SENNEN

POTASH CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE SIX MONTHS ENDED JULY 31, 2015

These unaudited condensed consolidated interim financial statements of Sennen Potash Corp. for the six months ended July 31, 2015 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

SENNEN POTASH CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian Dollars)
(Unaudited)

	July 31, 2015	January 31, 2015 (Audited)
ASSETS		
Current		
Cash and equivalents	$ 602,318	$ 319,775
Receivables (Note 4)	30,554	94,580
Prepaid expenses	3,158	9,428
	636,030	423,783
Reclamation bond (Note 5)	92,882	92,882
Exploration and evaluation assets (Note 5)	16,746,645	16,350,610
	$ 17,475,557	$ 16,867,275
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 334,906	$ 2,233,363
Shareholders' equity		
Capital stock (Note 7)	26,454,801	23,646,968
Reserves (Note 7)	2,615,056	2,541,637
Deficit	(11,929,206)	(11,554,693)
	17,140,651	14,633,912
	$ 17,475,557	$ 16,867,275

Nature of operations and going concern (Note 1)
Commitments (Note 9)

"Ian Rozier"	Director	"James Robertson"	Director
Ian Rozier		James Robertson	

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

SENNEN POTASH CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended July 31, 2015	Three Months Ended July 31, 2014	Six Months Ended July 31, 2015	Six Months Ended July 31, 2014
EXPENSES				
Administration fees	$ 12,248	$ 9,169	$ 22,640	$ 59,835
Consulting fees	55,500	55,500	111,000	111,000
Directors' fees	15,000	15,000	30,000	30,000
Foreign exchange (gain) loss	26,596	1,130	(69,170)	3,572
Management fees	43,500	43,500	87,000	87,000
Office and miscellaneous	6,909	12,526	11,309	21,889
Professional fees	53,482	42,064	128,799	48,338
Rent	18,150	18,150	36,300	36,300
Stock-based compensation (Note 7)	-	-	-	381,557
Transfer agent and filing fees	5,728	10,245	18,801	16,523
Travel and related costs	-	-	516	7,998
	(237,113)	(207,284)	(377,195)	(804,012)
OTHER ITEM				
Interest income	1,904	2,229	2,682	6,181
Loss and comprehensive loss for the period	$ (235,209)	$ (205,055)	$ (374,513)	$ (797,831)
Basic and diluted loss per common share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.07)
Weighted average number of common shares outstanding	24,040,477	11,114,341	17,398,871	11,114,341

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

SENNEN POTASH CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JULY 31,
(Expressed in Canadian Dollars)
(Unaudited)

		2015		2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(374,513)	$	(797,831)
Item not affecting cash:				
Stock-based compensation		-		381,557
Change in non-cash working capital items:				
Decrease in receivables		64,026		39,644
Decrease in prepaid expenses		6,270		10,756
Increase (decrease) in accounts payable and accrued liabilities		157,624		(5,586)
Net cash used in operating activities		(146,593)		(371,460)
CASH FLOWS FROM INVESTING ACTIVITY				
Exploration and evaluation assets		(2,452,116)		(985,065)
Net cash used in investing activity		(2,452,116)		(985,065)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares		3,000,000		-
Share issuance costs		(118,748)		-
Net cash provided by financing activities		2,881,252		-
Change in cash and equivalents during the period		282,543		(1,356,525)
Cash and equivalents, beginning of period		319,775		5,236,978
Cash and equivalents, end of period	$	602,318	$	3,880,453
Cash and equivalents consist of:				
Cash	$	519,818	$	445,997
Term deposits		82,500		3,434,456
	$	602,318	$	3,880,453

Supplemental disclosure with respect to cash flows (Note 10)

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

SENNEN POTASH CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock								
	Number		Amount		Reserves		Deficit		Total
Balance at January 31, 2014	11,114,341	$	23,646,968	$	2,160,080	$	(5,509,247)	$	20,297,801
Loss for the period	-		-		-		(797,831)		(797,831)
Stock-based compensation	-		-		381,557		-		381,557
Balance at July 31, 2014	11,114,341	$	23,646,968	$	2,541,637	$	(6,307,078)	$	19,881,527
Balance at January 31, 2015	11,114,341	$	23,646,968	$	2,541,637	$	(11,554,693)	$	14,633,912
Private placement	12,500,000		3,000,000		-		-		3,000,000
Share issuance costs	-		(192,167)		73,419		-		(118,748)
Loss for the period	-		-		-		(374,513)		(374,513)
Balance at July 31, 2015	23,614,341	$	26,454,801	$	2,615,056	$	(11,929,206)	$	17,140,651

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sennen Potash Corporation (the "Company") was incorporated on September 10, 1981 under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to its exploration and evaluation assets.

