



British Columbia Securities Commission

QUARTERLY REPORT

BC FORM 51-901F
(previously Form 61)

INCORPORATED AS PART: X Schedule A

Schedule B and C

ISSUER DETAILS		
<i>Name of Issuer</i>	<i>For Quarter Ended</i>	<i>Date of Report</i>
STIKINE GOLD CORPORATION	MAY 31, 2003	July 30, 2003
<i>Issuer's Address</i>	<i>Issuer's Fax No.</i>	<i>Issuer's Telephone No.</i>
500 – 1045 HOWE ST. VANCOUVER, BC, V6Z 2A9	(604) 684-5909	(604) 684-5900
<i>Contact Person</i>	<i>Contact's Position</i>	<i>Contact's Telephone No.</i>
DAVID SKERLEC	CHIEF FINANCIAL OFFICER	(604) 684-5900 Ext. 147
<i>Contact Email Address</i>		<i>Web Site Address</i>
dskerlec@rocamines.com		www.stikinegold.com
<u>CERTIFICATE</u>		
<p>The three schedules required to complete this Report are attached and the disclosures contained herein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.</p>		
<i>Director's Signature</i>	<i>Print Full Name</i>	<i>Date Signed</i>
<i>"Scott E. Broughton"</i>	Scott E. Broughton	<i>July 30, 2003</i>
<i>Director's Signature</i>	<i>Print Full Name</i>	<i>Date Signed</i>
<i>"John M. Mirko"</i>	John M. Mirko	<i>July 30, 2003</i>

STIKINE GOLD CORPORATION

(A Development Stage Company)

FINANCIAL STATEMENTS

For the Three Months Ended

MAY 31, 2003

(Expressed in Canadian Dollars)

Prepared by Management Without Audit

Stikine Gold Corporation

(A Development Stage Company)

Balance Sheet

Canadian Funds

	As at May 31, 2003 (Unaudited)	As at February 28, 2003
ASSETS		
Current		
Cash and cash equivalents	\$ 10,564	\$ 109,605
Receivables	19,746	15,127
Prepaid expenses	265	-
	<u>30,575</u>	<u>124,732</u>
Deferred Share Issuance Costs	70,724	
Resource Property Costs - Schedule (Note 4)	228,265	194,459
Capital Assets (Note 5)	2,624	2,837
	<u>301,613</u>	<u>197,296</u>
	<u>\$ 332,188</u>	<u>\$ 322,028</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 57,348	\$ 28,580
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	337,835	337,835
Contributed Surplus (Note 6)	7,687	-
Deficit	(70,682)	(44,387)
	<u>274,840</u>	<u>293,448</u>
	<u>\$ 332,188</u>	<u>\$ 322,028</u>

ON BEHALF OF THE BOARD:

“Scott E. Broughton”, Scott E. Broughton, Director

“John M. Mirko”, John M. Mirko, Director

- See Accompanying Notes -

Stikine Gold Corporation

(A Development Stage Company)

Statement of Loss and Deficit

Unaudited

Canadian Funds

	For the Three Months Ended	
	May 31, 2003	May 31, 2002
Expenses		
Audit, Accounting and legal fees	\$ 4,596	\$ -
Advertising and promotion	271	-
Amortization	213	-
Listing and filing fees	344	-
Consulting fees	15,287	-
Office and sundry	3,686	-
Rent	1,500	-
Travel	588	-
Loss Before Under-Noted	26,484	-
Interest Income for the Period	(189)	-
Loss for the Period	\$ 26,295	\$ -
Deficit, Beginning of Period	44,387	-
Deficit, End of Period	\$ 70,682	\$ -
Loss per Share – Basic and Diluted	\$ 0.01	\$ N/A

- See Accompanying Notes -

Stikine Gold Corporation

(A Development Stage Company)

Statement of Cash Flows

Unaudited

Canadian Funds

	For the Three Months Ended	
	May 31, 2003	May 31, 2002
Cash Resources Provided By (Used In):		
Loss for the period	\$ (26,295)	\$ -
Items not affected by cash:		
Amortization	213	-
Stock-option based portion of consulting fees	7,687	-
	<u>(18,395)</u>	<u>-</u>
Changes in non-cash working capital:		
Receivables	(4,619)	-
Prepaid expenses	(265)	-
Accounts payable and accrued liabilities	28,768	-
	<u>5,489</u>	<u>-</u>
Investing Activities		
Resource property costs	<u>(33,806)</u>	<u>-</u>
Financing Activities		
Deferred Share Issuance Costs	<u>(70,724)</u>	<u>-</u>
Net Increase in Cash and cash equivalents	(99,041)	-
Cash and cash equivalents - Beginning of Period	109,605	-
Cash and cash equivalents – End of Period	\$ 10,564	\$ -
Supplemental Schedule of non-cash Transactions		
Stock-Option based consulting expense	<u>\$ 7,687</u>	<u>\$ -</u>

