

KINGFISHER METALS CORP.

Condensed Consolidated Interim Financial Statements

Three Months ended March 31, 2023

(Expressed in Canadian dollars)

KINGFISHER METALS CORP.Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	As at March 31, 2023	As at December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 1,035,106	\$ 1,800,271
Amounts receivable	296,444	275,416
Prepaid expenses	556,001	571,060
	1,887,551	2,646,747
Exploration and evaluation assets (Note 3)	12,961,671	12,742,858
Property and equipment (Note 4)	265,008	282,498
Restricted cash	146,500	146,500
	\$ 15,260,730	\$15,818,603
Liabilities and Equity		
Current:		
Accounts payable and accrued liabilities	\$ 505,229	\$ 634,771
	505,229	634,771
Deferred income taxes	1,523,000	1,636,000
	2,028,229	2,270,771
Shareholders' equity		
Capital stock (Note 5)	18,188,826	18,188,826
Contributed surplus (Note 5)	1,880,220	1,856,127
Deficit	(6,836,545)	(6,497,121)
	13,232,501	13,547,832
	\$ 15,260,730	\$15,818,603

Nature of operations and going concern (Note 1)
Subsequent events (Note 9)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on May 30, 2023.

"Dustin Perry"
.....Director

"David Loretto"
.....Director

KINGFISHER METALS CORP.Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

For the three months ended	March 31, 2023	March 31, 2022
General and administrative expenses		
Amortization	\$ 18,494	\$ 20,045
Bank charges	545	760
Consulting and directors' fees	19,394	19,533
Corporate relations	108,342	110,672
Insurance	7,509	6,707
Legal	3,586	-
Management fee	99,000	126,167
Office and administration	20,118	49,258
Salaries and wages	60,363	30,422
Share-based compensation	24,093	86,842
Transfer and filing fees	71,486	20,642
Travel and entertainment	19,494	12,498
Net loss and comprehensive loss before income taxes	(452,424)	(483,546)
Deferred income tax recovery	(113,000)	(47,000)
Net loss and comprehensive loss for the period	\$ (339,424)	\$ (436,546)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	103,057,272	84,745,522

See accompanying notes.

KINGFISHER METALS CORP.Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

For the three months ended	March 31, 2023	March 31, 2022
Operating activities		
Net loss for the period	\$ (339,424)	\$ (436,546)
Changes non-cash operating items:		
Amortization	18,494	20,045
Deferred income tax recovery	(113,000)	(47,000)
Share-based compensation	24,093	86,842
	<u>(409,837)</u>	<u>(376,659)</u>
Changes non-cash working capital:		
Amounts receivable	(21,028)	(22,214)
Prepaid expenses	15,059	13,583
Accounts payable and accrued liabilities	(16,320)	(46,511)
	<u>(22,289)</u>	<u>(55,142)</u>
Cash used in operating activities	<u>(432,126)</u>	<u>(431,801)</u>
Investing activities		
Additions to exploration and evaluation assets	(332,035)	(241,712)
Additions to property and equipment	(1,004)	(19,936)
Cash used in investing activities	<u>(333,039)</u>	<u>(261,648)</u>
Net outflow of cash and cash equivalents	<u>(765,165)</u>	<u>(693,449)</u>
Cash and cash equivalents, beginning of the period	1,800,271	4,686,967
Cash and cash equivalents, end of the period	<u>\$ 1,035,106</u>	<u>\$ 3,993,518</u>

Non-cash investing activity:

The Company incurred \$67,307 (March 31, 2022 - \$51,318) in exploration and evaluation assets which were in accounts payable and accrued liabilities at March 31, 2023.

See accompanying notes.

