

## SENNEN RESOURCES LTD.

### Management Discussion and Analysis

#### For the three months ended April 30, 2010

This management discussion and analysis of financial position and results of operations (“MD&A”) is prepared as at June 23, 2010 and should be read in conjunction with the unaudited interim consolidated financial statements for the three months ended April 30, 2010 of Sennen Resources Ltd. (“Sennen” or the “Company”) with the related notes thereto. Those unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and, as a result, do not contain all disclosure required under generally accepted accounting principles for annual financial statements. Accordingly, readers may want to refer to the January 31, 2010 audited consolidated financial statements and the accompanying notes.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Description of Business

The Company is a natural resource company engaged in the acquisition and exploration of mineral properties. The Company trades on the TSX Venture Exchange under the symbol SN.

#### Overview

Subsequent to April 30, 2010, the Company executed a Heads of Agreement providing for an option over an interest a mineral project in Spain. The option is over an 80% interest in Minera de Rio Guadiato S.L. (“MRG”), the company that owns the rights to the La Nava-El Paredon massive sulphide mineral deposit located near Cordoba, Spain.

#### **MRG - La Nava-El Paredon (“El Paredon”)**

El Paredon is located approximately 45 kilometers northwest of Cordoba in the Andalucia region of Southern Spain and comprises one permit covering a six square kilometers area, as granted by the Director General Ministry of Energy and Mines on March 9<sup>th</sup>, 2010.

The El Paredon deposit is hosted by the volcano-sedimentary strata of the Erillas Volcanic complex and situated on the western flank of the La Nava-El Paredon Syncline. El Paredon was first discovered in 1979 from drilling in an area of old iron ore workings and mineral showings. The drill campaign consisted of 32 core-holes with 3,954m drilled that outlined a deposit of strata-bound, semi-massive and disseminated mineralization that extends for at least 300m along strike and dips at 35°. From this previous work an ‘ore estimation’ for only a higher grade mineralized zone was conducted and reported as being 257,736 tonnes grading 2.0% copper, 4.7% lead, 10.9% zinc, 1.8 g/t gold and 183 g/t silver. ***This historical resource estimate was made in accordance with the standards in effect at the time, but such estimate is not compliant with National Instrument 43-101. It is reported here for reference purposes only, and should not be relied upon.*** Disseminated mineralization was also reported to occur, with average grades of 0.4% copper, 0.6% lead, 1.4% zinc, 0.5 g/t gold and 24 g/t silver, but no resource estimation was conducted on this zone of lower grade mineralization.

In 1981, a feasibility study was carried out by Estudios Poyectus Mineras S.A. that concluded that the optimum design of the initial open-pit (to a depth of 80m) would have a 'recoverable resource' of 639,155 tonnes with grades of 1.1% copper, 3% lead, 6.5% zinc, 79.8 g/t silver and 0.6 g/t gold, with a waste to ore strip ratio of 4.3 to 1. ***This historical resource estimate was made in accordance with the standards in effect at the time, but such estimate is not compliant with National Instrument 43-101. It is reported here for reference purposes only, and should not be relied upon.*** A further drill campaign in 1982 located mineralization in the footwall sequences but no resource estimates were made following this drilling.

The drill spacing between holes at El Paredon varies from 15m to 50m and this is considered too wide for the correlation of mineralization for resource estimate purposes in line with NI 43-101 reporting requirements. Further drilling is therefore required to improve definition of the mineralization and to evaluate the dimensions of higher-grade zones. Also, gold values were often not reported, and both gold and silver grades require investigation. Further drilling and assaying is required to locate possible new ore zones that have higher ratios of precious to base metals. Previous work and technical studies were focused on a small area at El Paredon with very limited exploration and there is potential for the historical resource to be substantially increased within the area covered by the Permit and exploration work is proposed across the area in order to locate other similar sulphide deposits in the vicinity of El Paredon. MRG will remain the operator of the property and will manage and control exploration work in line with that recommended in the NI 43-101 report.

Sennen shall acquire the interest in El Paredon by way of an option to purchase 80% of the issued and outstanding shares of MRG (the "MRG Shares"), the Spanish company that owns the right to El Paredon. Under the terms of the Agreement, Sennen shall be entitled to retain the option (the "MRG Option") to purchase the MRG Shares for up to four years (the "MRG Option Period") by paying a total of US\$2,500,000 and issuing a total of 5,000,000 common shares of the Company (the "MRG Option Payments") over the course of the MRG Option Period. The MRG Option Payments are payable as follows:

- (a) US\$200,000 (paid) on execution of the Heads of Agreement, to secure an exclusivity period for Sennen to finalize formal agreements and secure regulatory acceptance;
- (b) US\$300,000 to be paid and 1,000,000 common shares to be issued upon receipt of regulatory acceptance to the transaction ("MRG Completion");
- (c) US\$500,000 to be paid and 1,000,000 common shares to be issued 12 months after MRG Completion to keep the MRG Option open for a second year;
- (d) US\$700,000 to be paid and 1,500,000 common shares to be issued 24 months after MRG Completion to keep the MRG Option open for a third year;
- (e) US\$800,000 to be paid and 1,500,000 common shares to be issued 36 months after MRG Completion in order to keep the MGR Option open for a fourth year.

