

SENNEN RESOURCES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2007

(Unaudited - Prepared by Management)

The accompanying unaudited interim consolidated financial statements of Sennen Resources Ltd. for the nine month period ending October 31, 2007 have been prepared by management and approved by the audit committee and the Board of Directors of the Company. These interim consolidated financial statements have not been reviewed by the Company's external auditors.

SENNEN RESOURCES LTD.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - prepared by management)

	October 31, 2007	January 31, 2007
ASSETS		
Current		
Cash and equivalents	\$ 14,874,788	\$ 1,637,829
Receivables (Note 3)	4,001,083	54,534
Prepaid expenses	<u>14,784</u>	<u>14,301</u>
	18,890,655	1,706,664
Long-term receivable (Note 3)	4,086,000	-
Deferred costs (Note 3)	-	104,551
Mineral properties (Note 3)	<u>-</u>	<u>1</u>
	<u>\$ 22,976,655</u>	<u>\$ 1,811,216</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 3)	<u>\$ 917,235</u>	<u>\$ 100,394</u>
	<u>917,235</u>	<u>100,394</u>
Shareholders' equity		
Capital stock (Note 5)	14,628,577	14,628,577
Contributed surplus (Note 5)	1,363,188	1,215,406
Retained earnings (deficit)	<u>6,067,655</u>	<u>(14,133,161)</u>
	<u>22,059,420</u>	<u>1,710,822</u>
	<u>\$ 22,976,655</u>	<u>\$ 1,811,216</u>

Nature of operations (Note 1)

Commitments (Note 7)

On behalf of the Board:

Director

Director

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

SENNEN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited - prepared by management)

	For the three months ended Oct 31, 2007	For the three months ended Oct 31, 2006	For the nine months ended Oct 31, 2007	For the nine months ended Oct 31, 2006
EXPENSES				
Administration fees	\$ 4,743	\$ 3,738	\$ 12,673	\$ 9,970
Amortization	-	4,047	-	13,269
Consulting	41,162	48,211	126,668	144,121
Directors' fees	5,000	5,000	15,000	15,000
Exploration costs	-	-	34,152	-
Interest on obligation under capital lease	-	1,051	-	3,229
Management fees	22,000	18,000	58,000	54,000
Office and miscellaneous	5,836	1,397	18,914	8,980
Professional fees	35,334	36,187	60,239	70,227
Rent	15,000	12,000	45,000	36,000
Shareholder communications	150	190	3,782	1,296
Stock-based compensation (Note 6)	49,261	-	147,782	189,581
Transfer agent and filing fees	972	1,847	16,439	12,553
Travel and automotive	3,526	813	15,894	1,989
Loss before other items	<u>(182,984)</u>	<u>(132,481)</u>	<u>(554,543)</u>	<u>(560,215)</u>
OTHER ITEMS				
Interest income	154,355	16,892	200,250	38,253
Gain on sale of mineral properties (Note 3)	-	-	21,167,171	-
Gain (loss) on foreign exchange	<u>(634,606)</u>	<u>-</u>	<u>(612,062)</u>	<u>-</u>
	<u>(480,251)</u>	<u>16,892</u>	<u>20,755,359</u>	<u>38,253</u>
Net income (loss) for the period	(663,235)	(115,589)	20,200,816	(521,962)
Retained earnings (deficit) beginning of period	<u>6,730,890</u>	<u>(14,352,395)</u>	<u>(14,133,161)</u>	<u>(13,946,022)</u>
Retained earnings (deficit) end of period	<u>\$ 6,067,655</u>	<u>\$(14,467,984)</u>	<u>\$ 6,067,655</u>	<u>\$(14,467,984)</u>
Earnings (loss) per common share:				
Basic	\$ (0.01)	\$ (0.01)	\$ 0.45	\$ (0.01)
Diluted	-	-	0.44	-
Weighted average number of common shares outstanding:				
Basic	44,501,165	44,501,165	44,501,165	44,501,165
Diluted	-	-	46,101,953	-

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

SENNEN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - prepared by management)

