PANTHERA EXPLORATION INC.

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
JUNE 30, 2010 AND 2009

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

PANTHERA EXPLORATION INC.

(the “Company”)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Six months ended June 30, 2010 and
six months ended June 30, 2009

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

August 3, 2010

PANTHERA EXPLORATION INC.
(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

(See Note 1 – Nature of Operations and Going Concern)

(Unaudited - Expressed in Canadian Dollars)

	June 30, 2010 $	December 31, 2009 $
A S S E T S		
CURRENT ASSETS		
Cash	188,419	186,280
Marketable securities (Note 3)	2,500	4,200
Other receivables and prepaid expenses	16,126	4,003
	207,045	194,483
MINERAL PROPERTY INTERESTS (Note 4)	9,764	9,764
	216,809	204,247
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	109,479	501,549
S H A R E H O L D E R S' E Q U I T Y		
SHARE CAPITAL		
Authorized – Unlimited common shares without par value (Note 5)		
Issued and outstanding 13,705,604 (December 31, 2009 – 8,795,604) common shares	12,780,966	12,500,883
WARRANTS (Note 5 and 7)	646,253	307,417
CONTRIBUTED SURPLUS	1,825,262	1,730,689
ACCUMULATED OTHER COMPREHENSIVE INCOME	(2,500)	(800)
DEFICIT	(15,142,651)	(14,835,491)
	107,330	(297,302)
	216,809	204,247

APPROVED BY THE BOARD

“David Horton” , Director

"Bruce Winfield” , Director

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

PANTHERA EXPLORATION INC.
(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010 $	2009 $	2010 $	2009 $
EXPENSES				
Accounting and audit	1,871	6,183	19,950	19,183
Corporate development and investor relations	14,120	13,971	19,811	18,051
General exploration	950	(56,866)	4,808	(50,319)
Legal and professional fees	23,141	21,445	23,141	22,647
Management fees	37,500	36,875	78,545	70,750
Office and sundry	2,279	1,157	8,339	2,448
Salaries	33,887	-	136,055	-
Stock-based compensation (Note 6)	-	-	80,351	-
Transfer agent and regulatory fees	3,607	8,717	15,031	16,155
Travel	10,201	24	18,545	24
LOSS (INCOME) BEFORE OTHER ITEMS	127,556	31,506	404,576	98,939
OTHER INCOME (EXPENSE)				
Foreign exchange	14,896	17,022	30,084	11,484
Gain on sale of subsidiary	56,464	-	56,464	-
Recovery of interest and penalties	10,868	-	10,868	-
Write-off of mineral properties	-	-	-	(1,279,502)
	82,228	17,022	97,416	(1,268,018)
LOSS FOR THE PERIOD	(45,328)	(14,484)	(307,160)	(1,366,957)
DEFICIT - BEGINNING OF PERIOD	(15,097,323)	(14,556,012)	(14,835,491)	(13,203,539)
DEFICIT - END OF PERIOD	(15,142,651)	(14,570,496)	(15,142,651)	(14,570,496)
BASIC AND DILUTED LOSS PER COMMON SHARE	(0.00)	(0.01)	(0.02)	(0.33)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	13,614,285	4,184,604	12,906,101	4,184,604

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010 $	2009 $	2010 $	2009 $
LOSS FOR THE PERIOD	(45,328)	(14,484)	(307,160)	(1,366,957)
OTHER COMPREHENSIVE LOSS				
Unrealized loss on available-for-sale marketable securities	(650)	3,150	(1,700)	1,200
TOTAL COMPREHENSIVE LOSS	(45,978)	(11,334)	(308,860)	(1,365,757)

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

PANTHERA EXPLORATION INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010 $	2009 $	2010 $	2009 $
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Loss for the period	(45,328)	(14,484)	(307,160)	(1,366,957)
Items not affecting cash:				
Write-off of mineral property interests	-	-	-	1,279,502
Stock-based compensation	-	-	80,351	-
	(45,328)	(14,484)	(226,809)	(87,455)
Change in non-cash working capital balances:				
Other receivables and prepaid expenses	10,711	(1,956)	(12,123)	10,286
Accounts payable and accrued liabilities	(231,673)	(106,946)	(392,070)	(57,903)
	(266,290)	(123,386)	(631,002)	(135,072)
FINANCING ACTIVITIES				
Issuance of common shares and warrants	-	-	611,000	-
Exercise of warrants	23,100	-	23,100	-
Share subscriptions received	-	140,416	-	140,416
Share and warrant issue costs	-	-	(959)	-
	23,100	140,416	633,141	140,416
INCREASE (DECREASE) IN CASH	(243,190)	17,030	2,139	5,344
CASH - BEGINNING OF PERIOD	431,609	12,816	186,280	24,502
CASH - END OF PERIOD	188,419	29,846	188,419	29,846

