
CHARIOT RESOURCES LIMITED

(a development stage company)

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT JULY 31, 2009 AND FOR THE THREE MONTH PERIOD ENDED

JULY 31, 2009 AND 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of the Company as at July 31, 2009 and for the three month period ended July 31, 2009 and 2008 have been prepared by and are the responsibility of the Company's management.

" Ulrich Rath " Chief Executive Officer
Toronto, Canada
September 11, 2009

" Peter Blunt " Chief Financial Officer
Toronto, Canada
September 11, 2009

CHARIOT RESOURCES LIMITED
(a development stage company)
Consolidated Balance Sheets
(Expressed in Canadian Dollars)

	July 31, 2009	April 30, 2009
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	14,449,821	589,383
Short term investments	64,527	16,001,529
Other receivables	42,165	519,175
Prepaid expenses	88,294	58,214
	14,644,807	17,168,301
Equipment	242,881	261,923
Mineral property interests (note 4)	75,795,529	73,980,344
Peruvian sales tax receivable (note 5)	9,343,267	9,232,217
	14,644,807	17,168,301
Total Assets	\$ 100,026,484	\$ 100,642,785
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	1,277,440	1,685,224
	1,277,440	1,685,224
Asset retirement obligations	314,225	314,225
	314,225	314,225
Total Liabilities	1,591,665	1,999,449
Shareholders' Equity		
Share capital (note 6)	109,213,874	109,194,259
Contributed surplus	4,690,913	4,626,856
Deficit	(15,469,968)	(15,177,779)
	98,434,819	98,643,336
Total Liabilities and Shareholders' Equity	\$ 100,026,484	\$ 100,642,785

CONTINGENCIES (note 4)

APPROVED ON BEHALF OF THE BOARD

“Edward Thompson”

Director

“John Kutkevicius”

Director

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
(a development stage company)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended
(Expressed in Canadian Dollars)

	July 31, 2009	July 31, 2008
	\$	\$
Expenses		
Amortization	8,613	5,826
Salaries, consulting and management fees	149,889	68,606
General and administration	211,558	151,514
Legal	89,823	124,773
Stock-based compensation (note 6)	<u>27,675</u>	<u>54,576</u>
Loss before undernoted items	487,558	405,295
Foreign exchange gain	(118,615)	(340,289)
Interest income	<u>(76,754)</u>	<u>(231,902)</u>
Net Loss (gain) and Comprehensive Loss (gain) for period	<u>\$ 292,189</u>	<u>\$ (166,896)</u>
Loss (gain) per Share - Basic and diluted	<u>\$ 0.0009</u>	<u>\$ (0 .0005)</u>
Weighted Average Shares Outstanding	<u>328,717,208</u>	<u>328,500,702</u>

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
(a development stage company)
Consolidated Statements of Shareholders' Equity
Expressed in Canadian Dollars

	Common Shares		Contributed Surplus	Deficit	Total
	Shares	Amount			
		\$	\$	\$	\$
Balance - April 30, 2008	328,302,203	108,814,267	4,160,151	(14,483,176)	98,491,242
Issued during period					
For cash					
Exercise of stock options	393,298	260,356	-	-	260,356
Stock-based compensation	-	-	142,893	-	142,893
Transfer of fair value on exercise of options	-	119,636	(119,636)	-	-
Stock options forfeited	-	-	(65,083)	-	(65,083)
Net gain for period	-	-	-	166,896	166,896
Balance - July 31, 2008	328,695,501	\$ 109,194,259	\$ 4,118,325	\$ (14,316,280)	\$ 98,996,304
Balance - April 30, 2009	328,695,501	\$ 109,194,259	\$ 4,626,856	\$ (15,177,779)	\$ 98,643,336
Issued during period					
For cash					
Exercise of stock options	66,600	9,990	-	-	9,990
Stock-based compensation	-	-	73,682	-	73,682
Transfer of fair value on exercise of options	-	9,625	(9,625)	-	-
Net loss for period	-	-	-	(292,189)	(292,189)
Balance - July 31, 2009	328,762,101	\$ 109,213,874	\$ 4,690,913	\$ (15,469,968)	\$ 98,434,819

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
(a development stage company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended
(Expressed in Canadian Dollars)

