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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED APRIL 30, 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 April 30, 2015.

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

	Notes	April 30, 2015	July 31, 2014
ASSETS		$	$
Current			
Cash and cash equivalents		157,013	19,167
Prepaid expenses		28,505	40,512
Accounts receivable		23,159	23,866
Total current assets		208,677	83,545
Non-current assets			
Exploration and evaluation assets	3	3,819,593	3,284,288
Total non-current assets		3,819,593	3,284,288
Total assets		4,028,270	3,367,833
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	18,803	157,658
Short-term loans		-	24,000
Due to related parties	7	58,688	81,849
Total liabilities		77,491	263,507
EQUITY			
Equity attributable to shareholders			
Share capital	6	6,055,234	5,123,876
Reserves		1,933,077	1,649,741
Accumulated deficit		(4,037,532)	(3,669,291)
Total equity		3,950,779	3,104,326
Total liabilities and equity		4,028,270	3,367,833

Going concern – Note 1
Commitments – Notes 3 and 8
Subsequent events – Note 12

On behalf of the board:

"Rudy de Jonge" ________________________________ Rudy de Jonge

"Darryl Yea" ________________________________ 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 Operation and Comprehensive Loss

(Expressed in Canadian Dollars - unaudited)

	Nine months ended April 30,		Three months ended April 30,	
	2015	**2014**	**2015**	**2014**
General and administrative expenses				
Accounting and audit fees	$ 30,829	$ 28,666	$ 27,430	$ 2,642
Consulting fees	72,138	83,054	36,938	25,792
Foreign exchange	36,559	14,630	22,181	804
Insurance	-	9,650	-	3,217
Interest expense and bank charges	728	990	225	107
Investor relations, website and promotion	48,716	122,125	11,556	28,487
Legal fees (recovery)	(3,585)	36,969	246	7,853
Office and administration	21,163	31,900	8,218	11,559
Office rent	9,000	17,013	3,000	3,000
Share-based payments	543	47,217	-	43,998
Transfer agent and filing fees	28,305	26,691	11,039	7,914
Travel and entertainment	5,112	35,786	3,995	9,538
Wages	115,238	114,294	26,466	30,702
	364,746	568,984	151,294	175,613
Interest income	-	(478)	-	-
Loss on debt settlement	3,495	-	3,495	-
Net loss	(368,241)	(568,506)	(154,789)	(175,613)
Other comprehensive income (loss)				
Foreign currency translation	282,793	168,262	(79,928)	(30,646)
Total comprehensive loss	(85,448)	(400,244)	(234,717)	(206,259)
Loss per share, basic and diluted	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)
Weighted average common shares outstanding - basic and diluted	62,011,212	53,070,879	66,411,385	53,881,255

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 - unaudited)

	Nine months ended April 30,		Three months ended April 30,	
	2015	**2014**	**2015**	**2014**
Cash provided by (used in):				
Operating activities:				
Net loss for the period	$ (368,241)	$ (568,506)	$ (154,789)	$ (175,613)
Items not involving cash:				
Share-based payments	543	47,217	-	43,998
Changes in non-cash working capital:				
Accounts receivable	707	51,113	(352)	2,402
Prepaid expenses	12,007	(25,831)	5,924	(35,518)
Short-term loan	(24,000)	-	-	-
Accounts payable and accrued liabilities	(138,855)	29,850	(14,457)	21,622
Due to related parties	(23,161)	42,106	30,923	46,747
	(541,000)	(424,051)	(132,751)	(96,362)
Investing activities:				
Exploration and evaluation assets and intangible assets	(535,305)	(339,799)	(150,823)	(235,085)
Sale of short-term investment	-	145,963)	-	-
	(535,305)	(193,836)	(150,823)	(235,085)
Financing activities:				
Warrants issued	-	23,010	-	(26,023)
Share subscriptions received	40,000	-	-	-
Shares issued for cash (net share issue costs)	891,358	470,380	252,000	187,872
	931,358	493,390	252,000	161,849
Net change in cash	(144,947)	(124,497)	(31,574)	(169,598)
Effect of exchange rate changes	282,793	129,391	(79,928)	157,754
Cash, beginning of period	19,167	21,217	268,515	37,955
Cash, end of period	$ 157,013	$ 26,111	$ 157,013	$ 26,111

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 Shareholders' Equity
(Expressed in Canadian Dollars - unaudited)