KINGFISHER METALS CORP.Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

	<u>Common Shares</u>		<u>Share Based Compensation</u>	<u>Contributed Surplus</u>	<u>Deficit</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>				
Balance, December 31, 2022	103,057,272	\$ 18,188,826	\$ 1,572,625	\$ 283,502	\$ (6,497,121)	\$ 13,547,832
Share-based compensation	-	-	24,093	-	-	24,093
Net loss for the period	-	-	-	-	(339,424)	(339,424)
Balance, March 31, 2023	103,057,272	\$ 18,188,826	\$ 1,596,718	\$ 283,502	\$ (6,836,545)	\$ 13,232,501

	<u>Common Shares</u>		<u>Share Based Compensation</u>	<u>Contributed Surplus</u>	<u>Deficit</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>				
Balance, December 31, 2021	84,673,300	\$ 13,985,005	\$ 1,228,873	\$ 248,612	\$ (4,324,346)	\$ 11,138,144
Shares issued for mining claims	500,000	100,000	-	-	-	100,000
Share-based compensation	-	-	-	86,842	-	86,842
Net loss for the period	-	-	-	-	(436,546)	(436,546)
Balance, March 31, 2022	85,173,300	\$ 14,085,005	\$ 1,228,873	\$ 335,454	\$ (4,760,892)	\$ 10,888,440

See accompanying notes.

KINGFISHER METALS CORP.

For the three months ended March 31, 2023

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Kingfisher Metals Corp. (the "Company" or "Kingfisher") was incorporated under the Business Corporations Act (British Columbia) on September 7, 2017 and its common shares are listed for trading on the TSX Venture Exchange (the "TSX-V"), Frankfurt Stock Exchange and OTCQB Venture Market in the United States. The principal business focus of the Company is the exploration and development of mineral prospects in Canada. The Company's registered office is located in Vancouver, B.C.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. There is no assurance that the exploration activities of Kingfisher will result in future profitable operations. The business is subject to risk, market conditions, supply and demand, and competition. The Company currently has cash available to meet its administrative overhead and maintain its assets. The recoverability of amounts shown in assets is dependent on several factors. These factors include the ability of the Company to obtain financing to complete the planned exploration, and future cashflow from the Company's business.

However, there can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. The Company has not achieved profitable operations and has accumulated losses since inception. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance of basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS issued by the IASB.

The accounting policies applied by the Company in the condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual financial statements for the year ended December 31, 2022.

(b) Key judgement and estimates

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and contingent liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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Significant areas requiring the use of management judgements, estimates and assumptions include:

- The assessment of whether certain factors (both internal and external) would be considered an indicator of impairment and whether impairment testing is required on the exploration and evaluation assets.
- The determination that the Company will continue as a going concern for the next year.

(c) Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned integrated subsidiary, Kingfisher Resources Ltd., which was incorporated in British Columbia and is engaged in mining exploration and evaluation activities.

(d) Change in accounting policies:

Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose “significant” accounting policies with a requirement to disclose “material” accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgements about accounting policy disclosures. The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. Prospective application is required on adoption. We do not expect these amendments to have a material effect on the consolidated financial statements.

3. EXPLORATION AND EVALUATION ASSETS

Ecstall

On April 10, 2019, the Company completed the Ecstall purchase of 18 mineral claims totalling 20,735 hectares in NW British Columbia for 8,200,000 shares (at a value of \$205,000) from two executives.

The Company also acquired and staked 13 additional claims on adjacent land (totalling approximately 7,671 hectares).

Thibert

On June 24, 2020, the Company entered into an asset purchase agreement to acquire Thibert claims from Kenorland Minerals Ltd. (“Kenorland”) (a company with a common director), consisting of 8 mineral claims totaling 12,475 hectares in NW British Columbia for the following:

- 1,000,000 common shares of the Company (issued);
- common shares of the Company equal to a value of \$100,000 on the first anniversary date of the listing on the TSX-V (issued); and
- a 2% net smelter return royalty.

On November 15, 2021, the Company staked 2 additional mineral claims adjacent to the existing claims totaling 502 hectares.