	July 31, 2009	July 31, 2008
	\$	\$
Operating Activities		
Net gain (loss) for period	(292,189)	166,896
Items not involving cash:		
Amortization	8,613	5,826
Stock-based compensation	27,675	54,576
	(255,901)	227,298
Changes in operating assets and liabilities:		
Decrease in other receivables	477,010	782,600
Increase in prepaid expenses	(30,080)	(27,906)
Increase (decrease) in accounts payable and accrued liabilities	4,492	(335,163)
	195,521	646,829
Investing Activities		
Expenditures on equipment	-	(1,383)
Expenditures on mineral property interests	(2,171,024)	(4,569,819)
Increase in Peruvian sales tax receivable	(111,051)	(879,429)
Short term investments	-	(17,530,407)
Cash and cash equivalents	15,937,002	-
	13,654,927	(22,981,038)
Financing Activities		
Shares issued for cash	9,990	260,356
	13,860,438	(22,073,853)
Increase (decrease) in cash and cash equivalents during period		
Cash and cash equivalents, beginning of period	589,383	23,102,090
	\$ 14,449,821	\$ 1,028,237

SUPPLEMENTARY CASH FLOW INFORMATION (note 8)

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
(a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2009 AND 2008
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

The Company was incorporated on November 12, 1996 under the Business Corporations Act (Yukon). On October 28, 2004, the Company was continued under the *Business Corporations Act* (British Columbia).

The Company is directly engaged in the exploration and development of the Marcona property in Peru.

The recoverability of the amounts shown as mineral property interests is dependent upon the existence of economically recoverable reserves, the continuance or rights to tenure of the areas of interest, the results of future exploration, the successful development and exploitation of the areas of interest or, alternatively, their sale or partial sale.

2. ACCOUNTING POLICIES

a) Significant accounting policies

Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries: Andes Resources Compañía Minera S.A.C. (“Andes”); Chariot Holdings Inc.; Chariot Operating Limited and Chariot Partners Limited and its proportionate 70% interest in Marcobre S.A.C., (“Marcobre”) an incorporated joint venture with LS-Nikko Copper Inc. (“LS-Nikko”) and Korea Resources Corporation (“KORES”). Inter company balances and transactions are eliminated upon consolidation.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingent liabilities at the date of the financial statements, and the reported amounts of expenses during the reported period. Significant management estimates relate to the determination of asset retirement obligations, recoverability of mineral property and deferred exploration expenditures and stock-based compensation. Actual results could differ materially from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents include deposits at call, term deposits with an original maturity date of 90 days or less. Cash equivalents are designated as “Held-for-trading”. They are recorded at fair value, with changes in fair value recorded in income.

Short term investments

Short term investments include deposits with an original maturity date of more than 90 days but less than 1 year.

Short term investments are designated as “Held-for-trading” and recorded at fair value with changes in fair value recorded in income.

CHARIOT RESOURCES LIMITED
(a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2009 AND 2008
(Expressed in Canadian Dollars)

2. ACCOUNTING POLICIES (continued)

Mineral Property Interests

Mineral property costs and exploration, development and field support costs directly related to mineral properties are deferred until the property to which they relate is placed into production, sold, abandoned or determined to be impaired. Deferred costs will be amortized over the life of the ore body to which they relate following commencement of production or charged to operations if the property is sold or abandoned. Administration costs and other costs that do not relate to specific properties are expensed as incurred.

On a periodic basis, as events and circumstances dictate, management reviews the carrying values of deferred mineral property costs to assess whether there has been any impairment in value. If it is determined that undiscounted future cash flows are less than the carrying value of a project, a write down to the estimated fair value of such deferred mineral property costs will be charged to operations.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received.

Although the Company has taken steps to verify title to mineral properties in which it has an interest according to the usual industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Asset Retirement Obligations

The Company recognizes a liability for its legal obligations associated with reclamation of mineral properties when the liability is incurred. A liability is recognized initially at fair value if a reasonable estimate of the fair value can be made and the resulting amount is capitalized as part of the asset. In subsequent periods, the Company adjusts the carrying amounts of the asset and liability for changes in estimates of the amount or timing of underlying future cash flows.

It is reasonably possible that the Company's estimates of its ultimate reclamation and site restoration liability could change as a result of changes in regulations or cost estimates. The effect of changes in estimated costs is recognized on a prospective basis.

