined that the Company's mining properties had a fair value no greater than the amount of the Company's debt to Mr. Simmons. On this basis, the board concluded that the terms of the sale of the mining properties to Mr. Simmons were fair to the Company and its shareholders.

NEW PLAN OF OPERATIONS

Following disposition of the Company's historical properties, management adopted a new plan of operations. The new plan 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 certain real estate holdings that have been acquired by the Company. See "New 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 New 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.

NEW 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. See the biographical information about Mr. Smith presented in Item 9., below. In connection with the purchase, the Company's board of directors deemed the lots to have a total 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.

SUMMARY DESCRIPTION OF POSSIBLE PLAN OF OPERATIONS FOR THE NEW PROPERTIES

A. Economic Concept.

The economic theory that underlies the real-estate-development aspect of the Company's new 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. Since limited-stakes gaming became legalized, Cripple Creek has developed an active casino business. This activity has created a growing 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 new 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) 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. Change in Company Management

The business experience and ambitions of the Company's historical management team have been directed primarily toward the mining industry. This management team was replaced at the 1999 Annual Meeting of Shareholders.

The slate of Directors elected at the Annual Meeting, on the other hand, includes individuals whose primary business experience and ambitions lie in the field of real-estate management and development. See the biographical information about Messrs. Sandison and Smith presented in Item 9., below. In addition, Mr. Smith was the source of the Company's new properties. See "New Properties," above. This profile of capability is not a mere coincidence; it is, rather, part and parcel of the Company's new business plan.

C. 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 new 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 new 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.

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 property 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.

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

The Company's new 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 new 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 C, 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.

E. Other Special Business Risks Associated with the New Plan

In addition to the financial risks described in D, above, the real-estate-development aspect of the new 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. See "Competition," below.

COMPETITION

The Company is and will remain an insignificant participant among the firms that engage in mergers with and acquisitions of privately financed entities. Many established venture-capital and financial concerns have significantly greater financial and personnel resources and technical expertise than the Company.

Similarly, the Company is and will remain an insignificant participant among the firms that engage in real estate development. In this line of business, too, many established concerns have greater financial and personnel resources and technical expertise than the Company.

In view of the Company's limited financial resources and limited management availability, the Company will continue to be at a significant disadvantage compared to the Company's competitors.

EMPLOYEES

The Company has no full time employees. Its officers devote as much time as they deem necessary to conduct the Company's business. See "Item 10. EXECUTIVE COMPENSATION."

ITEM 2. DESCRIPTION OF PROPERTY

See "Item 1. DESCRIPTION OF BUSINESS -- New Properties."

The Company has been provided office space in the offices of its President, for which it pays no rent.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any threatened or pending legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

An annual meeting of the shareholders of the Company was held on December 18, 1999. At the meeting, each of Donald J. Smith, James K. Sandison, and Frank J. Ruberto was elected to be a Director of the Company.

In addition, the transaction by which the Company disposed of its historical mining properties on July 1, 1999, was submitted to the shareholders for ratification. See "Item 1. DESCRIPTION OF BUSINESS -- Disposition of Historical Properties."

Of the 56,666,000 shares eligible to vote on the matters described above, a total of 54,431,656 shares were represented at the meeting, in person or by proxy. With respect to each of those matters, the number of votes cast for, against, or withheld, as well as the number of absentions and broker non-votes, were as set forth in the table presented below.

Matter	Votes Cast For	Votes Cast Against or Withheld	Abstentions and Broker Non-Votes
Election of Donald J. Smith as a Director	53,656,456	0	775,200
Election of James K. Sandison as a Director	53,656,456	0	775,200
Election of Frank J. Ruberto as a Director	53,656,456	0	775,200
Ratification of Disposition of Mining Assets	53,656,456	0	775,200

Subsequent to the meeting, however, Mr. Ruberto chose to resign as a director. To fill the vacancy created by his resignation, Messrs. Smith and Sandison took action on December 21, 1999, to appoint Robert Pike to serve as the third director. See "ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT."

