

AMI RESOURCES INC.

May 31, 2009

Interim Consolidated Financial Statements Q1

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS AND ACCUMULATED OTHER

COMPREHENSIVE LOSS

CONSOLIDATED STATEMENTS OF CASH FLOWS

AMI RESOURCES INC.
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS

| | Notes | As at May 31, 2009 | As at February 29, 2009 |
|--|-------|--------------------------|-------------------------------|
| | | <i>(unaudited)</i> | |
| ASSETS | | | |
| Current | | | |
| Cash and cash equivalents | | \$ 268,287 | \$ 194,266 |
| Term deposits | | - | 3,030 |
| Marketable securities | 3 | 2,520 | 2,520 |
| Prepaid expenses and deposits | | 3,776 | 3,776 |
| Due from related parties | 7 | - | - |
| Other receivables and advances | 7 | 12,548 | 5,724 |
| | | <u>287,040</u> | <u>209,316</u> |
| EQUIPMENT | 4 | 62,425 | 67,139 |
| MINERAL PROPERTIES AND DEFERRED COSTS | 5 | 4,371,896 | 4,329,325 |
| | | <u>\$ 4,721,361</u> | <u>\$ 4,605,780</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 21,113 | \$ 34,522 |
| Due to related parties | 7 | 74,086 | 62,658 |
| | | <u>95,199</u> | <u>97,180</u> |
| Shareholders' equity | | | |
| Share capital | 6 | 6,780,755 | 6,543,554 |
| Contributed surplus | 6 | 2,584,950 | 2,564,484 |
| Accumulated other comprehensive loss | | (10,530) | (10,530) |
| Deficit | | (4,729,013) | (4,588,908) |
| | | <u>4,626,162</u> | <u>4,508,600</u> |
| | | <u>\$ 4,721,361</u> | <u>\$ 4,605,780</u> |

Nature of operations and going concern (Note 1)
Commitments (Note 8)

On behalf of the Board:

/s/ Dustin A. Elford Director /s/ William C. Pettigrew Director

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

AMI RESOURCES INC.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

| | Notes | For the period ended May 31, 2009 <i>(unaudited)</i> | For the period ended May 31, 2008 <i>(unaudited)</i> |
|---|-------|--|--|
| EXPENSES | | | |
| Amortization | | \$ 4,714 | \$ 2,260 |
| Director fees | 7 | - | 15,000 |
| Foreign exchange (gain) loss | | 30,629 | 5,109 |
| Bank charges, net | | 96 | (4,074) |
| Investor relations | | 8,686 | 17,826 |
| Management fees | 8 | 45,000 | 60,000 |
| Office and general | 7 | 18,011 | 4,914 |
| Professional fees | 7 | 6,000 | 7,500 |
| Stock-based compensation | 6 | 19,967 | 13,577 |
| Transfer agent and filing fees | | 4,088 | 6,700 |
| Travel and promotion | | 2,914 | 6,341 |
| | | <u>(140,105)</u> | <u>(135,243)</u> |
| NET LOSS FOR THE PERIOD | | (140,105) | (135,243) |
| DEFICIT, BEGINNING | | <u>(4,588,908)</u> | <u>(3,750,648)</u> |
| DEFICIT, ENDING | | \$ (4,729,013) | \$ (3,885,891) |
| BASIC AND DILUTED LOSS PER COMMON SHARE | | | |
| | | \$ (0.00) | \$ (0.00) |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING | | | |
| | | 33,071,601 | 32,202,036 |

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

AMI RESOURCES INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS AND ACCUMULATED OTHER COMPREHENSIVE LOSS

| | For the period ended May 31, 2009 <i>(unaudited)</i> | For the period ended May 31, 2008 <i>(unaudited)</i> |
|--|---|---|
| Net loss for the period | \$ (140,105) | \$ (135,243) |
| Unrealized loss on available for sale securities | <u>-</u> | <u>(300)</u> |
| Comprehensive loss for the period | \$ (104,105) | \$ (134,943) |
| Accumulated other comprehensive loss, beginning of period | \$ (10,530) | \$ (450) |
| Unrealized loss on available for sale securities | <u>-</u> | <u>300</u> |
| Accumulated other comprehensive loss, end of period | \$ (10,530) | \$ (150) |