	Common Shares		Share-based Payment Reserve	Warrant Reserve	Foreign Currency Translation Reserve	Deficit	Total Equity
	Number of Shares	Amount					
		$	$	$	$	$	**$**
Balance on July 31, 2013	51,581,666	4,628,161	989,914	416,691	38,871	(2,940,576)	**3,133,061**
Shares issued for cash	3,064,566	459,685	-	-	-	-	**459,685**
Share issuance costs	-	(14,595)	-	-	-	-	**(14,595)**
Shares issued per Sweetwater Option	420,000	48,300	-	-	-	-	**48,300**
Warrant reserve	-	(23,010)	-	23,010	-	-	**-**
Share-based payments	-	-	47,217	-	-	-	**47,217**
Net loss	-	-	-	-	-	(568,506)	**(568,506)**
Other comprehensive income	-	-	-	-	129,391	-	**129,391**
Balance on April 30, 2014	55,066,232	5,098,541	1,037,131	439,701	168,262	(3,509,082)	**3,234,553**
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-based payments	-	-	543	-	-	-	**543**
Shares issued for debt settlement	1,304,146	51,452	-	-	-	-	**51,452**
Shares issued for cash	7,840,000	627,200	-	-	-	-	**627,200**
Shares issued per Sweetwater Option	3,600,000	252,000	-	-	-	-	**252,000**
Shares issued for services	75,000	29,550	-	-	-	-	**29,550**
Share issuance costs	-	(28,844)	-	-	-	-	**(28,844)**
Net loss	-	-	-	-	-	(368,241)	**(368,241)**
Other comprehensive income	-	-	-	-	282,793	-	**282,793**
Balance on April 30, 2015	68,152,044	6,055,234	1,042,381	454,368	436,328	(4,037,532)	**3,950,779**

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

1. NATURE OF OPERATIONS

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 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. American Potash LLC, a Nevada corporation wholly owned by the Company, owns and operates the Green River Potash Project in Utah. American Potash's area of interest covers key land positions in known potash-bearing sedimentary cycles in Utah.

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 April 30, 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 statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were authorized for issue on June 29, 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, 2014.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement of compliance (continued)

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, 2014.

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 condensed consolidated interim 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 as at April 30, 2015		Principal Activity
		2014	2013	
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 and further amended on December 6, 2011, 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 (Note 8).

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,

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Green River Potash Project (continued)

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 follow:

- $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 7);
- $50,000 USD cash and 600,000 shares of the Company on or before the first anniversary date (200,000 issued February 14, 2014) (Note 7);
- $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.

On January 31, 2014, 14 prospecting permits were formally signed and delivered to the Company, with an effective date of March 1, 2014; thereby initiating the Sweetwater Option period.

In connection with the Sweetwater Option, the Company will pay a finder's fee on the Company's pre-acquisition 50% interest in American Potash. The finder's fee will be 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 6).

In 2011, American Potash acquired 11 non-contiguous Utah State Trust Land potash lease units in the potash bearing Paradox Basin. These lease units are all within the boundaries of the BLM potash prospecting permit applications held by the Company.

On February 23, 2015, the Company has 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 will issue the outstanding 3.6 million shares in the company within a reasonable period of time from the first anniversary of the February 7, 2014, receipt of the federal potash prospecting permits. The scheduled cash payments will be delivered from the following dates and in the following allocations: $10,000 (U.S.) on the first anniversary of the receipt date; $15,000 (U.S.) on the 18-month anniversary of the receipt date; $25,000 (U.S.) 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 $150,000 (U.S.) on the earlier of the date that is 120 days immediately following the drill date and the three-year anniversary of the receipt date.

(Expressed in Canadian Dollars - unaudited)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Green River Potash Project (continued)

As at February 23, 2015, the company has fulfilled the first anniversary obligations to the optionors, pursuant to the Sweetwater option agreement, by issuing 3.6 million shares in the company and disbursing $10,000 (U.S.).