PART II

ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

The Company's Units, (consisting of one share of Series A Common Stock, one Class A Common Stock Purchase Warrant, and one Class B Common Stock Purchase Warrant), and the Company's Series A Common Stock are traded on the over-the-counter market on the "Electronic Bulletin Board" operated by the National Association of Securities Dealers, Inc., under the symbols YAAKU and YAAKA, respectively. The Company's securities began trading during the first quarter of the Company's fiscal year 1992. The reported high and low bid prices for the Company's Units for the previous two fiscal years are set forth below. The bid prices shown reflect quotations between dealers, without adjustment for markups, markdowns or commissions, and may not represent actual transactions in the Company's securities.

Units:

	Bid Price	
Date	High	Low
March 31, 1998	$.012	$.0005
June 30, 1998	$.012	$.0005
September 30, 1998	$.012	$.0005
December 31, 1998	$.012	$.0005
March 31, 1999	$.02	$.01
June 30, 1999	$.02	$.01
September 30, 1999	$.02	$.02
December 31, 1999	$.095	$.02

As of April 10, 2000, the Company had six market makers for its securities.

The Company's securities are classified as "designated securities," which classification places significant restrictions upon broker-dealers desiring to make a market in such securities. As a result, it may be difficult for management to continue to interest market makers in the Company's securities. These difficulties may continue until such time as the Company is able to meet the criteria to qualify as a non-designated security, so that market makers may trade without complying with the stringent requirements applicable to designated securities.

The Class A Warrant included in the Company's Units is exercisable at a price of $.05 per share until July 6, 2001, unless otherwise extended by the Board of Directors. The Class B Warrant is exercisable at a price of $.10 per share until July 6, 2001, unless otherwise extended by the Board of Directors. The respective exercise prices of the Warrants may be lowered but not increased at the discretion of the Company's Board of Directors.

HOLDERS

At December 31, 1999, the Company had 41 shareholders of record. This does not include shareholders who hold stock in their accounts at broker/dealers.

DIVIDENDS

The Company has never paid a cash dividend on its common stock and does not expect to pay a cash dividend in the foreseeable future.

UNREGISTERED SALES OF EQUITY SECURITIES

During the fiscal year ended December 31, 1999, the Company sold 23,168,000 shares of Common Stock that were held in the treasury of the Company. For information as to this transaction, see "Item 1. DESCRIPTION OF BUSINESS -- New Properties."

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS.

See "Item 1. DESCRIPTION OF BUSINESS -- New Plan of Operations," "Item 1. DESCRIPTION OF BUSINESS -- New Properties," and "Item 1. DESCRIPTION OF BUSINESS -- Summary Description of Possible Plan of Operations for the New Properties."

ITEM 7. FINANCIAL STATEMENTS

Please see pages F-1 through F-8.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The directors and executive officers of the Company, and their respective ages, positions held in the Company, and duration as such, are as follows:

Name	Age	Positions Held and Tenure
Donald J. Smith	53	President and a Director since December 18, 1999
Robert Pike	70	Vice President and a Director since December 21, 1999
James K. Sandison	62	Secretary, Treasurer, and a Director since December 18, 1999

BUSINESS EXPERIENCE

Set forth below is a brief account of the education and business experience during at least the past five years of each of the Company's directors and executive officers, indicating the principal occupation and employment during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

BIOGRAPHICAL INFORMATION

DONALD J. SMITH. Mr. Smith has been President and a Director of the Company since December 18, 1999. He has owned and managed Smith and Associates, a real estate brokerage firm located in Casper, Wyoming, since 1981, and he is a Wyoming-licensed real estate broker. Mr. Smith is an entrepreneur and has served as a Board Member on the boards of several companies focused on real estate investments and development. From approximately May of 1995 until July of 1998, he was a director of Sigma-7 Products, Inc., a currently inactive public corporation having its headquarters in Findley, Minnesota.