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

AMI RESOURCES INC.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | For the period ended May 31, 2009 | For the period ended May 31, 2008 |
|---|--|--|
| | <i>(unaudited)</i> | <i>(unaudited)</i> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss for the period | \$ (140,105) | \$ (135,243) |
| Items not affecting cash: | | |
| Stock-based compensation | 19,966 | 13,577 |
| Amortization | 4,714 | 2,260 |
| Accrued interest on term deposit | - | (1,403) |
| | <u>(115,425)</u> | <u>(120,811)</u> |
| Net change from non-cash working capital items | <u>(8,234)</u> | <u>(240,136)</u> |
| Net cash used in operating activities | <u>(123,639)</u> | <u>(360,967)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of equipment | - | - |
| Redemption of term deposit | 91,230 | 54,000 |
| Acquisition of marketable securities | - | - |
| Mineral property acquisition and exploration | <u>(42,571)</u> | <u>(82,463)</u> |
| Net cash provided by investing activities | <u>48,659</u> | <u>(28,463)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Shares issued for cash, net of issuance cost | <u>237,200</u> | <u>-</u> |
| Net cash provided by financing activities | <u>237,200</u> | <u>-</u> |
| Increase (decrease) in cash | 162,220 | (389,432) |
| Cash and cash equivalents, beginning of period | 106,067 | 440,301 |
| Cash and cash equivalents, end of period | \$ 268,287 | \$ 50,869 |
| Cash and cash equivalents consists of: | | |
| Cash | \$ 268,827 | \$ 50,869 |
| Guaranteed Investment Certificate | <u>-</u> | <u>-</u> |
| | \$ 268,827 | \$ 50,869 |

Supplemental disclosure with respect to cash flows (Note 10)

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

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements

May 31, 2009

1. Nature of Operations and Going Concern

AMI Resources Inc. (the "Company") is a mineral exploration company focusing on gold exploration in West Africa. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts recorded for mineral properties and related deferred costs are dependent upon the discovery of economically recoverable reserves.

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated revenues from operations and will require additional funds to meet its obligations and the costs of its operations. Further losses are anticipated prior to the generation of any operating revenues or profits.

The Company's future capital requirements will depend on many factors, including the costs of exploring its mineral properties, operating costs, competitive environment and global market conditions. The Company's anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations in the future.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet ongoing commitments and to fund continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. The global economic collapse of 2008 and the ensuing recession has severely restricted the ability of junior resource companies to raise equity financing which casts significant doubt on the Company's ability to continue to raise necessary funding to continue its exploration activities. If the Company is unsuccessful in raising adequate financing, exploration activities will be postponed until market conditions improve. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

These unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the Company's audited annual consolidated financial statements for the year ended February 28, 2009, except as described in Note 2(a). The accompanying unaudited interim financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended February 28, 2009, as they do not contain all disclosures required by Canadian GAAP for annual financial statements.

In the opinion of management, all adjustments necessary to present fairly the financial position of the Company as at May 31, 2009 and results of its operations and cash flows for all periods presented have been made. The interim results are not necessarily indicative of results for a full year.

(a) Recently adopted accounting policies

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements
May 31, 2009

2. Significant Accounting Policies (continued)

Accounting policies implemented effective March 1, 2009

On March 1, 2009, the Company adopted the Handbook Section 3064 - *Goodwill and Intangible Assets* ("Section 3064"), which replaces CICA Handbook Sections 3062 - *Goodwill and Other Intangible Assets* ("Section 3062") and 3450 - *Research and Development Costs*. Various changes have been made to other sections of the CICA Handbook for consistency purposes. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of Section 3064 did not result in a material impact on the Company's consolidated financial statements.

In January 2009, the CICA approved Emerging Issues Committee ("EIC") 173, Credit Risk and the Fair Value of Financial Assets and Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The adoption of this guidance did not have an impact on the consolidated financial statements.

In March 2009 the CICA approved EIC 174, Mining Exploration Costs. The guidance clarified that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The guidance is applicable to financial statements issued after March 27, 2009. The adoption of this guidance did not have an impact on the consolidated financial statements.

(b) New Accounting Standards Not Yet Adopted

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations ("Section 1582"), 1601 – Consolidated Financial Statements ("Section 1601") and 1602 – Non-controlling Interests ("Section 1602") which replaces CICA Handbook Sections 1581 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Sections 1601 and 1602 are applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning March 1, 2011. Early adoption of these sections is permitted. The Company is currently considering early adoption of these sections, which requires that all three sections be adopted at the same time.