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

PANTHERA EXPLORATION INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares (Note 5)	Contributed Surplus (Note 6)	Warrants (Note 7)	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)
Balance as at December 31, 2008	4,184,604	12,298,254	1,319,921	554,690	-	(13,203,539)
Private placement	4,612,000	210,631	-	169,859	-	-
Share issue costs	-	(7,892)	-	-	-	-
Warrant issue costs	-	-	-	(6,364)	-	-
Expiration of warrants	-	-	410,768	(410,768)	-	-
Shares returned to treasury	(1,000)	(110)	-	-	-	-
Net unrealized gain (loss) on available-for-sale marketable securities	-	-	-	-	(800)	-
Net loss	-	-	-	-	-	(1,631,952)
Balance as at December 31, 2009	8,795,604	$ 12,500,883	$ 1,730,689	$ 307,417	$ (800)	$(14,835,491)
Private placement	4,700,000	249,840	-	361,160	-	-
Share issue costs	-	(959)	-	-	-	-
Warrants exercised	210,000	31,203	-	(8,103)	-	-
Warrants expired	-	-	14,222	(14,222)	-	-
Stock-based compensation	-	-	80,351	-	-	-
Unrealized loss on available-for-sale marketable securities	-	-	-	-	(1,700)	-
Net loss	-	-	-	-	-	(307,160)
Balance as at June 30, 2010	13,705,604	12,780,966	1,825,262	646,253	(2,500)	(15,142,651)

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

PANTHERA EXPLORATION INC.
(An Exploration Stage Company)
CONSOLIDATED SCHEDULE OF MINERAL PROPERTY INTERESTS
FOR THE PERIOD ENDED JUNE 30, 2010
(Unaudited -Expressed in Canadian Dollars)

ACQUISITION COSTS

	USA	
	Roy	**Total**
	$	**$**
Balance, beginning of period	9,764	9,764
Acquisition costs – cash	-	-
	9,764	9,764
Write-off of mineral properties	-	-
	9,764	9,764
Proceeds from sale of mineral properties	-	-
Balance, end of period	9,764	9,764

EXPLORATION EXPENDITURES

	General (*)
	$
Cumulative costs expensed - beginning of period	6,444,268
Exploration expenditures during the period:	
Suppliers and contractors	4,808
Cumulative costs expensed - end of period	6,449,076

* *Exploration expenditures for properties that were written of in previous years are included in the opening balance of general exploration*

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Panthera Exploration Inc. (formerly Amera Resources Corporation) (the "Company") was incorporated on April 11, 2000 in the Province of British Columbia and was transitioned under the Business Corporations Act (BC) on June 17, 2004. The Company is a natural resource company engaged in the acquisition and exploration of resource properties in the Americas. The Company presently has no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

The Company has experienced recurring operating losses and has accumulated an operating deficit of $15,142,651 at June 30, 2010 (December 31, 2009 - $14,835,491) and a shareholders' equity of $107,330 at June 30, 2010 (December 31, 2009 – shareholders' deficit of $297,302). In addition, the Company had working capital of $97,566 at June 30, 2010 (December 31, 2009 – working capital deficiency of $307,066). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. These consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These interim consolidated financial statements and accompanying notes have been prepared in conformity with Canadian generally accepted accounting principles ("GAAP").

These interim consolidated financial statements include the accounts of the Company and its wholly-owed subsidiaries Amera-Chile Sociedad Contractual Minera (a Chile corporation), Amera Resources (BVI) Inc. (a British Virgin Island corporation) and Amera Resources (US) Inc. (a U.S. corporation). All inter-company transactions and balances have been eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles, except that they do not contain all disclosures as required for annual financial statements. The interim financial statements have been prepared following the same accounting policies as for the consolidated financial statements for the year ended December 31, 2009 except as noted. Accordingly, they should be read in conjunction with the 2009 financial statements and the notes thereto.

Cash and cash equivalents

Cash and cash equivalents are classified as held for trading and include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions with high credit standings.

Marketable Securities

Marketable securities are designated as available-for-sale and recorded at fair value, with changes in fair value recorded in the statement of other comprehensive income. The fair value of marketable securities is obtained by reference to the current quoted bid price on the balance sheet date. When it is determined that a decrease in fair value is other than temporary a loss will be recorded in other income (expense).