Joint Ventures

The Company participates in a joint venture and consolidates its proportionate share of the assets, liabilities and expenses where joint control is exercised.

Equipment – Amortization

Equipment is recorded at cost less accumulated amortization. Amortization is determined on a straight-line basis over the related asset's estimated useful life, which is generally from three to ten years. Equipment under capital lease contracts is initially carried at the lower of fair value or discounted minimum lease payments and is amortized on a straight-line basis over the life of asset.

Leases

Leases are classified as either capital or operating. Leases which transfer substantially all the benefits and risks of ownership are accounted for as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

CHARIOT RESOURCES LIMITED
(a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2009 AND 2008
(Expressed in Canadian Dollars)

2. ACCOUNTING POLICIES (continued)

Income Tax

Income taxes are accounted for under the asset and liability method. Under this method, tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value and the tax basis of assets and liabilities.

Future tax assets and liabilities are measured using the enacted or substantially enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in the statement of operations in the period during which the change in rates is considered to be substantially enacted. Future tax assets are evaluated and if realization is not considered more likely than not, a valuation allowance is provided.

Foreign Currency Translation

The Company's overseas subsidiaries are considered to be integrated foreign operations whose transactions, balances and accounts are translated into Canadian dollars using the temporal method, as follows:

- i. Expenses, except for amortization, at average exchange rates for each year;
- ii. monetary items at the rates of exchange prevailing at balance sheets dates; and
- iii. non-monetary items at the historical exchange rates.

Exchange gains and losses arising from translation are included in the determination of earnings for each year.

Loss per Share

Loss per share computations are based upon the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options and warrants. This method assumes that the proceeds from exercise of in the money options and warrants would be used to purchase common shares at the average market price during the year. The effect of conversion of outstanding options and warrants would be anti-dilutive when the Company incurs a loss and therefore, basic and diluted losses per share are the same.

Stock-Based Compensation

The Company records compensation associated with stock options granted to directors and employees using a fair value measurement basis and records the corresponding amount as an expense or a capital cost, as appropriate, over the vesting period for the options. Consideration paid by grantees when the options are exercised, as well as the fair value at the grant date of options exercised, is added to share capital. For stock options that vest at the end of vesting period, compensation cost is recognized on a straight-line basis over the vesting period. No compensation cost is recognized from stock options that employees forfeit if they fail to satisfy the service requirement for vesting.

b) Change in accounting policies

Effective May 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants.

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FOR THE THREE MONTHS ENDED JULY 31, 2009 AND 2008
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2. ACCOUNTING POLICIES (continued)

Section 1535 - Capital Disclosures.

This Section establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard the Company is required to disclose information that enables the users of its financial statements to evaluate the Company's objectives, policies and processes for managing capital. Disclosures required by this standard are included in Note 9.

Section 3862 - Financial Instruments – Disclosures.

This Section requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Disclosures required by this standard are included in Notes 3 and 10.

Section 3863 - Financial Instruments – Presentation.

This Section replaces existing requirements for presentation of financial instruments and non-financial derivatives. The purpose of this section is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows.

Section 1400 - General Standards of Financial Statement Presentation.

An Amendment to this Section requires that management make an assessment of the Company's ability to continue as a going concern. The Company's adoption of the modifications of this Section had no effect on the reported consolidated financial results.

EIC 173 - Credit risk and the fair value of financial assets and financial liabilities

This abstract considers whether 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, for presentation and disclosure purposes. The Company's adoption of the modification of this abstract had no effect on the reported consolidated financial statements.

EIC 174 - Mining exploration costs

This abstract considers the issues of (i) when exploration costs related to mining properties may be capitalized, and (ii) if exploration costs are initially capitalized, when should impairment be assessed to determine whether a write-down is required, and what conditions indicate impairment. The Company's adoption of the modification of this abstract had no effect on the reported consolidated financial statements.

3. FINANCIAL INSTRUMENTS

All significant financial assets and financial liabilities of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, currency risk, convertibility risk and credit risk.