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Goldrange

On April 6, 2020, the Company completed a purchase from Kenorland of three mineral claims totaling 4,504 hectares in SW British Columbia (referred to here as Goldrange) for 500,000 common shares of the Company (at a value of \$50,000) plus a 2% net smelter return royalty.

Subsequently during the 2020 year, the Company acquired and staked 24 additional mineral claims (totaling approximately 16,574 hectares) by incurring costs of \$73,940 and issuing 70,000 common shares (at a value of \$14,000).

The Company staked 18 additional mineral claims adjacent to the existing claims totaling 29,953 hectares.

HWY 37

On March 6, 2023 (amended on March 25, 2023), the Company entered into 2 option agreements to consolidate and acquire a 100% interest in a series of mineral claims in the Golden Triangle region of NW British Columbia, which consists of the Ball Creek East, and Hank properties (collectively the "HWY 37 Project").

More specifically, the Company entered into a property option agreement with Evrim Exploration Canada Corp., a subsidiary of Orogen Royalties Inc. ("Orogen"), for the Ball Creek East project (the "Ball Creek East Option Agreement"), and a property option agreement with Golden Ridge Resources Ltd. for the Hank project (the "Hank Option Agreement").

Ball Creek East Project

Pursuant to the terms of the Ball Creek East Option Agreement, Kingfisher has the right to earn a 100% ownership interest in the Ball Creek East Project, subject to a 2% net smelter returns royalty and up to \$4.1 million in milestone payments, as follows:

Due dates	Issuance of common shares (\$)	Minimum exploration expenditures (\$)	Cumulative exploration expenditures (\$)
Upon TSXV approval (completed after March 31, 2023)	300,000	-	-
March 25, 2024	400,000	500,000	500,000
March 25, 2025	500,000	1,000,000	1,500,000
March 25, 2026	1,000,000	2,000,000	3,500,000
March 25, 2027	1,300,000	4,000,000	7,500,000

The Company also granted a 1% net smelter returns royalty to Orogen in respect of the Company's Ecstall Property on the March 25, 2023.

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Hank Project

Pursuant to the terms of the Hank Option Agreement, Kingfisher has the right to earn a 100% ownership interest in the Hank Project as follows:

Due dates	Cash payments (\$)	Issuance of common shares (\$)	Minimum exploration expenditures (\$)	Cumulative exploration expenditures (\$)
Upon TSXV approval (completed after March 31, 2023)	25,000	75,000	-	-
March 25, 2024	-	150,000	-	-
March 25, 2025	-	300,000	250,000	250,000
March 25, 2026	100,000	1,000,000	1,000,000	1,250,000
March 25, 2027	125,000	1,475,000	1,750,000	3,000,000

	Ecstall Claims	Thibert Claims	Goldrange Claims	HWY 37 Claims	Total
Acquisition costs:					
As at December 31, 2021	219,093	200,878	192,184	-	612,155
Staking (recovery)	5,931	-	(2,008)	-	3,923
As at December 31, 2022 and March 31, 2023	225,024	200,878	190,176	-	616,078
Exploration costs as at December 31, 2021	858,329	201,251	4,869,549	-	5,929,129
Expenditures during the period:					
Assays	155	-	513,132	-	513,287
Camp	-	-	464,515	-	464,515
Consulting	-	-	119,350	-	119,350
Drilling	-	-	2,019,603	-	2,019,603
Field gear	-	-	72,101	-	72,101
Geologist and sundry exploration costs	-	-	381,928	-	381,928
Geophysics	-	34,573	-	-	34,573
Helicopters	-	-	2,025,178	-	2,025,178
Reports	-	-	24,383	-	24,383
Labour	370	6,758	487,093	-	494,221
Transportation and travel	-	-	132,312	-	132,312
	525	41,331	6,239,595	-	6,281,451
Exploration costs as at December 31, 2022	858,854	242,582	11,109,144	-	12,210,580
Expenditures during the period:					
Assays	-	-	208,234	-	208,234
Camp	-	-	315	-	315
Drilling	-	-	2,194	-	2,194
Geologist and sundry exploration costs	-	-	8,070	-	8,070
	-	-	218,813	-	218,813