ROBERT PIKE. Mr. Pike has been Vice President and a Director of the Company since December 21, 1999. Mr. Pike is a retired banker. For more than the past five years, he has been an investor. Also for more than the past five years, Mr. Pike has been President and sole owner of Bob Pike Associates, Inc., a real estate consulting and inspection firm, based in Englewood, Colorado, that serves financial institutions.

JAMES K. SANDISON. Mr. Sandison has been Secretary, Treasurer, and a Director of the Company since December 18, 1999. He has been employed as manager of The Hilltop Shopping Center, a family owned business in Casper, Wyoming, since 1973. He has served on numerous boards and was elected to public office serving as Casper's Mayor and as a City Council Member. Mr. Sandison also served as Chairman of the Natrona County Commissioners from 1991 to 1993. He is a Director of Hilltop National Bank. Mr. Sandison earned a Bachelor of Science in Business Administration Degree from the University of Wyoming in 1963.

ITEM 10. EXECUTIVE COMPENSATION

CASH COMPENSATION

During the fiscal year ended December 31, 1999, no executive officer of the Company received cash compensation other than reimbursement of expenses incurred on behalf of the Company. See "Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS."

COMPENSATION PURSUANT TO PLANS

None.

OTHER COMPENSATION

None.

COMPENSATION OF DIRECTORS

None.

TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL ARRANGEMENTS

None.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of December 31, 1999, the persons listed in the table set forth below were known by the Company to own or control beneficially more than five percent of its outstanding common stock, par value $0.0001 per share, its only class of outstanding securities. The table also sets forth the total number of shares of these securities owned by the officers and directors of the Company as a group.

Name and Address of Beneficial Owner	Number of Shares Owned Beneficially	Percentage of Class
Donald J. Smith 2501 E. Third St. Casper, WY 82609	27,519,120(1)	48.6%
Yaak River Resources, Timber Division, L.P. 830 S. Kline Way Lakewood, CO 80226	6,000,000	10.6%
Eric J. Sundsvold 5121 S. Ironton Way Englewood, CO 80111	4,349,605(2)	7.7%
All officers and directors as a group (three persons)	27,519,120	48.6%

(1) The figure shown includes 10,000 shares held in the name of Suvo Corp. Mr. Smith is the owner of Suvo Corp.

(2) The figure shown includes 47,500 shares held in the name of Mr. Sundsvold as custodian for Shawn N. Sundsvold pursuant to a transaction effected under the Uniform Gifts to Minors Act. Shawn N. Sundsvold is the son of Mr. Sundsvold. Mr. Sundsvold disclaims beneficial ownership of these shares. The figure shown also includes 949,000 shares held in Mr. Sundsvold's Individual Retirement Account.

CHANGES IN CONTROL

The Company knows of no arrangement or understanding, the operation of which may at a subsequent date result in a change of control of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the fiscal year ended December 31, 1999, the Company engaged in two substantial related-party transactions.

On July 1, 1999, the Company sold its Montana mining properties for $100,000 to Wm. Ernest Simmons, who was then President and a Director of the Company. For information as to this transaction, see "Item 1. DESCRIPTION OF BUSINESS -- Disposition of Historical Properties."

On September 25, 1999, the Company purchased 91 unimproved lots in Teller County, Colorado, for 23,168,000 treasury shares of the Company's Common Stock from Donald J. Smith who succeeded Mr. Simmons as President and Director of the Company. For information as to this transaction, see "Item 1. DESCRIPTION OF BUSINESS -- New Properties."

Except as described above, there were no transactions, or series of transactions, for the fiscal year ended December 31, 1999, nor are there any currently proposed transactions, or series of the same, to which the Company is a party, in which the amount involved exceeds $60,000 and in which to the knowledge of the Company any director, executive officer, nominee, five-percent shareholder or any member of the immediate family of the foregoing persons have or will have a direct or indirect material interest.