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements

May 31, 2009

3. Marketable Securities

Marketable securities consist of 2,400 common shares of Sherwood Copper Corp. ("Sherwood") that were acquired in 2007 through the exercise of share purchase warrants at \$5.44 per share. Sherwood is a publicly traded company on the TSX Venture Exchange. The Sherwood shares have been designated as an available for sale investment with a fair value of \$2,520 on May 31, 2009.

4. Equipment

| | May 31, 2009 | | | February 29, 2009 | | |
|------------------|------------------|--------------------------|------------------|-------------------|--------------------------|------------------|
| | Cost | Accumulated amortization | Net book value | Cost | Accumulated amortization | Net book value |
| Office equipment | \$ 57,995 | \$ 39,969 | \$ 18,026 | \$ 57,995 | \$ 38,855 | \$ 19,140 |
| Automobiles | 95,094 | 50,694 | 44,399 | 95,094 | 47,095 | 47,999 |
| | <u>\$153,089</u> | <u>\$ 90,664</u> | <u>\$ 62,425</u> | <u>\$153,089</u> | <u>\$ 85,950</u> | <u>\$ 67,139</u> |

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements

May 31, 2009

5. Mineral Properties

Mineral Property Expenditures:

| | North Ashanti | Golden Reef | Total |
|------------------------------|---------------|-------------|--------------|
| Balance at February 28, 2008 | \$ 4,203,804 | \$ 27,712 | \$ 4,231,516 |
| Acquisition costs incurred | - | - | - |
| Exploration costs incurred: | | | |
| Assays | 2,378 | - | 2,378 |
| Drilling (recovery) | (9,392) | - | (9,392) |
| Field and camp costs | 53,334 | 1,818 | 55,152 |
| Geologist fees | 15,674 | 9,515 | 25,189 |
| Maps and reports | 25,026 | - | 25,026 |
| Project administration | 12,200 | - | 12,200 |
| Soil geochemistry | 4,772 | - | 4,772 |
| Travel and accommodation | 21,529 | - | 21,529 |
| Impairment | - | (39,045) | (39,045) |
| | 125,521 | (27,712) | 97,809 |
| Balance at February 28, 2009 | \$ 4,329,325 | \$ - | \$ 4,329,325 |
| Acquisition costs incurred | - | - | - |
| Exploration costs incurred: | | | |
| Field and camp costs | 15,163 | - | 15,163 |
| Geologist fees | 6,060 | - | 6,060 |
| Sundries | 5,291 | - | 5,291 |
| Travel | 5,251 | - | 5,251 |
| Project administration | 10,806 | - | 10,806 |
| | 42,571 | - | 42,571 |
| Balance at May 31, 2009 | \$ 4,371,896 | \$ - | \$ 4,371,896 |

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements
May 31, 2009

5. Mineral Properties (continued)

North Ashanti Gold Project

The North Ashanti Gold Project consists of the Beposo and Anuoro prospecting licenses consisting of approximately 162km². AMI Africa is the registered holder of these two prospecting licenses. These concessions are subject to a 10% interest held by the Ghanaian Government.

AMI Africa was granted the 33.35 sq km Beposo Concession on April 22, 2004. Since 2004 AMI Africa has received several extensions of the Beposo license. The Minerals Commission has recommended a one-year renewal of the license; however, AMI Africa has appealed to the Minister of Natural Resources for the grant of a two-year extension instead of the one-year. AMI Africa remains the registered holder of the Beposo Concession.

AMI Africa was granted the 128.9 sq km Anuoro Concession on September 28, 2005. AMI Africa has received several extensions with the latest extension up for renewal on May 29, 2009. AMI Africa has made a formal application to the Minister of Natural Resources for a three-year renewal as opposed to the 1-year extension recommended by the Minerals Commission. AMI Africa is awaiting a response to this request and AMI Africa remains the registered holder of the Anuoro Concession.