Green River Potash Project Expenditures

	Total for nine months ended April 30, 2015	**Total for year ended July 31, 2014**
	$	$
Mineral acquisition costs:		
Balance, beginning	2,930,184	1,711,665
Cash	4,298	-
Shares	-	48,300
Reallocation from intangible assets	-	1,133,716
Foreign exchange translation	199,080	36,503
Balance, ending	3,133,562	2,930,184
Exploration and evaluation expenditures:		
Balance, beginning	354,104	266,248
Bonding	13,752	18,174
General administration	41,938	46,363
Permit applications	252,000	-
Surveys	-	3,859
Geological consulting	-	2,063
Foreign exchange translation	24,237	17,397
Balance, ending	686,031	354,104
Total	3,819,593	3,284,288

4. INTANGIBLE ASSETS

	April 30, 2015	**July 31, 2014**
Potash Prospects Applications	$	$
Balance, beginning	-	480,986
Expenditures	-	578,042
Foreign exchange translation	-	74,688
Reallocation to exploration and evaluation assets	-	(1,133,716)
	-	-

(Expressed in Canadian Dollars - unaudited)

4. INTANGIBLE ASSETS (Continued)

Intangible assets relate to the exploration permit applications optioned from the optionors, as described in Note 3. Upon receipt of the 14 prospecting permits during the year ended July 31, 2014, all deferred costs related to these permits included in intangible assets were reallocated to exploration and evaluation assets.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2015	July 31, 2014
	$	$
Accounts payable	18,803	137,658
Taxes payable	-	-
Accrued liabilities	-	20,000
	18,803	157,658

6. SHARE CAPITAL

a) Authorized:

Unlimited common shares with no par value.

b) Issued and outstanding:

At April 30, 2015 there were 68,152,044 issued and fully paid common shares.

c) Common shares

Period ended April 30, 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. 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. The Shares and Warrant Shares are subject to a four month hold period. Finders' fees of $28,560 were paid, plus 357,000 finders' warrants issued in connection with the closing of this Private Placement. The net proceeds of this Private Placement are for the Company's general working capital as well as preparatory work for the Phase 1 drill program at the Company's Green River Potash Project in the renowned Paradox Basin, Utah.

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 at a deemed price of $0.08 per share. 767,125 of these shares were issued to non-arm's length parties.

6. SHARE CAPITAL (Continued)

c) Common shares (continued)

The Company will also issue 75,000 common shares of the company pursuant to an employment agreement with the company's president, Mike Sieb. Following the issuance of the debt shares and bonus shares, the company will have an estimated 64,260,419 outstanding common shares.

As at February 23, 2015, the company has fulfilled the first anniversary obligations to the optionors, pursuant to the Sweetwater option agreement, by issuing 3.6 million shares in the company and disbursing $10,000 (U.S.).

Year ended July 31, 2014

On November 8, 2013, the Company closed a non-brokered private placement of 1,759,232 units at a price of $0.15 per unit for gross proceeds of $263,885. Each unit consisted of one share of the Company and one-half of one common share purchase warrant, exercisable for two years from the date of grant at a price of $0.25 per share. Finders' fees of $11,190 were paid in connection with the private placement. Using the residual method, a $Nil value was allocated to the attached warrants.

On January 17, 2014, the Company closed a non-brokered private placement of 538,334 units at a price of $0.15 per unit for gross proceeds of $80,750. Each unit consisted of one common share of the Company and on-halve of one common share purchase warrant, exercisable for two years from the date of grant at a price of $0.25 per share. Finders' fees of $1,905 were paid in connection with the private placement. Using the residual method, a $Nil value was allocated to the attached warrants.

On February 14, 2014, the Company issued an aggregate of 420,000 common shares at a fair value of $0.115 per share, pursuant to the Sweetwater Option (Note 3).

On April 15, 2014, the Company closed a non-brokered private placement of 767,000 units at a price of $0.15 per unit ("Unit") for gross proceeds of $115,050. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant, exercisable for two years from date of grant at a price of $0.25 per share. Finders' fees of $1,500 were paid in connection with the private placement. Using the residual method, a $Nil value was allocated to the attached warrants.

On June 3, 2014, the Company closed a non-brokered private placement of 266,666 units at a price of $0.15 per unit for gross proceeds of $40,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant, exercisable for two years from date of grant at a price of $0.25 per Share. Using the residual method, a fair value of $14,667 was allocated to the attached warrants.

(Expressed in Canadian Dollars - unaudited)

6. SHARE CAPITAL (Continued)

d) Basic and diluted loss per share

Diluted loss per share did not include the effect of 3,885,000 stock options and 14,662,616 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.

On April 10, 2013, the Company granted 150,000 stock options to a consultant of the Company, exercisable at $0.10 per share for a term of 18 months, expiring October 10, 2014. The options were valued at a fair value of $2,966, assuming a risk-free interest rate of 1.40%, a dividend yield of nil, an expected volatility of 99.91% and an average expected life of 1.5 years. A share-based payment expense of $2,966 was charged to operations and added to share-based payment reserve for the year ended July 31, 2013.