PART IV

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

Exhibit No.	Description	Location
3.1	Articles of Incorporation	Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-18, Registration No. 33-28106, effective July 21, 1989
3.2	Bylaws	Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-18, Registration No. 33-28106, effective July 21, 1989
3.3	Amendment to Articles of Incorporation	Incorporated by reference to the Company's Annual Report on From 10-KSB for the fiscal year ended December 31, 1992
4.1	Rights of Stockholders	Included in Exhibits 3.1, 3.2, and 3.3, above.
10.1	Bill of Sale for Montana mining properties, in the form of a letter from Wm. Ernest Simmons dated April 10, 2000	Page 24 of this Report
10.2	Quitclaim Deed executed by Donald J. Smith on September 25, 1999, with respect to Teller County, Colorado, properties	Page 25 of this Report

REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the fourth quarter of the Company's fiscal year ended December 31, 1999.

PART II FINANCIAL INFORMATION

ITEM 7. FINANCIAL STATEMENTS

(a) The audited financial statements of registrant for the year ended December 31, 1999, follow. The financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the period presented.

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

FINANCIAL STATEMENTS
December 31, 1999

To the Board of Directors
Yaak River Resources, Inc.

We have examined the accompanying balance sheets of Yaak River Resources, Inc. (A Development Stage Company) as of December 31, 1999 and 1998, and the related statements of operations, cash flows, and changes in stockholders' equity for the period June 10, 1988 (inception), through December 31, 1999, and the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yaak River Resources, Inc. at December 31, 1999 and 1998, and the results of its operations and its cash flows for the period June 10, 1988 (inception), through December 31, 1999, and the fiscal years ended December 31, 1999 and 1998, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 1 to the financial statements, the Company is in the development stage, conditions exist which raise substantial doubt about the Company's ability to continue as a going concern unless it is able to generate sufficient cash flows to meet its obligations and sustain its operations. As of December 31, 1999, the Company has lost $298,586 from operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Denver, Colorado
March 6, 2000

Yaak River Resources, Inc.
(A Development Stage Company)
BALANCE SHEET

	December 31, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash	$ -	$ 215
Investment - Properties	35,743	182,910
Total current assets	35,743	183,125
OTHER ASSETS		
Organizational Costs - Net of Amortization	-	-
Total Other Assets	-	-
TOTAL ASSETS	$ 35,743	183,125
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable	$ 2,000	$ 106,772
Advance from (YRML) Purchase, 1.5 Units	-	20,000
Shareholder Loans	22,000	29,406
Total current liabilities	24,000	156,178
STOCKHOLDERS' EQUITY		
Series A Common Stock, par value $.0001 per share; 250,000,000 Shares, Issued and outstanding - 56,666,000	5,666	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	304,663	304,663
Deficit accumulated during the development stage	(298,586)	(283,382)
TOTAL STOCKHOLDERS' EQUITY	11,743	26,947
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 35,743	$ 183,125

The accompanying notes are an integral part of the financial statements.

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

	For the Year Ended December 31, 1999	For the Year Ended December 31, 1998	June 10, 1988 (Inception) thru December 31, 1999
REVENUES	$ -	$ -	$ -
EXPENSES			
Amortization	-	-	1,500
Bank Charge	56	80	535
Legal & Accounting	5,562	6,786	58,904
Director Fees	-	-	800
Office Expense	382	523	7,843
Stock Fees & Other Costs	65	25	10,072
Administration/Consulting	9,139	68,864	124,990
Mining Assessments & Fees	-	184	75,479
Bad Debt	-	2,250	6,250
Rent/Telephone	-	-	12,213
Total Expenses	15,204	78,712	298,586
NET LOSS ACCUMULATED DURING THE DEVELOPMENT STAGE	$ (15,204)	$ (78,712)	$ (298,586)
NET LOSS PER COMMON SHARE IS LESS THAN $.002	$ *	$ *	$ *

The accompanying notes are an integral part of the financial statements.