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As at March 31, 2023	858,854	242,582	11,327,957	-	12,429,393
Recovery – BCMETC, March 31, 2023	(46,000)	-	(37,800)	-	(83,800)
Balance, March 31, 2023	\$ 1,037,878	\$ 443,460	\$11,480,333	\$ -	\$12,961,671

4. PROPERTY AND EQUIPMENT

	Automotive Equipment	Shop Equipment	Exploration Equipment	Office Equipment	Portable Camp	Total
Cost						
At December 31, 2021	\$ 14,820	\$ 8,588	\$138,076	\$ 30,613	\$ 168,561	\$360,658
Capital expenditures	16,264	5,093	4,726	5,394	38,891	70,368
At December 31, 2022	31,084	13,681	142,802	36,007	207,452	431,026
Capital expenditures	-	-	-	1,004	-	1,004
At March 31, 2023	\$ 31,084	\$ 13,681	\$142,802	\$ 37,011	\$ 207,452	\$432,030
Accumulated depletion and depreciation						
At December 31, 2021	(6,002)	(859)	(20,308)	(8,713)	(25,284)	(61,166)
Depletion and depreciation	(5,085)	(2,055)	(24,026)	(7,379)	(48,817)	(87,362)
At December 31, 2022	\$ (11,087)	\$ (2,914)	\$ (44,334)	\$ (16,092)	(74,101)	\$(148,528)
Depletion and depreciation	(1,500)	(538)	(4,923)	(1,532)	(10,001)	(18,494)
At March 31, 2022	\$ (12,587)	\$ (3,452)	\$ (49,257)	\$ (17,624)	(84,102)	\$(167,022)
Net book value						
December 31, 2022	\$ 19,997	\$ 10,767	\$ 98,468	\$ 19,915	\$ 133,351	\$282,498
March 31, 2023	\$ 18,497	\$ 10,229	\$93,545	\$ 19,387	\$ 123,350	\$265,008

5. CAPITAL STOCK**(a) Authorized**

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the three months year ended March 31, 2023:

There were no transactions in the period.

During the three months ended March 31, 2022:

On March 18, 2022, the Company issued 500,000 common shares at a price of \$0.20 per share as part of the asset purchase agreement with Kenorland. See Note 3.

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(c) Incentive stock options

The Company has a stock option plan (the "Plan") allowing for the reservation of common shares issuable under the Plan to a maximum 10% of the number of issued and outstanding common shares of the Company at any given time. The term of any stock option granted under the Plan may not exceed five years and the exercise price may not be less than the discounted market price on the grant date.

Unless otherwise specified by the Board of Directors at the time of granting an option, and subject to other term limits on option grants set out in the Plan, all options granted under the Plan shall vest and become exercisable in full upon grant, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one quarter of the options vesting in any three-month period.

The purpose of the Plan is to provide directors, officers, key employees, and certain other persons who provided services to the Company and its subsidiaries with an increased incentive to contribute to the future success and prosperity of the Company.

On June 14, 2022, the Company granted 2,000,000 stock options to various directors, executive officers, employees, and consultants. These options are exercisable until June 14, 2027 at a price of \$0.30 per share. These options vest over a period of one year.

