AMERICAN POTASH CORP.
(Formerly MAGNA RESOURCES LTD.)
An Exploration Stage Enterprise

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED OCTOBER 31, 2015 AND 2014

Expressed in Canadian Dollars

Unaudited Interim Financial Statements

In Accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended October 31, 2015.

AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	October 31, 2015	July 31, 2015
ASSETS		$	$
Current assets			
Cash		2,176	232,380
Prepaid expenses		3,113	8,464
Income tax receivable		18,610	18,610
GST receivable		5,123	3,311
Total current assets		29,022	262,765
Non-current assets			
Exploration and evaluation assets	3	117,554	1
Total non-current assets		117,554	1
Total assets		146,576	262,766
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4	116,906	30,073
Due to related parties	6	105,533	239,163
Total liabilities		222,439	269,236
EQUITY			
Equity attributable to shareholders			
Share capital	5	6,016,167	6,016,167
Reserves	5	1,873,064	1,873,064
Accumulated deficit		(7,965,094)	(7,895,701)
Total equity		(75,863)	(6,470)
Total liabilities and equity		146,576	262,766

Going concern – Note 1
Commitments – Notes 3 and 7
Subsequent Events – Note 11

On behalf of the board:

"Rudy de Jonge"	*"Darryl Yea"*
Rudy de Jonge	Darryl Yea

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

AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)
Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

For the three months ended October 31,		2015		2014
General and administrative expenses				
Accounting and audit fees (recovery)	$	-	$	(3,406)
Consulting fees		23,120		19,500
Foreign exchange		4,565		496
Insurance		3,002		-
Interest expense and bank charges		500		343
Investor relations, website and promotion		11,575		24,995
Legal fees (recovery)		23,221		(1,036)
Office and administration		391		2,996
Office rent		-		3,000
Share-based payments		-		543
Transfer agent and filing fees		3,720		6,388
Travel and entertainment		615		2,600
Wages		193		37,500
Net loss		(70,902)		(93,919)
Other comprehensive income (loss)				
Foreign currency translation		1,509		(50,108)
Total comprehensive loss		(69,393)		(144,027)
Loss per share, basic and diluted	$	(0.00)	$	(0.00)
Weighted average number of common shares outstanding -basic and diluted		68,152,044		55,332,898

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

AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

For the three months ended October 31,	**2015**	**2014**
Cash provided by (used in):	$	$
Operating activities:		
Net loss	(70,902)	(93,919)
Items not involving cash		
Share-based payments	-	543
Changes in non-cash working capital:		
GST receivable	(1,812)	(1,893)
Prepaid expenses	5,351	8,083
Accounts payable and accrued liabilities	86,834	43,050
Due to related parties	(133,630)	20,475
	(114,159)	(23,661)
Investing activities:		
Exploration and evaluation assets and intangible assets	(117,554)	(58,761)
	(117,554)	(58,761)
Financing activities:		
Proceeds from shares issued, net of share issue costs	-	40,000
	-	40,000
Net change in cash	(231,713)	(42,422)
Effect of exchange rate changes on cash	1,509	50,108
Cash, beginning	232,380	19,167
Cash, ending	2,176	26,853

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

AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Share Capital: Number of Shares	Share Capital: Amount	Share-based Payment Reserve	Warrant Reserve	Share Subscription Received	Translation Reserve	Deficit	Total Equity
			$	$	$	$	$	$	$
Balance on July 31, 2014		55,332,898	5,123,876	1,041,838	454,368	-	153,535	(3,669,291)	3,104,326
Share subscriptions received		-	-	-	-	40,000	-	-	40,000
Share-based payments		-	-	543	-	-	-	-	543
Net loss		-	-	-	-	-	-	(93,919)	(93,919)
Other comprehensive income		-	-	-	-	-	50,107	-	50,107
Balance on October 31, 2014		55,332,898	5,123,876	1,042,381	454,368	40,000	203,642	(3,763,210)	3,101,058
Balance on July 31, 2015		68,152,044	6,016,167	1,047,433	483,849	-	341,782	(7,895,701)	(6,470)
Net loss		-	-	-	-	-	-	(69,393)	(69,393)
Balance on October 31, 2015		68,152,044	6,016,167	1,047,433	483,849	-	341,782	(7,965,094)	(75,863)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

American Potash Corp. (the "Company") was incorporated on June 5, 2006 under the laws of British Columbia. On August 12, 2014, the Company changed its name from Magna Resources Ltd. to American Potash Corp. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") under the symbol 'AMP' and on the OTCQX International, a segment of the OTCQX marketplace in the U.S., under the symbol 'MGRZF'. The Company is dedicated to the acquisition and development of potash mineral deposits in the United States and elsewhere.