	For the three months ended Oct 31, 2007	For the three months ended Oct 31, 2006	For the nine months ended Oct 31, 2007	For the nine months ended Oct 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss) for the period	\$ (663,235)	\$ (115,589)	\$ 20,200,816	\$ (521,962)
Items not affecting cash:				
Amortization	-	4,047	-	13,269
Stock-based compensation	49,261	-	147,782	189,581
Gain on sale of mineral properties	-	-	(21,167,171)	-
Change in non-cash working capital items:				
(Increase) decrease in receivables	157,523	(9,817)	4,001	12,797
(Increase) decrease in prepaid expenses and deposit	582	1,748	(483)	(47)
Increase (decrease) in accounts payable and accrued liabilities	<u>(516,936)</u>	<u>20,474</u>	<u>816,844</u>	<u>3,290</u>
Net cash provided by (used in) operating activities	<u>(972,805)</u>	<u>(99,137)</u>	<u>1,789</u>	<u>(303,072)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of obligation under capital lease	-	(1,350)	-	(3,971)
Proceeds from sale of mineral properties, net of selling costs	<u>-</u>	<u>-</u>	<u>13,235,170</u>	<u>-</u>
Net cash provided by (used in) used in financing activities	<u>-</u>	<u>(1,350)</u>	<u>13,235,170</u>	<u>(3,971)</u>
Change in cash and equivalents during the period	(972,805)	(100,487)	13,236,959	(307,043)
Cash and equivalents, beginning of period	<u>15,847,593</u>	<u>1,417,393</u>	<u>1,637,829</u>	<u>1,623,949</u>
Cash and equivalents, end of period	\$ 14,874,788	\$ 1,316,906	\$ 14,874,788	\$ 1,316,906
Cash and equivalents consists of:				
Cash			\$ 191,451	\$ 999
Term deposits			<u>14,675,337</u>	<u>1,315,907</u>
			\$ 14,874,788	\$ 1,316,906

Supplemental disclosure with respect to cash flows (Note 8)

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

SENNEN RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

October 31, 2007

(Unaudited - prepared by management)

1. NATURE OF OPERATIONS

Sennen Resources Ltd. (the "Company") is a Canadian company incorporated under the Business Corporations Act of British Columbia. The Company is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal and recurring adjustments considered necessary for fair presentation of the results for the interim period. Operating results for the nine-month period ending October 31, 2007 are not necessarily indicative of the results that may be expected for the year ending January 31, 2008. These interim consolidated financial statements follow the same accounting policies as the annual financial statements of the Company. Accordingly, these financial statements should be read in conjunction with the audited consolidated financial statements, and notes thereto, for the year ended January 31, 2007.

3. MINERAL PROPERTIES

		Ownaview/ Middlemount/ Collingwood, Australia
Balance at January 31, 2007	\$	1
Sale of mineral property		(1)
Balance at July 31, 2007	\$	-

Ownaview/Middlemount/Collingwood Projects, Queensland, Australia

The Company held an interest in certain mineral properties located in Queensland, Australia.

During the year ended January 31, 2003, the mineral property costs and related deferred exploration costs were written down to a nominal value of \$1.

During the year ended January 31, 2005, the Company entered into three agreements with DJB Coal PTY Ltd. ("DJB") of Australia whereby DJB acquired a 5% interest in certain claims (the "Ownaview" deposit) with the right to acquire a further 65% interest, and acquired a 10% interest in Collingwood and Middlemount projects, with the right to earn a further 60% in each of these two projects.

SENNEN RESOURCES LTD.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2007

(Unaudited - prepared by management)

3. MINERAL PROPERTIES (cont'd...)

Under the terms of the agreements, DJB was to acquire these interests in return for payment of all present and future rental costs due on the Ownaview deposit and on the Collingwood and Middlemount projects, and will conduct all the required engineering work for the completion of bankable feasibility studies at their cost on each deposit within 5 years. In the event that an agreement is reached over the sale of the Middlemount coal property to a third party prior to the completion of a feasibility study, providing the Company and DJB each with a 50% interest in the proceeds from the sale.

The agreement was subject to a \$0.50 per tonne coal royalty on the Ownaview deposit and a \$0.25 per tonne coal royalty on the Collingwood and Middlemeount projects payable to the Company.

During the year ended January 31, 2007, the Company announced that it has entered into an agreement to sell its interest in the Middlemount project through the sale of the issued shares of Ribfield, the owner of a 95% interest in Middlemount, for approximately \$13,700,000 (AUD\$15,000,000) subject to the following terms and conditions:

1. Receipt of a non-refundable deposit of \$438,580 (AUD\$500,000) upon execution of the agreement (received as at Jan 31, 2007).
2. The approval and completion ("Completion") of:
 - a) regulatory approval in Australia for the transfer of the Ownaview and Collingwood projects to another entity owned by the Company (received);
 - b) DJB Coal obtaining regulatory approval for the transfer of their 5% interest in Middlemount to the Purchaser (obtained);
 - c) regulatory approval of the TSX Venture Exchange; but in any event not later than June 30, 2007 (received);
 - d) a drilling and analysis program within eight weeks of the finalization of the agreement (the "DA Period") by the purchaser;
 - e) receipt of approximately \$3,200,000 (AUD\$3,500,000) into escrow within 16 weeks of the expiration of the DA Period (received);
 - f) receipt of approximately \$1,825,000 (AUD\$2,000,000) and release of escrow funds referred to above upon Completion (received);
 - g) receipt of approximately \$4,086,000 (AUD\$4,500,000) within 12 months of Completion; and
 - h) receipt of approximately \$4,086,000 (AUD\$4,500,000) within 24 months of Completion.

Upon Completion, the purchaser is required to provide bank guarantees for the two outstanding payments of approximately \$3,950,898 (AUD\$4,500,000) and \$4,086,000 (AUD\$4,500,000) (received).

Additionally, during the nine months ended October 31, 2007, the Company entered into a sale agreement with Anglo Coal Australia ('Anglo') and Mitsui Coal Holdings ('Mitsui') for the sale of its interests in the Collingswood and Ownaview Coal projects for consideration of \$9,080,000 (AUD\$10 million) (received).

As at October 31, 2007 the Company has incurred costs of \$1,042,442 relating to the proposed sale of its mineral properties. Additionally, included in accounts payable is \$876,144 (AUD\$998,000) for Australian GST payable in connection with the sale of the Ownaview and Collingwood properties.

SENNEN RESOURCES LTD.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. RELATED PARTY TRANSACTIONS

During the nine months ended Oct 31, 2007, the Company entered into the following transactions with related parties:

- a) Paid or accrued consulting fees of \$111,000 (2006 - \$108,000) to a company controlled by a director and to a director.
- b) Paid or accrued management fees of \$58,000 (2006 - \$54,000) to a company controlled by an officer of the Company.
- c) Paid or accrued rent of \$45,000 (2006 - \$36,000) to a company controlled by a director.
- d) Paid or accrued directors' fees of \$15,000 (2006 - \$15,000) to a director of the Company.

As at October 31, 2007, accounts payable included \$7,610 (January 31, 2007 - \$7,609) owed to a director and a company with a common director.

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount established and agreed to by the related parties.

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Capital Stock		
	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares without par value			
Issued			
Balance as at January 31, 2007	44,501,165	\$ 14,628,577	\$ 1,215,406
Stock-based compensation	-	-	147,782
Balance as at October 31, 2007	44,501,165	\$ 14,628,577	\$ 1,363,188

(Unaudited - prepared by management)

6. STOCK OPTIONS AND WARRANTS

Stock options

At October 31, 2007, the Company had incentive stock options enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
4,980,000	\$ 0.20	April 28, 2008
145,000	0.20	November 20, 2011

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at January 31 and October 31, 2007	5,125,000	\$ 0.20
Exercisable as at October 31, 2007	5,052,500	\$ 0.20

Stock-based compensation

During the year ended January 31, 2007, the Company granted 5,205,000 (2006 – Nil) stock options with a fair value of \$394,084 (2006 - \$Nil) or \$0.08 (2006 - \$Nil) per option using the Black-Scholes option pricing model. Of this amount, \$388,489 has been recorded as stock-based compensation. Pursuant to the Company's stock option plan, an 18 month vesting schedule is applied to each granting with 25% of the options vesting immediately on the date of grant, and the balance of the options vesting equally every three months after the grant date.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options:

	October 31, 2007
Risk-free interest rate	3.95%
Expected life of options	2.1 years
Annualized volatility	96%
Dividend rate	0.00%

SENNEN RESOURCES LTD.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2007

(Unaudited - prepared by management)

6. STOCK OPTIONS AND WARRANTS (cont'd...)

Warrants

There were no warrants outstanding as at October 31, 2007.

7. COMMITMENTS

The Company leases office premises under an operating lease with a company controlled by a director. The lease provides for annual basic lease payments as follows:

2008	\$	15,000
2009		60,000
2010		<u>10,000</u>
	\$	<u>85,000</u>

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2007	2006
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ 3,229

There were no significant non-cash transactions during the nine months ended October 31, 2006 and 2007.

9. SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of mineral properties.

The Company's capital assets are located in the following countries:

	October 31, 2007	January 31, 2007
Canada	\$ -	\$ -
Australia	<u>-</u>	<u>1</u>
	\$ -	\$ 1