The following is a continuity of outstanding share options:

	Weighted Average of Options	Weighted Average of Exercise price
Balance December 31, 2021	6,550,001	\$ 0.17
Granted during the period	2,000,000	\$ 0.30
Balance December 31, 2022 and March 31, 2023	8,550,001	\$ 0.20

The fair value of each option is estimated using the Black-Scholes option pricing model with assumptions as follows:

	June 14, 2022
Risk-free interest rate	3.56%
Expected annualized volatility	108%
Expected life	5 years
Exercise price	\$0.30
Dividend rate	Nil

The following table summarizes information about stock options that are outstanding at March 31, 2023:

Options	Price per Share	Expiry Date	Options Exercisable
400,000	\$0.10	October 4, 2023	400,000
2,106,667	\$0.10	December 27, 2024	2,106,667
1,760,000	\$0.10	September 25, 2025	1,760,000
1,873,334	\$0.25	March 12, 2026	1,873,334
360,000	\$0.55	May 25, 2026	360,000
50,000	\$0.65	October 21, 2026	50,000
2,000,000	\$0.30	June 14, 2027	1,333,333
8,550,001			7,883,334

As at March 31, 2022, the weighted average contractual remaining life is 2.75 years.

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For the three months ended March 31, 2023

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(Expressed in Canadian Dollars)

(d) Share purchase warrants

The following is a continuity of outstanding warrants:

	Weighted Average of Warrants	Weighted Average of Exercise Price
Balance at December 31, 2021	31,879,184	\$ 0.49
Issued – Finder’s warrants	327,083	\$ 0.35
Issued – Charity Flow Through	7,625,000	\$ 0.35
Issued – Flow Through	1,216,986	\$ 0.35
Exercised	(200,000)	\$ (0.125)
Balance at December 31, 2022	40,848,253	\$ 0.46
Expired ⁽¹⁾	(27,206,350)	\$ 0.46
Balance at March 31, 2023	13,641,903	\$ 0.46

(1) Expired on March 12, 2023, unexercised.

As at March 31, 2023, the weighted average contractual life of warrants is 0.25 years and the weighted average exercise price is \$0.46.

The fair value of finder’s warrants is estimated using the Black-Scholes pricing model with assumptions as follows:

	June 7, 2022
Risk-free interest rate	3.04%
Expected annualized volatility	100%
Expected life	2 years
Dividend rate	Nil

The following table summarizes information about warrants that are outstanding at March 31, 2023:

Number of Warrants	Price per Share	Expiry Date	Warrants Exercisable
3,943,500	\$0.70	June 3, 2023	3,943,500
529,334	\$0.51	June 3, 2023	529,334
9,169,069	\$0.35	June 7, 2024	9,169,069
13,641,903			13,641,903

As at March 31, 2023, the weighted average contractual life of warrants is 0.25 years.

6. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel for the years ended were as follows:

	March 31, 2023	March 31, 2022
Share-based compensation	\$ 16,865	\$ 39,563
Director fees	12,610	12,584
Management fees	99,000	124,167
Exploration and evaluation assets	-	-
Operating expenses	3,000	3,000
	\$ 131,475	\$ 179,314

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As at March 31, 2023, \$nil (December 31, 2022 - \$10,491) is included in accounts payable and accrued liabilities.

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. FINANCIAL INSTRUMENTS RISK

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

Cash and cash equivalents consist of cash bank balances. There are no short-term investments currently.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As at March 31, 2023, there were no significant amounts past due or impaired.

Market Risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchases and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

Foreign Exchange Risk

The Company currently does not have significant exposure to other currencies, and this is not expected to change in the foreseeable future as the capital commitments that are expected to be carried out in United States dollars will be limited.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments, so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

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Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

During the three-month period ended March 31, 2023 and the year ended December 31, 2022, there were no transfers between level 1, 2 and 3 classified assets and liabilities.

8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future exploration and maintaining investor, creditor and market confidence.

The Company defines its capital as shareholders' equity and working capital. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the event that adjustments to the capital structure are required, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements or restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated. The Company may require equity issues to cover administrative and operating cost.

9. SUBSEQUENT EVENTS

The Company issued 2,857,143 shares with a value of \$300,000 pursuant to the Ball Creek East Option Agreement. See Note 3.

The Company issued 714,286 shares with a value of \$75,000 and paid \$25,000 pursuant to the Hank Option Agreement. See Note 3.