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

	# 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 for the year Ended December 31, 1989	-	-	-	(3,765)	(3,765)
Net Loss for the year Ended December 31, 1990	-	-	-	(10,129)	(10,129)
Net Loss for the year Ended December 31, 1991	-	-	-	(300)	(300)
Issuance of common Stock: January 10, 1992 (for assets YRML)	30,000,000	3,000	134,910	-	137,910
Net Loss for the year Ended December 31, 1992	-	-	-	(47,589)	(47,589)
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 for the year Ended December 31, 1993	-	-	-	(54,951)	(54,951)
Net Loss for the year Ended December 31, 1994	-	-	-	(26,293)	(26,293)
Net Loss for the year Ended December 31, 1995	-	-	-	(17,764)	(17,764)
Net Loss for the year Ended December 31, 1996	-	-	7,500	(19,842)	(12,342)
Net Loss for the year Ended December 31, 1997	-	-	-	(24,037)	(24,037)
Net Loss for the year					

Ended December 31, 1998	-	-	-	(78,712)	(78,712)
Net Loss for the year Ended December 31, 1999	-	-	-	(15,204)	(15,204)
Balance - December 31, 1999	56,666,000	$5,666	$ 304,663	$(298,586)	$11,743

The accompanying notes are an integral part of the financial statements.

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

	For the Year Ended December 31, 1999	For the Year Ended December 31, 1998	June 10, 1988 (Inception) to December 31, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss Accumulated During The Development Stage	$ (15,204)	$ (78,712)	$ (298,586)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization and Depreciation	-	-	1,500
Organization Costs	-	-	(1,500)
(Decrease) Increase in Accounts Payable	(104,772)	66,316	2,000
Decrease(Increase) in Accounts Receivable	-	2,200	-
(Decrease) Increase in Loans to Shareholder	(7,406)	9,389	22,000
Net cash flows used in operating activities	(127,382)	(807)	(274,586)
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			
Issuance of common stock	-	-	1,800
Loan from LP Investors	(20,000)	-	-
Proceeds from Long-Term Debt	-	-	167,500
Payment of Long-Term Debt	-	-	(45,000)
Proceeds from Sale of Stock	-	-	308,529
Net cash flows provided by financing activities	(20,000)	-	432,829
Net Increase (Decrease) in cash	(215)	(807)	-
Cash at beginning of period	215	1,022	-
Cash at end of period	$ -	$ 215	$ -
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.

The accompanying notes are an integral part of these financial statements.

YAAK RIVER RESOURCES, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 1999

Note 1 - Organization and Summary of Significant Accounting Policies:

Organization:

On June 10, 1988, Yaak River Resources, Inc. (the Company) was incorporated under the laws of Colorado under the name of Andraplex Corporation. The name was changed at the annual shareholder's meeting on January 10, 1992. The Company's primary purpose is to engage in selected acquisitions and development of mineral and mining properties.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Development Stage Company

The Company has not earned significant revenue from planned principal operations. Accordingly, the Company's activities have been accounted for as those of a "Development Stage Enterprise" as set forth in Financial Accounting Standards Board Statement No. 7 ("SFAS 7"). Among the disclosures required by SFAS 7 are that the Company's financial statements be identified as those of a development stage company, and that the statements of operation, stockholders' equity (deficit) and cash flows disclose activity since the date of the Company's inception.

The Company's fiscal year end is December 31.

Initial Public Offering:

In the Company's initial public offering, which was closed on November 27, 1989, the Company sold 2,580,000 units (the Units). 86,000 additional shares were issued to the underwriters. Each Unit consisted of one (1) share of Series A Common Stock, one (1) A Warrant exercisable at $.05, one (1) B Warrant exercisable at $.10.