Golden Reef

Effective July 18, 2007, AMI Africa entered into an option agreement with Golden Reef Resources Ltd. to acquire a 100% interest in the Golden Reef property located in Ghana in exchange for USD\$16,500 (paid) within 15 days of execution of the agreement and a further USD\$100,000 by August 1, 2008. Golden Reef would retain a 2% net smelter royalty ("NSR") which could be purchased at any time for USD\$500,000. The property would be subject to a 10-per-cent carried interest by the government of Ghana. AMI Africa did not exercise the option agreement and has impaired all costs associated with this project for the year ended February 28, 2009.

Obuom

The Company entered into a letter agreement dated September 14, 2007 with Golden Star Resources Ltd. ("GSRL") to purchase GSRL's 54% interest in its application for a prospecting license for the Obuom property, Ghana, in exchange for up to 2,850,000 common shares of the Company and granting a 2% NSR. The interest may be in the form of a 54% direct interest in the property; through the issuance of a prospecting license for the property, or through the holding of 54% of the shares of Obuom Goldfields Ltd. (a company owned by GSRL and Edward Boohene). Upon the issue of a license by the Ghanaian Ministry of Mines and Forestry the Company must issue 1,850,000 common shares to GSRL. The remaining 1,000,000 shares will be issued upon delineation of at least 200,000 ounces of gold. Valid licenses and permits were not obtained by the March 31, 2009 deadline, and subsequent to February 28, 2009 the agreement was extended by both parties to March 31, 2010.

AMI Africa entered into a letter agreement dated July 17, 2007 with Edward Boohene and Centre Properties Ltd. (a Ghanaian corporation) to purchase their 46% interest in the Obuom property by paying US\$250,000 on execution of a definitive agreement and receipt of a valid license and required permits, US\$750,000 upon completion of a bankable feasibility study, and granting a 2.5% NSR. Any portion of the 2.5% NSR can be purchased by AMI Africa at any time upon payment of USD\$1,000,000 for each 1% of the NSR.

Upon completion, the Company would own a 100-per-cent interest in Obuom, subject to a 10-per-cent carried interest by the government of Ghana. Both of these agreements are subject to the receipt of valid licenses and permits from the Ghanaian government which to May 31, 2009 have not been received. Accordingly, no consideration is payable under these agreements.

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements
May 31, 2009

6. Share Capital

Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

| | Shares | Value | Contributed Surplus |
|--|------------|--------------|---------------------|
| Common shares issued: | | | |
| Balance at February 28, 2008 | 32,202,036 | \$ 6,543,554 | \$ 2,274,769 |
| Issued during the year: | | | |
| - stock based compensation | - | - | 289,715 |
| Balance at February 29, 2008 | 32,202,036 | 6,543,554 | 2,564,484 |
| Issued during the year: | | | |
| - for cash by private placement at \$0.05 per share, net | 5,000,000 | 237,201 | - |
| - stock based compensation | - | - | 19,966 |
| Balance at May 31, 2009 | 37,202,036 | \$ 6,780,755 | \$ 2,584,950 |

On May 4th, 2009, the Company closed a non-brokered private placement of 5 million Units at the price of \$0.05 per Unit, and received gross proceeds of \$250,000. The Units comprise of one common share and one share purchase warrant. Each Warrant entitles the holder to purchase an additional common share of the company at a price of \$0.10 per share until the close of business on May 4th 2010.. If after four months and one day following the closing and until the expiry date of the Warrants, the closing price of the company's shares exceeds \$0.30 for 10 consecutive days, the company will be able to accelerate the expiry of the Warrants to the date that is 30 days after the notice of the new expiry date is provided to the holders of the Warrants.

Finder's fee paid by the Company consisted of an 8% (\$12,800) cash commission and a Finder's Option ("320,000 Units") equal to 10% of the number of Units sold by the Finder. Each Finders Option will be exercisable into a Unit on the same terms as the Units under this offering for a period of one year from the date of closing. All shares issued pursuant to the offering will be subject to a four-month hold period from the date of closing.