The continuity of stock options for the period ended April 30, 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 expired	(500,000)	0.15
Balance, April 30, 2015	3,885,000	0.10

(Expressed in Canadian Dollars - unaudited)

6. SHARE CAPITAL (Continued)

e) Stock options (continued)

Details of options outstanding and exercisable at April 30, 2015 are as follows:

Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
300,000	$0.10	2.63
3,285,000	$0.10	2.72
300,000	$0.15	0.90
3,885,000	$0.10	2.61

f) Share purchase warrants

The continuity of warrants for the period ended April 30, 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, April 30, 2015	14,662,616	0.13

Details of warrants outstanding as at April 30, 2015 are as follows:

Number of warrants outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
4,800,000	$0.10	0.82
879,616	$0.25	0.52
269,167	$0.25	0.72
383,500	$0.25	0.96
133,333	$0.25	1.09
357,000	$0.12	2.60
7,840,000	$0.12	2.60
14,662,616	$0.13	1.80

(Expressed in Canadian Dollars - unaudited)

6. SHARE CAPITAL (Continued)

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.

7. RELATED PARTY TRANSACTIONS

Related party balances

The following amounts are payable to related parties as at April 30, 2015 and 2014:

	April 30, 2015	April 30, 2014
	$	$
Companies controlled by directors of the Company	18,788	18,375
Directors/officers of the Company	39,900	38,382
	58,688	56,757

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Related party transactions

On July 29, 2014, August 12 and October 16, 2014, directors of the Company and companies controlled by directors of the Company (the "Lenders") loaned the Company an aggregate of $44,800. The loans are unsecured, bear interest at 10% per annum and are repayable on or before January 31, 2015 in cash or common shares of the Company at the option of the Lenders.

(Expressed in Canadian Dollars - unaudited)

7. RELATED PARTY TRANSACTIONS (Continued)

Related party transactions (Continued)

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

Services provided by:	April 30, 2015	April 30, 2014
	$	$
Companies controlled by directors of the Company	81,620	76,338
Directors/officers of the Company	105,600	112,500
Share-based payments	543	45,977
	187,763	234,815

A director of the Company is a party to the Sweetwater Option.

8. 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.

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 must issue 75,000 common shares on the second anniversary of employment, and an additional 75,000 common shares on the third anniversary of employment.

9. 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 and cash equivalents and short-term investments. The Company limits its exposure to credit loss by placing its cash and cash short-term investments with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. The risk is assessed as low.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(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 the Company's subsidiary 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:

	April 30, 2015	July 31, 2014
	$	$
Cash	624	12
Accounts payable	-	(59,049)
	624	(59,037)

Based on the above net exposures, as at April 30, 2015, a 10% change in the US dollar to Canadian Dollar exchange rate would impact the Company's net income by $62.

(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. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

Contractual maturity analysis is as follows:

	Less than 3 months	3-12 months	1-5 years	Longer than 5 years	Total
	$	$	$	$	$
April 30, 2015					
Accounts payable	18,803	-	-	-	18,803
Due to related parties	58,688	-	-	-	58,688

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity Risk (Continued)

	Less than 3 months	3-12 months	1-5 years	Longer than 5 years	Total
	$	$	$	$	$
July 31, 2014					
Accounts payable	137,658	-	-	-	137,658
Due to related parties	81,849	-	-	-	81,849
Short-term loans	24,000	-	-	-	24,000

(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.

(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's operating cash flows are substantially independent of changes in market interest rates. 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.

(Expressed in Canadian Dollars - unaudited)

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair Values (continued)

The following is an analysis of the Company's financial assets measured at fair value as at April 30, 2015 and July 31, 2014:

	As at April 30, 2015		
	Level 1	**Level 2**	**Level 3**
	$	$	$
Cash	157,013	-	-
Total	157,013	-	-

	As at July 31, 2014		
	Level 1	**Level 2**	**Level 3**
	$	$	$
Cash	19,167	-	-
Total	19,167	-	-

The fair values of other financial instruments, which include other receivable, other assets, bank indebtedness, accounts payable, and due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

10. 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 period.

11. 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, which include exploration and evaluation assets and intangible assets, are all located in the United States.

12. SUBSEQUENT EVENTS

There were no subsequent events.

13. COMPARATIVE INFORMATION

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