Costs, consisting of $9,444 and 86,000 shares of Series A Common Stock, incurred to complete the registration were offset against the gross proceeds.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Corporation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Purchase of Properties:

On January 10, 1992, at the Annual Meeting of Shareholders, the shareholders voted unanimously to purchase certain mineral and mining properties (the Properties) located in the State of Montana, including leases, drawings, engineering studies and other tangible and intangible assets associated with the Properties. The seller of the Properties was Yaak River Mines, Ltd. They received 30,000,000 shares of Series A Common Stock. The issuance of the 30,000,000 shares of Series A Common Stock was exempt from registration under the exemption provided in Section 4(2) of the Securities Act of 1933, as amended.

The Company is the beneficiary of 16,000,000 of the above shares which are being held in the Con Tolman Memorial Trust C. 8,000,000 additional shares of the Company were placed in the trust as part of the original purchase of the Company.

On November 20, 1999, the Company voted to close the Con Tolman Memorial Trust and exchange 23,168,000 shares for 92 building lots in Victor, Colorado. The remaining 832,000 shares were transferred to Yaak River Resources, Nevada in lieu of payment of shareholder loans.

Note 3 - Yaak River Resources Timber Division, Limited Partnership:

On August 14, 1992, the Company formed a limited partnership, Yaak River Resources Timber Division L.P. (the Partnership), a Colorado limited partnership, with subscriptions for 40 Units at $5,000 per Unit for an aggregate price of $200,000. Each Unit contains 1/40th interest in the Partnership and 150,000 shares of Series A Common Stock of the Company. The Company is the general Partner of the Partnership. As a part of the formation of the Partnership, the Company agreed to reserve 6,000,000 shares of its Series A Common Stock for the Partnership. Said 6,000,000 shares of Series A Common Stock represents the shares offered in the Units issued by the Partnership. The Partnership was formed for the purpose of developing certain available natural resources on properties under the management of the Company.

On June 30, 1993, the Company sold Six Million (6,000,000) shares of its $0.0001 par value Series Common Stock for the issuance to the purchasers of the Limited Partnership interests in the Yaak River Resources, Timber Division L.P., for $150,000.

On November 20, 1999, the Company voted to terminate the Partnership and asset interests be distributed prorata to each partner.

Note 4 - Income Taxes:

The Company has made no provision for income taxes because there have been no operations to date causing income for financial statement or tax purposes.

The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards Number 109 ("SFAS 109"), "Accounting for Income Taxes", which requires a change from the deferred method to the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities.

At December 31, 1999, the Company had net operating loss carryforwards of approximately $298,586 for federal income tax purposes. These carryforwards, if not utilized to offset taxable income will expire at the end of the indicated years:

2008	$ 14,194
2009	47,589
2009	54,951
2008	26,293
2009	17,764
2010	19,842
2011	24,037
2012	78,712
2013	15,204
	$298,586

Note 5 - Net (Loss) Per Common Share:

The net (loss) per common share of the Series A Common Stock is computed based on the weighted average number of shares outstanding.

NOTE 6 - Going Concern:

As of December 31, 1999, the Company has incurred net losses of $298,586. In view of these matters, the future success of the Company is likely to be dependent on its ability to obtain additional capital and its ability to attain future profitable operations. There can be no assurance that the Company will be successful in obtaining such financing, or that it will attain positive cash flow from operations.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 13, 2000 YAAK RIVER RESOURCES, INC.

By: /s/ Donald J. Smith

Donald J. Smith, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/Donald J. Smith - ------------------ Donald J. Smith	President and a Director (Principal Executive Officer)	April 13, 2000
/s/James K. Sandison - -------------------- James K. Sandison	Secretary, Treasurer, and a Director (Principal Financial Officer and Principal Accounting Officer)	April 13, 2000

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 13, 2000 YAAK RIVER RESOURCES, INC.