The Company's head office and registered and records office is 1100 – 1111 Melville Street, Vancouver, BC, Canada V6E 3V6.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at October 31, 2015, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral properties exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorized for issue on December 30, 2015 by the directors of the Company.

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* (IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended July 31, 2015.

These condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended July 31, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its controlled entity. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation. Details of controlled entities are as follows:

	Country of Incorporation	Percentage owned at October 31, 2015	2014	Principal Activity
American Potash LLC (“American Potash”)	United States	100%	100%	Mineral exploration

3. EXPLORATION AND EVALUATION ASSETS

Green River Potash Project

In May, 2009, and amended on November 2, 2010, December 6, 2011, January 28, 2014 and November 4, 2015, American Potash entered into an option agreement (the “Sweetwater Option”) to acquire applications to the United States Bureau of Land Management (“BLM”) in respect of certain Utah permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah. A director of the Company is a party to the Sweetwater Option.

The Sweetwater Option entitles American Potash to acquire a 100% interest in permit applications, subject to a 2% royalty to the Optionors which may be bought back for $2,000,000 USD. The option may be exercised by having the Company pay a total of $270,000 USD and issue in aggregate, 2,000,000 shares of Company to the Optionors upon receiving grants of exploration permits for not less than 25,000 acres of Utah property, as follows:

- $70,000 USD upon signing the option agreement (paid);
- 200,000 shares of the Company upon grant of the permits representing not less than 25,000 acres (issued February 14, 2014)(Note 5);
- $50,000 USD cash and 600,000 shares of the Company on or before the first anniversary date of the start of the Sweetwater Option Period (200,000 shares issued February 14, 2014)(Note 5);
- $50,000 USD cash and 600,000 shares of the Company on or before the second anniversary date;
- $50,000 USD cash and 600,000 shares of the Company on or before the third anniversary date; and
- $50,000 USD cash on or before the fourth anniversary date.

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Green River Potash Project (Continued)

On January 31, 2014, fourteen prospecting permits were formally signed and delivered to the Company, with an effective date of March 1, 2014; thereby initiating the Sweetwater Option period.

At the time that American Potash entered into the Sweetwater Option agreement, the Company held a 50% interest in American Potash and the remaining 50% interest was acquired during the year ended July 31, 2012. In connection with the Sweetwater Option, the Company is required to pay a finder's fee on the Company's pre-acquisition 50% interest in American Potash. The finder's fee is 10% of 50% (5%) of the cash and stock payments made under the Sweetwater Option, payable as and when such payments are made. On February 14, 2014, upon receipt of the prospecting permits, the Company issued 20,000 common shares to the finder (Note 7).

On February 23, 2015, the Company amended the terms of the Sweetwater Option agreement and announced delayed scheduled cash payments to the optionors. Pursuant to the amended Sweetwater option agreement, the Company is to issue the outstanding 3.6 million shares of the Company within a reasonable period of time from the first anniversary of the receipt of the federal potash prospecting permits which was on February 7, 2014 (3.6 million shares issued February 13, 2015). The scheduled cash payments are to be delivered no later than the following dates and in the following allocations: USD$10,000 on the first anniversary of the receipt date; USD$15,000 on the 18-month anniversary of the receipt date (paid August 21, 2015); USD$25,000 on the earlier of the date that is 120 days immediately following the drill date and the two-year anniversary of the receipt date; and USD$150,000 on the earlier of the date that is 120 days immediately following the drill date and the three-year anniversary of the receipt date. Subsequent to the period ended October 31, 2015, the scheduled payments were amended per Note 11.

As at February 23, 2015, the Company fulfilled the first anniversary obligations to the optionors, pursuant to the Sweetwater Option agreement, by issuing 3.6 million shares in the Company and paying US$10,000.

During the reporting period, the fourteen prospecting permits delivered to the Company on January 31, 2014 expired as annual rent payments required to keep the permits in good standing were not paid. Sweetwater River Resources LLC has applied to the BLM for 12 new potash prospecting permits that encompass the same area as the original permits that expired. At October 31, 2015 no permits had been granted and as such the expired permits were impaired and fully written-off.