- See Accompanying Notes -

Stikine Gold Corporation

(A Development Stage Company)

Schedule of Resource Property Costs

Unaudited

Canadian Funds

	Three Months Ended May 31, 2003	Year Ended February 28, 2003	Three Months Ended May 31, 2002
William's Gold Project, B.C., Canada			
Acquisition Costs			
Option payment – cash	\$ 25,000	\$ 10,000	\$ -
Staking	-	14,892	-
Deferred Exploration Costs			
Geophysical	-	86,514	-
Aircraft charter	-	30,701	-
Geological	5,306	21,650	-
Maps and reports	226	9,314	-
Travel	-	8,569	-
Accommodation and meals	-	7,357	-
Communication	-	4,379	-
Materials	3,274	1,083	-
Costs for the Period	33,806	194,459	-
Balance - Beginning of Period	194,459	-	-
Balance - End of Period	\$ 228,265	\$ 194,459	\$ -

- See Accompanying Notes -

Stikine Gold Corporation

(A Development Stage Company)

Notes to Financial Statements

May 31, 2003

Unaudited

Canadian Funds

1. Nature of Operations

The Company was incorporated July 10, 2000 as Withit Capital Corp. and changed its name to Stikine Gold Corporation June 18, 2002. The Company was inactive until it commenced operations in the 2003 fiscal year.

The Company is a development stage company that engages principally in the acquisition, exploration and development of resource properties. The recovery of the Company's investment in its resource properties is dependent upon the discovery, development and sale of ore reserves and the ability to raise sufficient capital to finance this operation. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

2. Significant Accounting Policies

a) Mineral Properties

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

The recoverability of the amount capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

b) Environmental Expenditures

The operations of the company have been, and may in the future, be affected from time to time in varying degree by changes in environmental regulations, including those for future reclamation and site restoration costs. Both the likelihood of new regulations and their overall effect upon the company vary greatly and are not predictable. The company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. Estimated future reclamation and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

c) Amortization

The company provides for amortization on its capital assets at an annual rate of 30% for computer equipment on the declining balance method. One-half of the above rate is taken in the year of acquisition.

Stikine Gold Corporation

(A Development Stage Company)

Notes to Financial Statements

May 31, 2003

Unaudited

Canadian Funds

2. Significant Accounting Policies - Continued

d) Income Taxes

Income taxes are accounted for using the asset and liability method. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on deferred taxes for a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

e) Share Capital

- i) The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the company.
- ii) Share capital issued for non-monetary consideration is recorded at an amount based on fair market value reduced by an estimate of transaction costs normally incurred when issuing shares for cash, as determined by the board of directors of the company.

f) Stock Compensation

The company has established standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services as follows:

Non-employees

The standard requires that all stock-based awards made to non-employees be measured and recognized using a fair value based method.

Employees

The standard encourages the use of a fair value based method for all awards to employees, but only requires the use of a fair value based method for direct awards of stock, stock appreciation rights, and awards that call for settlement in cash or other assets. Awards that a Company has the ability to settle in stock are recorded as equity, whereas awards that the entity is required to or has a practice of settling in cash are recorded as liabilities. The Company has elected to account for employee stock options by measuring compensation cost for options as the excess, if any, of the quoted market price of the Company's common shares at the date of grant over the amount an employee must pay to acquire the common shares. As required for the employee stock options, the Company discloses pro-forma income (loss) and pro-forma earnings (loss) per share using a fair value based method.

g) Loss per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

Stikine Gold Corporation

(A Development Stage Company)

Notes to Financial Statements

May 31, 2003

Unaudited

Canadian Funds

2. Significant Accounting Policies - *Continued*

h) Management's Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

3. Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables and accounts payable. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

4. Resource Property Costs

By agreement dated December 18, 2002 and amended March 26 and April 1, 2003, the Company was granted an option to acquire a 70% interest in certain claims located in the Liard Mining Division, B.C., known as the William's Gold property. In order to earn the interest the Company is required to become publicly listed no later than August 31, 2003 (Note 9), and, at its option, complete the following:

	Cash Payments	Share Issuances	Incur Exploration Expenditures
Upon signing of the agreement (paid)	\$ 10,000	-	\$ -
On or before December 31, 2002 (completed)	-	-	125,000
On or before May 1, 2003 (paid)	25,000	-	-
On or before 15 days after the Company's shares are listed for trading on the Exchange and before August 31, 2003	-	100,000	-
On or before December 31, 2003	-	-	300,000
On or before May 1, 2004	40,000	-	-
On or before the first anniversary of the Listing Date and before June 15, 2004	-	50,000	-
On or before December 31, 2004	-	-	350,000
On or before the second anniversary of the Listing Date and before June 15, 2005	50,000 *	-	-
On or before December 31, 2005	-	-	725,000
On or before the third anniversary of the Listing Date and before June 15, 2006	50,000 *	-	-
	<u>\$ 175,000</u>	<u>150,000</u>	<u>\$ 1,500,000</u>

* At the election of the Company, this payment may be made by the issue of shares having an aggregate market value of \$50,000.

Stikine Gold Corporation

(A Development Stage Company)

Notes to Financial Statements

May 31, 2003

Unaudited

Canadian Funds

4. Resource Property Costs - Continued

Upon completion of the above requirements, the Company will earn a 70% interest in the property. This interest is subject to an ongoing minimum annual expenditure requirement of property expenditures of \$500,000 or a cash payment of \$50,000 in lieu. If the Company does not make these annual expenditures or the cash payment in lieu, the property interest reverts back to the optionor. This requirement continues until such time as a feasibility report has been prepared and approved by the Company and the optionor at which time a joint venture will be formed with the Optionor. The Company may earn an additional 5% interest in the property (for a total of 75%) by arranging financing for the optionor's share of the development costs. The Property is subject to a 2.5% Net Smelter Return ("NSR") royalty, of which 1.5% may be purchased by the joint venture for \$2,000,000.

5. Capital Assets

Details are as follows:

	Cost	Accumulated Amortization	Net Book Value May 31, 2003	Net Book Value February 28, 2003
Computer equipment	\$ 3,338	\$ 714	\$ 2,624	\$ 2,837

6. Share Capital

a) Details are as follows:

	Number	Amount
Authorized:		
100,000,000 common shares without par value		
Issued and fully paid:		
Seed capital	4,000,001	\$ 40,001
Common Shares	1,005,000	100,500
Flow-through Common Shares	1,382,516	209,877
Share issuance costs	-	(12,543)
Balance at February 28 and May 31, 2003	6,387,517	\$ 337,835

b) During the three-months ended May 31, 2003, the Company's final prospectus dated May 15, 2003 was receipted in the provinces of British Columbia, Alberta, Ontario and qualified 1,005,000 Regular Special Warrants and 1,382,516 Flow-through Special Warrants for no additional consideration.

c) During the year ended February 28, 2003 the Company issued 4,000,000 shares to two directors for total proceeds of \$40,000.

Stikine Gold Corporation

(A Development Stage Company)

Notes to Financial Statements

May 31, 2003

Unaudited

Canadian Funds

6. Share Capital - Continued

- d) During the year ended February 28, 2003 the Company completed various private placements consisting of 1,005,000 Regular Special Warrants for gross proceeds of \$100,500 and 1,382,516 Flow-through Special Warrants for gross proceeds of \$209,877. Each Regular Special Warrant entitles its holder to receive one common share, and each Flow-through Special Warrant entitles its holder to receive one flow-through common share at any time before the date (the "Expiry Date") which is the earlier of 24 months from the date the Regular and Flow-through Special Warrants are issued or the fifth business day after a receipt ("Final Receipt") is issued by regulatory authorities for a final prospectus qualifying the distribution of the underlying common and flow-through shares upon the exercise or deemed exercise of the Special Warrants. Any unexercised Special Warrants will be deemed to be exercised immediately prior to the Expiry Date.

The securities to be issued on exercise of the Special Warrants will be subject to certain trading restrictions unless the Final Receipt has been issued prior to the conversion date, in which case the securities will be free trading subject to trading restrictions imposed by the Exchange (Note 9).

A director and officer of the Company subscribed for 70,000 flow-through special warrants at \$0.15 per special warrant, for total proceeds of \$10,500 and a director of the Company subscribed for 33,333 flow-through special warrants at \$0.15 for total proceeds of \$5,000.

- d) Flow-through securities are securities issued by a company that incurs certain resource expenditures and renounces them for tax purposes thereby allowing the expenditures to flow-through to the subscriber who purchased the securities. Subscribers may in turn claim the expenditure as a deduction on their personal or corporate tax returns.