Share purchase warrants

At May 31, 2009, the Company had 5,000,000 outstanding Share Purchase warrants and 320,000 Finders Warrants. A summary of the Company's outstanding warrants as of May 31, 2009 are as follows:

| | Number of Warrants | Weighted Average Exercise Price | Weighted Average Life Remaining (Years) | Weighted Average Grant Date Fair Value |
|----------------------------|--------------------|---------------------------------|---|--|
| Balance, February 28, 2008 | 11,400,000 | \$ 0.38 | 0.81 | 0.05 |
| Expired | (11,400,000) | 0.38 | | 0.05 |
| Balance, February 28, 2009 | - | - | - | - |
| Issued Warrants | 5,000,000 | 0.10 | 0.90 | 0.01 |
| Finders Option Warrant | 320,000 | 0.10 | .90 | .01 |
| Exercised | - | - | - | 0.01 |
| Expired | - | - | - | 0.01 |
| Balance, May 31, 2009 | 5,320,000 | 0.10 | 0.90 | 0.01 |

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements

May 31, 2009

6. Share Capital (continued)**Stock options**

At May 31, 2009 the Company had outstanding incentive stock options to directors and employees entitling the holders to purchase an aggregate of 2,850,000 common shares and Finders Option to purchase 320,000 common shares as follows:

| Options | Exercise Price | Expiry Date |
|------------------|----------------|-----------------|
| 320,000 | \$ 0.05 | May 4, 2010 |
| 250,000 | \$ 0.10 | March 28, 2011 |
| 50,000 | \$ 0.10 | March 28, 2011 |
| 400,000 | \$ 0.10 | March 19, 2012 |
| 150,000 | \$ 0.15 | October 2, 2012 |
| 1,750,000 | \$ 0.10 | October 2, 2012 |
| 250,000 | \$ 0.10 | May 15, 2012 |
| <u>3,170,000</u> | | |

A summary of the Company's stock options as of May 31, 2009 and changes during the period are as follows:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Life Remaining (Years) | Weighted Average Grant Date Fair Value |
|----------------------------|----------------------|------------------------------------|---|--|
| Balance, February 28, 2008 | 3,650,000 | \$ 0.34 | 4.22 | 0.23 |
| Granted | - | | | |
| Cancelled | (150,000) | 0.15 | - | - |
| Exercised | - | | | |
| Expired | - | | | |
| Balance, February 28, 2009 | 3,500,000 | 0.15 | 3.21 | 0.23 |
| Granted | 250,000 | 0.10 | 1.87 | 0.03 |
| Finders Option | 320,000 | 0.05 | | |
| Cancelled | (900,000) | 0.15 | - | - |
| Balance, May 31, 2009 | <u>3,170,000</u> | <u>0.15</u> | <u>2.98</u> | <u>0.21</u> |

On May 27, 2008 the Company re-priced 700,000 stock options previously granted in 2006 and 2007 to \$0.15 per share. The fair value of the re-priced options was determined to be \$13,577. This value was estimated using the Black-Scholes option pricing model assuming an average expected remaining life of 2.83 - 4.33 years, a risk-free interest rate of 3.45%, a nil dividend yield and an expected volatility of 94%.

On May 15, 2009 the Company re-priced 2,400,000 stock options previously during the year ended February 28, 2009 from \$0.15 to \$0.10 per share. The fair value of the re-priced options was determined to be \$11,434. This value was estimated using the Black-Scholes option pricing model assuming an average expected remaining life of 2.42 - 3.80 years, a risk-free interest rate of 1.05%, a nil dividend yield and an expected volatility of 100%.

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements

May 31, 2009

6. Share Capital (continued)

On May 15, 2009 the Company granted 250,000 stock options with an exercise of \$0.10 per share. The fair value of the options was determined to be \$8,533. This value was estimated using the Black-Scholes option pricing model assuming an average expected remaining life of 3.00 years, a risk-free interest rate of 1.05%, a nil dividend yield and an expected volatility of 100%.

10. Supplemental Cash Flow Information

| | 2009 | | 2008 | |
|----------------------------|------|-----|------|----|
| Cash paid for interest | \$ | 125 | \$ | 93 |
| Cash paid for income taxes | \$ | - | \$ | - |

11. Financial Instruments

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors approves and monitors the risk management processes.

Credit risk

The Company's exposure to credit risk is on its cash.

The carrying amount of cash represents the maximum credit exposure. This risk is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash and cash equivalents are invested in business accounts and short term interest bearing instruments and are available on demand.

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company is exposed to interest rates fluctuations on its short-term interest bearing instruments as they are based on floating rates of interest.

AMI RESOURCES INC.

Notes to the Consolidated Financial Statements

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12. Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its properties and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company expects it will need to raise capital to continue operations through its next fiscal year. There were no changes in the Company's approach to capital management during the year ended February 28, 2009. The Company is not subject to externally imposed capital requirements.