The Company's head office and principal address is 501 – 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6. The Company's registered and records office is 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. These unaudited condensed consolidated interim financial statements are comprised of the Company and its subsidiaries.

During the six months ended July 31, 2015, the Company completed a 10 old for 1 new share consolidation. All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated for the share consolidation.

These unaudited condensed consolidated interim financial statements are comprised of the Company and its subsidiaries. To date, the Company has not earned operating revenue.

The recovery of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and, upon future profitable production.

These unaudited condensed consolidated interim financial statements have been prepared by management on 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. The Company has incurred ongoing losses. A number of alternatives including, but not limited to, selling an interest in its exploration and evaluation asset or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (cont'd)

Statement of Compliance (cont'd)

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended January 31, 2015.

Approval of the financial statements

The unaudited condensed consolidated interim financial statements of the Company for the six months ended July 31, 2015 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on September 28, 2015.

3. NEW ACCOUNTING STANDARDS ADOPTED

The Company has adopted the following standards, amendments and interpretations as of February 1, 2015:

IFRS 7 Financial Instruments - disclosure

The adoption of these standards, amendments and interpretations had no effect on the Company's financial statements.

4. RECEIVABLES

Receivables are comprised of the following:

	July 31, 2015	January 31, 2015
Taxes recoverable	$ 30,200	$ 94,046
Other receivables	354	534
Total	$ 30,554	$ 94,580

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Six Months Ended July 31, 2015	Monument Potash
Acquisition costs	
Balance, beginning and end of period	$ 8,114,420
Exploration costs	
Balance, beginning of period	8,236,190
Geological consulting	92,878
Operator fees (i)	39,604
Project management	52,495
Property maintenance	250,662
	435,639
Recoveries (i)	(39,604)
Balance, end of period	8,632,225
Total, end of period	$ 16,746,645

(i) the Company, as operator, is entitled to charge a management fee equal to 10% of the exploration costs, which is to be included in the $4,500,000 work commitment. Additional operator fees of $39,604 over and above the $409,091 included within the $4,500,000 work commitment has been earned during the period, however a provision has been recorded due to joint venture negotiations not yet being finalized.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd)

Year Ended January 31, 2015	Hope Bay Oro	Monument Potash	Total
Acquisition costs			
Balance, beginning of year	$ 3,387,589	$ 8,114,420	$ 11,502,009
Write-off	(3,387,589)	-	(3,387,589)
Balance, end of year	-	8,114,420	8,114,420
Exploration costs			
Balance, beginning of year	1,226,438	2,397,507	3,623,945
Drilling	-	4,232,010	4,232,010
Geological consulting	-	229,707	229,707
Geophysical	-	28,918	28,918
Operator fees (i)	-	583,868	583,868
Project management	-	151,500	151,500
Property maintenance	-	806,548	806,548
Technical consulting	-	390,000	390,000
	-	6,422,551	6,422,551
Recoveries (i)	-	(583,868)	(583,868)
Write-off	(1,226,438)	-	(1,226,438)
Balance, end of year	-	8,236,190	8,236,190
Total, end of year	$ -	$ 16,350,610	$ 16,350,610

(i) the Company, as operator, is entitled to charge a management fee equal to 10% of the exploration costs, which is to be included in the $4,500,000 work commitment. Additional operator fees of $206,609 over and above the $409,091 included within the $4,500,000 work commitment has been earned, however a provision has been recorded due to joint venture negotiations not yet being finalized.

Title to exploration and evaluation assets 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 conveyance history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

5. EXPLORATION AND EVALUATION ASSETS (cont'd)

Hope Bay Oro

On May 12, 2011, the Company entered into an option agreement (the "Option") with North Arrow Minerals Inc. ("North Arrow") to earn a 60% interest in North Arrow's Hope Bay Oro project ("Oro") located at Hope Bay on the Arctic coast in Western Nunavut, Canada.

The obligations and expenditures on the Oro property were as follows:

i) $500,000 of expenditures on or before February 15, 2012 (incurred)
ii) a further $750,000 of expenditures on or before February 15, 2015 ($726,438 incurred as at July 31, 2015)*
iii) a further $1,000,000 of expenditures on or before February 15, 2016*
iv) a further $1,200,000 of expenditures on or before February 15, 2017*
v) a further $1,500,000 of expenditures on or before February 15, 2018*

*During the year ended January 31, 2014, the Company and North Arrow amended the terms of the Option whereby a twelve-month extension was granted and, during the year ended January 31, 2015 an additional twelve-month extension was granted to items ii through v, as reflected above.

Upon the obligations and expenditures set forth above being satisfied, the Company would be deemed to have exercised the Option entitling it to an undivided 60% right, title and interest in and to Oro.