By:___________________________
Donald J. Smith, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/Donald J. Smith - ------------------ Donald J. Smith	President and a Director (Principal Executive Officer)	April 13, 2000
/s/James K. Sandison - -------------------- James K. Sandison	Secretary, Treasurer, and a Director (Principal Financial Officer and Principal Accounting Officer)	April 13, 2000

[ARTICLE] 2

Wm. Ernest Simmons
==
830 So. Kline Way Phone (303)-985-3972
Lakewood, CO 80226-7506 Fax (303)-985-3972

April l0, 2000

I, Wm. Ernest Simmons and Associates received as payment for services and loans To Yaak River Resources, Inc, the title to three claims in Lincoln County, Montana. There are no debts owing to the above mentioned persons by YRRI.

The properties: axe free and clear of all liens and are not encumbered in any manner. The quit claims are for the surface, mineral and all other rights that clear title would convey to any undisputed owner.

Property description:

Myrtle-Quartz Lode Claim 34N/33W/09

Keystone Quartz Lode #MS4968 34N/33W/16

Gold Flint Lode #MS5050 34N/33W/16

Received the titles to above properties for all accounts receivable up to and including the 31st day of December 1999.

/s/ Wm. Ernest Simmons	4/10/2000
- ----------------------	---------
Win. Ernest' Simmon	Date

[ARTICLE] 2

QUITCLAIM DEED

THIS QUITCLAIM DEED, Executed this 25th day of SEPTEMBER
by first party, Grantor,
DONALD J SMITH

whose post office address is,
2501 E 3rd,
Casper, Wyoming 82609

to second party, Grantee,
YAAK RIVER RESOURCES, INC. __CO

whose post office address is,
830 SO. KLINE WAY
LAKEWOOD, COLORADO 80226-7506

WITNESSETH, That the said first party, for good consideration and for the sum of ONE HUNDRED & Sixty two thousand Dollars ($162,000) paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said second party forever, all the right, title, interest and claim which the said first party has in and to the following described parcel of land, and improvements and appurtenances thereto in the County of TELLER ,State of COLORADO to wit:

PARCEL #10)	03.314-19-002-0	LOTS 1-10,	BLOCK1	LAWRENCE	0.340 a
PARCEL #10)	03.314-18-001-0	LOTS 1-16,	BLOCK2	LAWRENCE	0.740 a
PARCEL #10)	03.323-26-001-0	LOTS 1-16,	BLOCK3	LAWRENCE	0.950 a
PARCEL #10)	03.314-14-004-0	LOTS 7-16,	BLOCK18	LAWRENCE	0.700
PARCEL #10)	03.323-09-001-0	LOTS 1-39,	BLOCKM	SUNNYSIDE TRACT	1.970 a

IN WITNESS WHEREOF, The said first party has signed and sealed these Presents the day and year first above written. Signed, sealed and delivered in presence of:

- ---------------------------   -------------------------------
Signature of Witness   Signature of First Party

- ---------------------------   -------------------------------
Print Name of Witness   Print Name of First Party

- ---------------------------   -------------------------------
Signature of Witness   Signature of First Party

- ---------------------------   -------------------------------
Print Name of Witness   Print Name of First Party

State of Wyoming
County of Natrona

On September 29, 1999 before me, Cheryl Marker

appeared Donald J. Smith

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

/s/ Cheryl Marker
- ---------------------------
Signature of Notary

Affiant____Known____Produced ID
my commission expires; November 22, 2001   Type of ID____________________

(Seal)

State of }
County of
On before me,
appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal.

- ---------------------------
Signature of Notary

Affiant____Known____Produced ID

my commission expires; November 22, 2001

Type of ID_____________________

(Seal)

Signature of Preparer

Print Name of Preparer

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND STATEMENTS OF LOSS AND ACCUMULATED DEFICIT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH 10KSB FOR THE YEAR ENDED DECEMBER 31, 1999.

YEAR
DEC-31-1999
DEC-31-1999
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0
0
0
0
35743
0
0
35743
22000
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5666
6077
35743
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15204
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