Due to the short-term nature of other receivables, accounts payable and accrued liabilities, the Company estimates that their carrying value approximates their fair value.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2009 AND 2008
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3. FINANCIAL INSTRUMENTS (continued)

The Company classified its cash equivalents and short-term investment as held-for-trading. Other receivables as loan and receivables which are measured at amortized cost. Accounts payable and accrued liabilities and capital lease obligations are classified as other financial liabilities, all of which are measured at amortized cost.

Foreign Exchange Rate Risk

The Company is required to make certain payments in US dollars and has not entered into forward currency contracts or other financial derivatives to hedge exchange risk.

4. MINERAL PROPERTY INTERESTS

Marcona Project

On January 3, 2005 the Company and KORES and LS-Nikko, jointly the "Korean Partners", paid the first of two payments to acquire a 100% undivided interest in the Marcona Copper Project ("Marcona"). The Company's share of the first payment was \$18,695,535 representing payments to the former owners of Marcona in the amount of \$17,023,464 and a payment in respect of Peruvian General Sales Tax ("IGV") in the amount of \$1,672,071. The payment in respect of IGV is considered to be eventually recoverable as a credit against IGV otherwise payable in respect of future mineral production from Marcona.

On January 3, 2007 the Company and the Korean Partners made the second of the two mandatory payments required under the abovementioned Marcona acquisition agreement. The Company's 70% share of this second payment was \$10,646,090 and a payment in respect of IGV of \$1,163,085. The payment in respect of IGV is considered to be eventually recoverable as a credit against IGV otherwise payable in respect of future mineral production from Marcona.

In the event that the Company and the Korean Partners approve the start of construction of a mine and plant to process mineralized material from Marcona, additional contingent payments will be required to complete the acquisition of an undivided 100% interest in Marcona as follows:

An amount of US \$3.0 million will be payable to Rio Tinto Mining and Exploration, Sucursal del Peru and Shougang Hierro Peru S.A.A (the "Vendors") if the total mineral resource on the TA1 concession (which includes the Mina Justa deposit and the Magnetite Manto deposit) is greater than the equivalent of 2.58 million tonnes of contained copper metal using a copper equivalent cut-off grade of 0.3%.

An additional amount of US \$7.0 million will be payable to the Vendors if the total mineral resource on the TA1 concession is greater than the equivalent of 3.44 million tonnes of contained copper metal using a copper equivalent cut-off grade of 0.3%.

These contingent payments to the Vendors will not exceed U.S. \$10.0 million and the amounts of such payments will be determined by whether Marcobre approves commencing the construction of mine and processing facilities on the TA1 concession and the amount of copper equivalent contained in the mineral resource on the TA1 concession.

CHARIOT RESOURCES LIMITED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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4. MINERAL PROPERTY INTERESTS (continued)

Mineral property interests consist of capitalized expenditures on the Marcona project as follows:

	\$
Balance April 30, 2008	62,570,655
Exploration and development	4,444,123
Capitalized Stock based compensation	88,317
Balance July 31, 2008	<u>\$ 67,103,095</u>
Balance April 30, 2009	73,980,344
Exploration and development	1,769,178
Capitalized Stock based compensation	46,007
Balance July 31, 2009	<u>\$ 75,795,529</u>

5. PERUVIAN SALES TAX RECEIVABLE

Included in non-current assets is \$9,343,267 (2008-\$8,725,514) of refundable Peruvian IGV. This amount is refundable either as a credit received from the export of mineral production or under the sales tax early recovery program established by the Peruvian government. During the three months ended July 31, 2009, \$262,717 (2008–Nil) was received by the Company under the early recovery program.

CHARIOT RESOURCES LIMITED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2009 AND 2008
(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized and Issued

The Company's authorized share capital is an unlimited number of common shares of which 328,762,101 were issued and outstanding as at July 31, 2009.