During the six months ended July 31, 2015, the Company notified North Arrow that it was not going to fulfil its expenditure obligations and, as a result, the Company wrote-off costs of $4,614,027 associated with the Oro property as at January 31, 2015.

Monument Potash Project

During the year ended January 31, 2013, and amended on December 11, 2013, the Company entered into an option agreement (the "Paradox Option") with Paradox Basin Resources Corp. and Kalium Holdings Limited ("Paradox Group") for the Company's right to earn up to a 70% interest in the Monument potash project ("Monument") by making certain expenditures and work commitments. The Paradox Option contemplated the Company having a right of first refusal over the remaining 30 % interest in the project.

Monument is located in San Juan County in south-east Utah and south-west Colorado.

The Company has earned a 70% interest in Monument from the Paradox Group under the following terms and conditions:

- By paying $50,000 (paid) as a contribution toward certain costs incurred in a prior transaction relating to Monument;

- By making a cash payment of $4,100,000 (paid);

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd)

Monument Potash Project (cont'd)

- By incurring expenditures of up to $4,500,000 (incurred) on Monument by December 31, 2015, such costs to include annual rental payments and the drilling of a minimum of one drill hole (completed); and

- By issuing 5,000,000 common shares on the following schedule:

  - 1,000,000 common shares by December 30, 2012 (issued and valued at $1,300,000);

  - 2,000,000 common shares by June 18, 2013 (issued and valued at $1,600,000); and

  - 2,000,000 common shares by December 17, 2013 (issued and valued at $1,000,000).

Upon earning a 70% interest, the Company could have elected to earn a further 5.5% in Monument by completing a pre-feasibility study. The Company chose not to earn a further 5.5% interest and, is in Joint Venture negotiations with Paradox.

In addition to operator fees noted in the earlier tables, additional exploration expenditures have been incurred over and above the $4,500,000 work commitment. Reimbursement for Paradox's portion of these expenditures is part of joint venture negotiations and therefore a recovery of costs and the corresponding receivable have not been booked.

During the year ended January 31, 2015, the Company paid a reclamation bond of $92,882 (US$84,300) in order to commence its drilling program on Monument.

During the year ended January 31, 2014, the Company also incurred $10,920 in acquisition costs (legal fees - $10,420 and filing fees - $500) in connection with Monument.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2015	January 31, 2015
Trade payables	$ 153,356	$ 2,120,363
Amounts due to related parties (Note 8)	156,550	10,000
Accrued liabilities	25,000	103,000
Total	$ 334,906	$ 2,233,363

(Expressed in Canadian Dollars)

7. CAPITAL STOCK AND RESERVES

a) Authorized and issued capital stock and reserves

As at July 31, 2015, the authorized capital stock of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value, all issued shares, consisting only of common shares are fully paid.

During the six months ended July 31, 2015, the Company completed a 10 old for 1 new share consolidation. All common shares, options, warrants and per share figures have been retroactively restated to reflect the consolidation.

On May 4, 2015, the Company completed a non-brokered private placement for gross proceeds of $3,000,000, pursuant to the issuance of 12,500,000 units of the Company. Each unit is comprised of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.32 for a period of five years. In conjunction with the financing, the Company paid finders fees of $99,120 and issued 413,000 finders' warrants. The finders' warrants have the same terms as the unit warrants. The Company has estimated the fair value of the finders' warrants as $73,419 based on the Black-Scholes option pricing model. The assumptions used for the Black-Scholes valuation of the finders' warrants were as follows: a risk-free interest rate of 1.08%, an expected life of five years, an annualized volatility of 107% and dividend and forfeiture rates of 0%. Total share issuance costs were $192,167.

Reserves relate to stock options and compensatory warrants that have been issued by the Company.

b) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, officers, consultants and employees to acquire up to 1,800,000 of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

As at July 31, 2015, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Options		Exercise Price	Expiry Date
440,000(1)	$	1.10	February 12, 2018
1,195,000(1)		0.50	March 18, 2019
1,635,000			

(1) Subsequent to July 31, 2015, 50,000 options exercisable at $1.10 and 50,000 options exercisable at $0.50 were cancelled.

(Expressed in Canadian Dollars)

7. CAPITAL STOCK AND RESERVES (cont'd)

b) Stock options (cont'd)

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding as at January 31, 2014	1,005,000	$	1.40
Cancelled	(560,000)		1.70
Granted	1,220,000		0.50
Outstanding as at January 31, 2015	1,665,000		0.66
Cancelled	(30,000)		0.80
Outstanding as at July 31, 2015	1,635,000	$	0.66
Exercisable as at July 31, 2015	1,635,000	$	0.66

During the six months ended July 31, 2015, the Company granted Nil (2014 - 1,220,000) stock options to directors, officers and consultants of the Company. The fair value of the options granted during the period is $Nil (2014 - $381,557), based on the Black-Scholes option pricing model.