Translation of Foreign Currencies

The Company's foreign operations are integrated and are translated using the temporal method. Under this method, the Company translates monetary assets and liabilities denominated in foreign currencies at period-end rates. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates in effect during the period except for depreciation and amortization which are translated at historical rates. The resulting gains or losses are reflected in operating results in the period of translation.

Future Accounting Standards

Business combinations, consolidated financial statements and non-controlling interest

In January 2009, the CICA issued CICA Handbook Section 1582, *Business Combinations*, Section 1601, *Consolidations*, and Section 1602, *Non-controlling Interests*. These sections replace the former CICA Handbook Section 1581, *Business Combinations* and Section 1600, *Consolidated Financial Statements* and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, *Business Combinations* (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(Unaudited - Expressed in Canadian Dollars)

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements (January 2008).

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year.

All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections as it has not adopted then yet.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that the date for publicly-listed companies to use IFRS, replacing Canadian GAAP, is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company is evaluating the financial reporting impact of the transition to IFRS.

3. MARKETABLE SECURITIES

As at June 30, 2010, the Company held 10,000 (December 31, 2009 – 10,000) common shares of Astral Mining Corporation ("Astral") which had a quoted market value of $2,500 (December 31, 2009 - $4,200). The Company has designated its marketable securities as financial assets available-for-sale and accordingly, changes to their fair value are recorded in other comprehensive income in the period they occur. An unrealized loss of $650 was recorded for the three month period ended June 30, 2010 and an unrealized loss of $1,700 was recorded for the six month period ended June 30, 2010.

4. MINERAL PROPERTY INTERESTS

The schedule below summarizes the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at June 30, 2010 and December 31, 2009:

	June 30, 2010			December 31, 2009		
	Acquisition Costs $	Exploration Expenditures $	Total $	Acquisition Costs $	Exploration Expenditures $	Total $
USA						
Roy Property, Walker Lane, Nevada	9,764	-	9,764	9,764	-	9,764
	9,764	-	9,764	9,764	-	9,764

5. SHARE CAPITAL AND WARRANTS

(Unaudited - Expressed in Canadian Dollars)

On July 9, 2009 the Company closed a non-brokered private placement financing of 4,612,000 units at a price of $0.0825 per unit for gross proceeds of $380,490. Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share, exercisable at a price of $0.11 expiring July 9, 2011. Aggregate finders' fee of $14,256 was paid in cash to an arm's length party to the Company on a portion of the financing.

On January 25, 2010 the Company closed a non-brokered private placement consisting of the issuance of 4,700,000 units at a price of $0.13 per unit, for gross proceeds of $611,000. Each Unit consists of one common share and one common share purchase warrant. Each full warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.18 per share in year one and $0.22 per share in year two. Aggregate finders' fee of $936 was paid in cash to an arm's length party to the Company on a portion of the financing.

6. STOCK OPTIONS

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the grant date, less allowable discounts in accordance with the policies of the TSX Venture Exchange. Stock options granted vest immediately and are subject to a four-month hold period and exercisable for a period of five years.

Stock option transactions are summarized as follows:

	Number of Shares	Weighted Average Exercise Price (CAD$)
Balance at December 31, 2008	-	-
Granted	-	-
Exercised	-	-
Expired	-	-
Forfeited	-	-
Balance at December 31, 2009	-	-
Granted	700,000	0.13
Exercised	-	-
Cancelled	-	-
Expired	-	-
Balance at June 30, 2010	700,000	0.13
Number of stock options exercisable	700,000	0.13

(Unaudited - Expressed in Canadian Dollars)

6. STOCK OPTIONS (continued)

As at June 30, 2010, the following stock options were outstanding as follows:

Number of Shares Outstanding	Exercise Price (CAD$)	Expiry Date
700,000	0.13	March 11, 2015
700,000		

Total stock options granted during the three months ended June 30, 2010 were Nil (three months ended June 30, 2010 – Nil). Stock options granted vest immediately but are subject to a four month hold period. Total stock-based compensation recognized for the fair value of stock options granted, vested and approved by the shareholders during the three months ended June 30, 2010 was $Nil (three months ended June 30, 2009 - Nil).

Total stock options granted during the six months ended June 30, 2010 were 700,000 (six months ended June 30, 2010 – Nil). Total stock-based compensation recognized for the fair value of stock options granted, vested and approved by the shareholders during the six months ended June 30, 2010 was $80,350 (three months ended June 30, 2009 - Nil).