Stock Options

The following table sets out information concerning stock options granted and outstanding as at July 31, 2009:

Number of Options	Number of Options vested	Exercise Price	Expiry Date	Number of months To Expiry
\$				
1,975,000	1,975,000	0.27	January 3, 2015	66
100,000	100,000	0.27	January 26, 2015	66
200,000	200,000	0.28	March 10, 2015	68
2,285,000	2,285,000	0.34	April 5, 2015	69
1,865,700	1,865,700	0.44	February 7, 2016	79
200,000	200,000	0.60	October 25, 2016	87
3,111,688	3,111,687	0.57	January 11, 2017	90
426,667	426,667	0.67	January 26, 2017	90
550,000	366,685	1.00	August 27, 2017	97
3,040,000	1,996,459	0.88	January 7, 2018	102
3,188,400	1,017,425	0.15	January 19, 2019	114
150,000	50,000	0.15	February 13, 2019	115
17,092,455	13,594,623	\$ 0.47		90

During the three months ended July 31, 2009, the Company recorded stock based compensation expenditure of \$73,682 (2008 - \$142,893) attributable to the grant of stock options of which \$46,007 (2008 - \$88,317) was capitalized to mineral property interests.

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(a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2009 AND 2008
(Expressed in Canadian Dollars)

7. SEGMENTED INFORMATION

The Company's principal business activity is the acquisition, exploration and development of mineral properties located in Peru. The assets and liabilities of the Company are located geographically as set out below:

	<u>Canada</u>	<u>Peru</u>	<u>Cayman Islands</u>	<u>Total</u>
	\$	\$	\$	\$
July 31, 2009				
Cash and cash equivalents	13,835,002	613,872	947	14,449,821
Short term investments	64,527	-	-	64,527
Mineral Property Interests	-	75,795,529	-	75,795,529
Other Assets	46,944	9,669,663	-	9,716,607
	13,946,473	86,079,064	947	100,026,484
Liabilities	224,293	1,367,372	-	1,591,665
	<u>\$ 13,722,180</u>	<u>\$ 84,711,692</u>	<u>\$ 947</u>	<u>\$ 98,434,819</u>
July 31, 2008				
Cash and cash equivalents	115,582	904,634	8,021	1,028,237
Short term investments	23,647,068	-	-	23,647,068
Mineral Property Interests	-	67,103,095	-	67,103,095
Other Assets	313,858	9,370,900	-	9,684,758
	24,076,508	77,378,629	8,021	101,463,158
Liabilities	117,032	2,349,822	-	2,466,854
	<u>\$ 23,959,476</u>	<u>\$ 75,028,807</u>	<u>\$ 8,021</u>	<u>\$ 98,996,304</u>

8. SUPPLEMENTARY CASH FLOW INFORMATION

Non-cash investing activities and other supplementary cash flow information is as follows:

	July 31 2009	July 31 2008
	\$	\$
Non-cash investing activity		
Decrease in accounts payable related to mineral property interests	(361,017)	(49,992)
Capitalization of stock based compensation	46,007	88,317
Capitalization of amortization	10,426	9,047

CHARIOT RESOURCES LIMITED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2009 AND 2008
(Expressed in Canadian Dollars)

9. CAPITAL DISCLOSURE

The Company manages its common shares and stock options as capital. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern so that it can continue to explore and develop its projects for the benefit of its stakeholders. The Company is not subject to any externally imposed capital requirement.

The Company manages the capital structure and makes appropriate adjustments to it based upon 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, issue new debt, acquire or dispose of assets.

The Company's investment policy is to invest its available cash in Canadian chartered banks and from time to time in guaranteed term deposits at fixed interest rates established at the time of investment. All its funds are available for project and corporate objectives.

As at July 31, 2009, the Company had no bank indebtedness or long-term debt.

10. FINANCIAL INSTRUMENTS

The Company's receivables consist of general sales tax due from the Federal Governments of Peru as well as advances to vendors. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

a) *Currency risk*

The Company operates internationally with offices and operations in Canada and Peru, which gives rise to the risk that its financial instruments may be adversely impacted by exchange rate fluctuations. A significant portion of the Company's expenses are also incurred in U.S. dollars and to a lesser extent other foreign currencies. A significant change in the currency exchange rates between the Canadian dollar relative to the Peruvian currency or US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations. However, as many of the Company's obligations are denominated in U.S. dollars, the impact of foreign exchange differences on U.S. dollar denominated financial assets would be naturally hedged to an extent.

Although the majority of the Company's expenditures are incurred in United States dollars, the Company maintains its cash, cash equivalents and short term investments in Canadian dollars.

b) *Interest rate risk*

The interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All cash equivalents are placed with Canadian financial institutions and are accruing interest at varying rates.

c) *Liquidity risk*

This refers to the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 6 to the consolidated financial statements