The following assumptions were used for the Black-Scholes option pricing model:

	2014
Risk-free interest rate	1.61%
Expected life of options	5 years
Annualized volatility	76.88%
Dividend rate	0.00%
Forfeiture rate	0.00%

The weighted average fair value per option granted during the six months ended July 31, 2015 was $Nil (2014 - $0.30).

(Expressed in Canadian Dollars)

7. CAPITAL STOCK AND RESERVES (cont'd)

c) Warrants

Share purchase warrants outstanding and exercisable are as follows:

	Number of Warrants		Exercise Price
Outstanding as at January 31, 2014 and 2015	-	$	-
Issued	12,913,000		0.32
Outstanding as at July 31, 2015	12,913,000	$	0.32

As at July 31, 2015, the Company had outstanding warrants, enabling the holders to acquire further common shares as follows:

Number of Warrants		Exercise Price	Expiry Date
12,913,000	$	0.32	May 4, 2020

8. RELATED PARTY TRANSACTIONS

During the six months ended July 31, 2015, the Company entered into the following transactions with related parties:

a) Paid or accrued consulting fees of $111,000 (2014 - $111,000) to a company controlled by a director of the Company.

b) Paid or accrued management fees of $87,000 (2014 - $87,000) to a company controlled by an officer of the Company.

c) Paid or accrued rent of $36,300 (2014 - $36,300) to a company controlled by a director of the Company.

d) Paid or accrued directors' fees of $30,000 (2014 - $30,000) to directors of the Company.

e) Recorded stock-based compensation expense of $Nil (2014 - $337,772) in conjunction with the granting of stock options to directors and officers of the Company.

As at July 31, 2015, accounts payable and accrued liabilities included $156,550 (January 31, 2015 - $10,000) owing to directors and companies controlled by directors and officers of the Company.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (cont'd)

Key management personnel compensation (senior officers of the Company):

	July 31, 2015	July 31, 2014
Short-term benefits	$ 198,000	$ 198,000
Stock-based compensation	$ -	$ 272,094

9. COMMITMENTS

The Company entered into management and consulting contracts with companies having a director and an officer in common. The Company has agreed to pay the companies a combined total of $33,000 per month. These contracts remain in force on a continuous basis. The contracts can be terminated by the Company by providing 90 days written notice. If termination of services is without cause, the Company will be obligated to pay 36 months of service fees to the director's company and 24 months of service fees to the officer's company.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2015	2014
Cash paid for income taxes	$ -	$ -
Cash paid for interest	$ -	$ -

During the six months ended July 31, 2015, the Company:

a) accrued $124,332 (2014 - $4,371) of exploration and evaluation expenditures; and
b) incurred $73,419 (2014 - $Nil) of share issuance costs pursuant to the issuance of finders warrants.

11. SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets. The Company's mineral property is held in the United States.

(Expressed in Canadian Dollars)

12. FINANCIAL AND CAPITAL RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The following is an analysis of the Company's financial instruments measured using the fair value hierarchy as at July 31, 2015 and January 31, 2015:

	As at July 31, 2015		
	Level 1	**Level 2**	**Level 3**
Cash and equivalents	$ 602,318	$ -	$ -

	As at January 31, 2015		
	Level 1	**Level 2**	**Level 3**
Cash and equivalents	$ 319,775	$ -	$ -

Financial risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and equivalents and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because instruments are due primarily from government agencies and cash and equivalents are held with reputable Canadian and Hong Kong financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at July 31, 2015, the Company had a cash and equivalents balance of $602,318 to settle current liabilities of $334,906. To maintain liquidity, the Company is continually investigating financing opportunities. As disclosed in Note 1, there can be no assurance these efforts will be successful in the future. All of the Company's financial liabilities are subject to normal trade terms.

12. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd)

Financial Risk Factors (cont'd)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company has cash and equivalents balances. The Company's current policy is to invest excess cash in investment-grade short-term deposits certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The effect of a 1% change in interest rates is approximately $6,000 (2014 - $39,000) to profit or loss.

b) Foreign currency risk

The Company's foreign exchange risk arises from transactions denominated in other currencies, primarily through the United States. Through this, the Company is exposed to foreign currency risk on fluctuations related to accounts payable and accrued liabilities that are denominated in US Dollars ("USD"). Fluctuations in USD will, consequently, have an impact upon the Company's profitability and the value of the Company's liabilities. As at July 31, 2015, the impact of a 10% change in rate of exchange on USD compared to the Canadian dollar would result in a change of approximately $1,200 on the Company's loss for the period. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral property. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Capital management

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and development of its mineral property interests. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.