The weighted average fair value of stock options granted is estimated to be $0.12 for the six months ended June 30, 2010 (six months ended June 30, 2009 – Nil) by using the Black-Scholes options pricing model with the following weighted average assumptions:

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Risk-free interest	1.46%	-
Expected dividend yield	-	-
Expected stock price volatility	166%	-
Expected option life in years	2.5	-

7. WARRANTS

Share purchase warrant transactions are summarized as follows:

	Number of Shares	Weighted Average Exercise Price $
Balance at December 31, 2009	5,006,760	0.24
Exercised	(210,000)	0.11
Expired	(394,760)	$1.80
Granted	4,700,000	0.18
Balance at June 30, 2010	9,102,000	0.15

7. WARRANTS (continued)

(Unaudited - Expressed in Canadian Dollars)

On January 25, 2010 the Company closed a non-brokered private placement consisting of the issuance of 4,700,000 units at a price of $0.13 per unit, for gross proceeds of $611,000. Each Unit consists of one common share and one common share purchase warrant. Each full warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.18 per share in year one and $0.22 per share in year two. Aggregate finders' fee of $936 was paid in cash to an arm's length party to the Company on a portion of the Financing.

At June 30, 2010, the following warrants were outstanding as follows:

Number of Warrants Outstanding	Exercise Price (CAD$)	Expiry Date
4,402,000	0.11	July 9, 2011
4,700,000	0.18	January 25, 2012
9,102,000		

8. RELATED PARTY TRANSACTIONS

(a) The former President of the Company provides his services on a full-time basis under a contract with a private company controlled by the former President for an annual fee of $87,500. During the six months ended June 30, 2010, the Company paid fees of $nil (2009 - $43,750) to the President. The contract also provides that, in the event the services are terminated without cause or upon a change in control of the Company, a termination payment would include eighteen months of compensation plus a bonus amount agreed to by the parties.

On December 18, 2009 the Company terminated his contract. The termination payment of $131,250 was paid during the six months ended June 30, 2010.

(b) During the six months ended June 30, 2010 the Company paid consulting fees in the amount of $15,000 (2009 - $30,000) to a company controlled by an officer of the Company.

All of the related party transactions and balances in these consolidated financial statements arose 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.

9. SEGMENTED INFORMATION

(Unaudited - Expressed in Canadian Dollars)

The Company is primarily involved in mineral exploration activities in the United States and Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the three months ended June 30, 2010.

The Company's total assets are segmented geographically as follows:

	June 30, 2010			
	Corporate Canada $	**Argentina $**	**USA $**	**Total $**
Current assets	168,014	39,031		207,045
Mineral property interests	-	-	9,764	9,764
	168,014	39,031	9,764	216,809

	December 31, 2009			
	Corporate Canada $	**United States $**	**Peru $**	**Total $**
Current assets	193,087	-	1,396	194,483
Mineral property interests	-	9,764	-	9,764
	193,087	9,764	1,396	204,247

10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable. The fair value of these financial instruments approximates their carrying values due to the immediate or short-term maturity of these financial instruments.

The Company's marketable securities are classified as available for sale and fair value is determined using bid prices at the balance sheet date with any temporary unrealized gains or losses recognized in other comprehensive income.

10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

(Unaudited - Expressed in Canadian Dollars)

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company has reduced its credit risk by investing its cash and cash equivalents in term deposits with financial institutions that operate globally. Also, as the majority of its receivables are with the governments of Canada and Peru in the form of sales tax, the credit risk is minimal. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due (Note 1). The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: US dollars; Argentine Pesos; all denominated in cash and cash equivalents, accounts receivable and accounts payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar, Argentine Peso and Peruvian Sole is summarized in the table below:

	June 30, 2010			
	10% Increase in the Argentine Peso	10% Decrease in the Argentine Peso	10% Increase in the US Dollar	10% Decrease in the US Dollar
Increase (decrease) in net earnings	$3,862	$(3,862)	$7,770	$(7,770)
Increase (decrease) in other comprehensive (loss) income	-	-	-	-
Comprehensive (loss) income	$3,862	$(3,862)	$7,770	$(7,770)

10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents bear interest at variable rates. The fair value of cash and cash equivalents approximates their carrying values due to the immediate or short-term maturity of these financial instruments.

Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, contributed surplus and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop the project and may require doing so again in the future.

The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds.

11. SUBSEQUENT EVENTS

- A bonus of $70,000 that was previously accrued was paid to a former officer and director of the Company.