In 2011, the Company acquired eleven non-contiguous Utah State Trust Land potash lease units. The eleven lease units are all within the boundaries of the BLM potash prospecting permit applications held by the Company.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Green River Potash Project (Continued)

Green River Potash Project Expenditures

	Total for three months October 31, 2015	Total for year ended July 31, 2015
Mineral acquisition costs:	$	$
Balance, beginning	1	2,930,184
Shares	-	216,000
Foreign exchange translation	-	130,255
Impairment	-	(3,276,438)
Balance, Ending	1	1
Exploration and evaluation expenditures:		
Balance, beginning	-	354,104
Bonding	2,617	13,521
General administration	13,212	53,567
Permit applications	101,724	-
Foreign exchange translation	-	46,574
Impairment	-	(467,766)
Balance, ending	117,553	-
Total	117,554	1

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2015	July 31, 2015
	$	$
Accounts payable	97,989	11,156
Taxes payable	917	917
Accrued liabilities	18,000	18,000
	116,906	30,073

5. SHARE CAPITAL

a) Authorized

Unlimited common shares with no par value.

b) Issued and outstanding

At October 31, 2015, there were 68,152,044 issued and fully paid common shares (July 31, 2015: 68,152,044).

c) Common shares

Year ended July 31, 2015

On December 8, 2014, the Company closed a non-brokered private placement for 7,840,000 units at a price of $0.08 per unit for gross proceeds of $627,200. Of this private placement, $56,200 in proceeds were not received as 702,500 units were issued to settle $56,200 worth of short-term loans (Note 6). Each Unit consisted of one common share of the Company and one common share purchase warrant exercisable into one common share of the Company at an exercise price of $0.12 per share expiring 36 months from date of issuance. Using the residual method, a $Nil value was allocated to the attached warrants. Cash finders' fees of $28,843 were paid, plus 357,000 finders' warrants issued in relation to the private placement. The fair value of the finders' warrants was determined to be $29,481 using the black-scholes valuation method.

On December 10, 2014, the Company completed shares for debt agreements totaling $81,002 with arm's length and non-arm's length creditors through the issuance of 1,012,521 common shares of the Company with a fair value of $0.08 per share. 767,125 of these shares were issued to related parties (Note 6).

On December 10, 2014, the Company issued 75,000 common shares of the company with a fair value of $6,000 pursuant to an employment agreement with the company's president.

On January 22, 2015, the Company issued 291,625 common shares of the company with a fair value of $20,414 pursuant to a repayment agreement to settle USD$20,349 worth of debt owing to a third party.

On February 13, 2015, the company issued 3.6 million common shares of the company pursuant to the Sweetwater option agreement. The fair value of these shares was determined to be $216,000 which was recorded to exploration and evaluation assets.

d) Basic and diluted loss per share

Diluted loss per share did not include the effect of 3,550,000 (2014 – 4,535,000) stock options and 14,662,616 (2014 – 6,456,616) warrants as the effect would be anti-dilutive.

e) Stock options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

e) Stock options (Continued)

On March 27, 2014, the Company granted 300,000 stock options to a consultant of the Company, exercisable at $0.15 per share, expiring on March 26, 2016. The options vest monthly over the first year. The total fair value of the options is $14,518 assuming a risk-free interest rate of 1.06%, a dividend yield of nil, an expected volatility of 86.20% and an average expected life of 2 years. A share-based payment expense of $4,557 (2014 - $5,139) was charged to operations and added to share based payment reserve for the period ended October 31, 2015 relating to the vesting of these options.

On March 31, 2014, the Company granted 500,000 stock options to a director of the Company, exercisable at $0.15 per share for a period of five years, expiring March 30, 2019. The total fair value of the options is $41,767, assuming a risk-free interest rate of 1.07%, a dividend yield of nil, an expected volatility of 85% and an average expected life of 5 years. A share-based payment expense of $41,767 was charged to operations and added to share based payment reserve for the year ended July 31, 2014.

Also included in share-based payment expense for the year ended July 31, 2015 is $1,038 (2014 - $5,018) relating to the vesting of options granted prior to the year ended July 31, 2014.

The continuity of stock options for the year ended October 31, 2015 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
		$
Balance, July 31, 2013	5,450,000	0.11
Options granted	800,000	0.15
Options expired	(1,715,000)	0.13
Balance, July 31, 2014	4,535,000	0.11
Options expired	(150,000)	0.10
Options canceled	(335,000)	0.10
Options canceled	(500,000)	0.15
Options outstanding October 31, 2015	3,550,000	0.11

Details of options outstanding and exercisable at October 31, 2015 are as follows:

Number Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
3,250,000	0.10	2.22
300,000	0.15	0.40
3,550,000	0.10	2.06

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

f) Share purchase warrants

The continuity of warrants for the period ended October 31, 2015 is as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price ($)
Balance, July 31, 2013	4,800,000	0.10
Warrants issued	1,665,616	0.25
Balance, July 31, 2014	6,465,616	0.14
Warrants issued	8,197,000	0.12
Balance, October 31, 2015	14,662,616	0.13

At October 31, 2015 and 2014, all warrants outstanding were exercisable.