The total amount of funds raised through the sale of the Flow-through Special Warrants must be spent on qualified mineral exploration. The proceeds from the Flow-through Special Warrants are restricted in use for certain qualifying Canadian Exploration Expenditures ("CEE") under Canadian Tax Legislation.

Of the total proceeds of \$209,877 from the sale of Flow-through Special Warrants, \$169,567 was spent by the Company on qualifying expenditures up to February 28, 2003. These expenditures were renounced, for income tax purposes, to the flow-through investors with an effective date of renunciation of December 31, 2002. The difference of \$40,310 is required to be spent on qualifying expenditures.

- e) The company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. Options vest on the grant date unless determined otherwise by the board of directors.

- i) A summary of the company's options at May 31, 2003 and the changes for the three-month period are as follows:

Number Outstanding February 28, 2003	Granted	Exercised	Cancelled	Expired	Number Outstanding May 31 2003	Exercise Price Per Share	Expiry Date
-	725,000	-	-	-	725,000	\$0.35	5 years from listing
-	250,000	-	-	-	250,000	\$0.35	5 years from listing
-	975,000	-	-	-	975,000		

Stikine Gold Corporation

(A Development Stage Company)

Notes to Financial Statements

May 31, 2003

Unaudited

Canadian Funds

6. Share Capital - Continued

During the three-month period ended May 31, 2003, the company granted 725,000 incentive stock options to directors and officers of the company and 250,000 incentive stock options to consultants of the company to purchase common shares at \$0.35 per share expiring five years from the listing of the Company's shares on the TSX Venture Exchange.

Compensation expense is based on the fair value (based on Black-Scholes option pricing model) of the options of the grant date.

- ii) The fair value of stock options used to calculate compensation expense for both employees and non-employees is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Average risk-free interest rate	3.6%
Expected dividend yield	Nil
Expected stock price volatility	22.62%
Average expected option life in years	5 years

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the company's stock options.

- iii) For non-employees, option grants result in non-cash compensation expenses of \$7,687, which amount has been recorded in consulting fees for the three-month period ended May 31, 2003. The offsetting entry is to contributed surplus.
- iv) The pro forma effect on net loss and loss per share for the three-month period ended May 31, 2003 of the actual results had the company accounted for the stock options granted to directors and employees using the fair value method is as follows:

Net loss for the three-months ended May 31, 2003		
Reported	\$	26,295
Pro forma	\$	48,586
Basic and diluted loss per share		
Reported	\$	0.01
Pro forma	\$	0.01

7. Related Party Transactions

- a) During the three-month period ended May 31, 2003 consulting fees of \$2,000 (2002 – \$NIL) were paid or accrued to the President and CEO.
- b) During the three-month period ended May 31, 2003 consulting fees of \$5,600 (2002 – \$NIL) were paid or accrued to the CFO and Secretary.
- c) During the three-month period ended May 31, 2003 per-diem geological fees of \$3,500 (2002 – \$NIL) were paid or accrued to a company controlled by a director. This amount is included in resource property costs.
- d) During the three-month period ended May 31, 2003 rent costs of \$1,500 (2002 – \$NIL) were paid or accrued to a company with a director in common.

Stikine Gold Corporation

(A Development Stage Company)

Notes to Financial Statements

May 31, 2003

Unaudited

Canadian Funds

8. Income Taxes

The Company has incurred certain mineral property related expenditures of approximately \$2,000, which may be carried forward indefinitely and are available to offset future taxable income.

The Company has non-capital losses for tax purposes of approximately \$47,000, which are available to offset future taxable income. These losses may be carried forward and expire in 2009.

The potential future tax benefits of these expenditures and tax losses have not been recognized in these financial statements.

9. Subsequent Events

Subsequent to the quarter-ended May 31, 2003, the Company completed its Initial Public Offering ("IPO") raising gross proceeds of \$1,105,555 through the issuance of 2,336,500 common shares at \$0.25 per share and 1,489,800 flow-through common shares at \$0.35 per share. Union Securities Ltd. (the "Agent") acted as lead agent and was paid a 10% selling commission, a corporate finance fee of \$10,000 and 100,000 common shares. The Agent also received warrants to purchase up to 382,630 common shares exercisable for a period of one year at a price of \$0.35 per share. The Company anticipates that its common shares will begin trading on the TSX Venture Exchange under the trading symbol "SKY" on July 31, 2003.