Details of warrants outstanding as at October 31, 2015 are as follows:

Number of warrants outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
4,800,000	$0.10	0.32
879,616	$0.25	0.02
269,167	$0.25	0.22
383,500	$0.25	0.46
133,333	$0.25	0.59
357,000	$0.12	2.10
7,840,000	$0.12	2.10
14,662,616	$0.13	1.31

g) Share based payment reserve

The share-based payment reserve records items recognized as share-based payment expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

h) Warrant reserve

The warrant reserve records the fair value of warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

i) Translation reserve

The translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS

Related party balances

The following amounts are payable to related parties as at October 31, 2015 and 2014:

	October 31, 2015	October 31, 2014
	$	$
Companies controlled by directors of the Company	43,033	47,250
Directors and officers of the Company	-	88,330
Former directors/officers of the Company	62,500	-
	105,533	135,580

The amounts due are unsecured, non-interest bearing and has no fixed terms of repayment.

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company:

Services provided by:	October 31, 2015	October 31, 2014
	$	$
Consulting fees	15,620	15,000
Wages	-	42,000
Share-based payments	-	527
	15,620	57,527

A director of the Company is a party to the Sweetwater Option Agreement (Note 3).

7. COMMITMENTS

a) On June 1, 2011, the Company entered into an agreement with St. Cloud Mining Services Inc. (wholly owned by one of the directors) to provide management/consulting services to the Company at a rate of $5,000 per month for a period of twelve months and automatically extending for further one year terms.

b) On April 1, 2012, the Company entered into an employment agreement with Mike Sieb to provide services as President of the Company. Pursuant to the agreement, the Company agreed to issue 75,000 common shares on the second anniversary of employment (issued) and an additional 75,000 common shares on the third anniversary of employment (issued).On October 16, 2015, Mike Sieb resigned as an employee of the Company terminating the employment agreement.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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:

(a) 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 a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. The risk is assessed as low.

(b) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The functional currency of American Potash is the US dollar. Foreign currency risk arises from the fluctuation in currency exchange between the Canadian dollar and US dollar. The Company has not entered into financial instruments to hedge against this risk.

The following is an analysis of Canadian Dollar equivalent of financial assets and liabilities that are denominated in US dollars:

	October 31, 2015	July 31, 2015
	$	$
Cash	64	8,464
Accounts payable	-	-
	64	8,464

Based on the above net exposures, as at October 31, 2015, a 10% change in the US dollar to Canadian Dollar exchange rate would impact the Company's net loss by $6.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities have contractual maturities of less than three months.

(d) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered immaterial.

(f) Fair Values

Financial instruments recognized at fair value on the consolidated statement of financial position must be classified in one of the following three fair value hierarchy levels:

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

Cash is measured using level 1 inputs.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenues since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year.

10. SEGMENTED INFORMATION

The Company's activities are all in one industry segment of mineral property acquisition and exploration. The Company's exploration operations are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company's operations therefore are segmented on a geographic basis. The Company's non-current assets are all located in the United States.

11. SUBSEQUENT EVENTS

a) On November 5, 2015, the Company entered into an amending agreement with Sweetwater River Resources LLC. Pursuant to the amending agreement, the parties agreed that the 12 new potash prospecting permits that Sweetwater has applied for in Utah shall be subject to the option agreement. Accordingly, the company will continue to hold an option to acquire a 100-per-cent interest in the new prospecting permits applied for by Sweetwater pursuant to the terms of the option agreement. The parties agreed that the remaining $175,000 of cash payments required under the Sweetwater Option shall be paid as follows:

- $25,000 upon closing of a single financing or multiple financings totalling a minimum of $200,000 by the Company;
- $25,000 on February 7, 2016;
- $25,000 on June 7, 2016;
- $25,000 on October 7, 2016; and
- $75,000 within 30 days of new prospecting permits being granted by the BLM.

b) On November 23, 2015, the Company entered into a Loan Agreement with a director of the Company in which the director agreed to loan the Company $50,000. The loan is due upon completion of a financing by the Company and accrues interest of 1% per annum.

c) On November 30, 2015, the Company announced the plans to consolidate all of the issued and outstanding common shares of the Company on an up to five for one basis. The Company plans to ask for shareholder approval of the proposed share consolidation at the Company's Annual and Special Meeting on December 29th, 2015. The proposed share consolidation is being proposed in light of current market conditions.

The effect of the proposed consolidation will be to reduce the number of common shares issued and outstanding from 64,260,419 pre-consolidated common shares to 12,852,083 post-consolidated common shares.

The Company also plans amend its articles of incorporation at the Company's Annual and Special Meeting on December 29th, 2015.

The Company announced that it has arranged loans in the total amount of $75,000 from two individuals, including a director of the Company. The loans each are unsecured and bear interest at a rate of 6 per cent per year. The loan proceeds will be used for working capital, as well as other current payables.

12. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the presentation adopted in the current period.