In order to exercise the MRG Option, the Company is required to pay US\$4,000,000 and issue 8,000,000 common shares.

The MRG Option can be exercised at any time after 12 months in lieu of any remaining option payments.

Sennen retains a right of first refusal to acquire the remaining 20% of MRG at any time during the MRG option period.

The Company has received conditional acceptance from the TSX Venture Exchange (the "Exchange") for the acquisition of MRG Option. Final Acceptance of the MRG Option is subject to the Company satisfying certain filing requirements of the Exchange's corporate finance manual. A finder's fee is payable by the Company on this transaction in accordance with TSX Venture Exchange guidelines.

During the three months ended April 30, 2010, the Company incurred \$85,909 for travel and geological consulting expenditures in connection with the acquisition of the MRG Option.

El Paredon represents an excellent opportunity to acquire and develop known resources located in a country offering a combination of political and economic stability together with a positive attitude towards mining. With the acquisition of the El Paredon Sennen will have an active project in Spain.

Sennen currently has 47,998,665 shares issued and outstanding and sufficient funds to meet all its obligations with respect to the option and acquisition without the need for further financing.

## **Results of Operations**

During the three months ended April 30, 2010, the Company recorded a loss of \$258,121 compared to a net income of \$667,339 for the three months ended April 30, 2009. The significant changes during the three months ended April 30, 2010 compared to the three months ended April 30, 2009 are as follows:

- During the three months ended April 30, 2010, the Company recorded a foreign exchange loss of \$259,234 compared to a foreign exchange gain of \$1,416,524 recorded in the three months ended April 30, 2009 due to currency fluctuations between the Canadian and Australian dollars. The majority of the Company's cash and cash equivalents were held in Australian dollars.
- During the three months ended April 30, 2010, professional fees decreased to \$9,633 from \$20,524 incurred during the three months ended April 30, 2009. These expenses were paid by the Company in connection with income tax consultation on the sale of the coal deposits, during the comparative period.
- Stock-based compensation expense of \$Nil was recorded during the three months ended April 30, 2010, as compared to \$738,068 recorded during the three months ended April 30, 2009 with respect to 5,650,000 options granted during fiscal 2010. Pursuant to the Company's stock option plan, this amount represented the fair value of the vested options and was a non-cash transaction.
- Travel and related costs decreased to \$18,284 during the three months ended April 30, 2010 from \$30,288 in the year ended April 30, 2009 as a result of the decreased corporate travel during the current period.
- Interest income of \$152,387 was earned during the three months ended April 30, 2010 on cash held in short-term investments from the sale of the coal deposits. This compares to interest income of \$164,189 earned during the three months ended April 30, 2009.

## **Quarterly Information**

The following table sets forth selected consolidated financial information prepared by management of the Company.

## Summary of Quarterly Results

	Three Months Ended April 30, 2010	Three Months Ended January 31, 2010	Three Months Ended October 31, 2009	Three Months Ended July 31, 2009
Total assets	\$17,751,732	\$17,916,749	\$18,516,015	\$17,079,401
Working capital	17,528,871	17,872,901	18,483,670	17,015,272
Interest income	152,387	168,158	105,424	90,662
Net income (loss)	(258,121)	(610,769)	1,468,398	314,657
Earnings (loss) per share - basic/diluted	(0.01)/(0.01)	(0.01)/(0.01)	0.03/0.03	0.01/0.01

  

	Three Months Ended April 30, 2009	Three Months Ended January 31, 2009	Three Months Ended October 31, 2008	Three Months Ended July 31, 2008
Total assets	\$19,246,168	\$17,633,575	\$18,316,470	\$21,447,080
Working capital	16,700,614	15,295,208	15,467,595	18,005,920
Interest income	107,253	216,015	367,362	366,351
Net income (loss)	667,339	(172,387)	(2,538,325)	438,683
Earnings (loss) per share - basic/diluted	0.01/0.01	(0.01)/(0.01)	(0.05)/(0.05)	0.01/0.01

Those consolidated interim financial statements for the three months ended April 30, 2010, have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

### Fiscal 2011

Subsequent to April 30, 2010, the Company announced an option agreement to acquire the rights to a mineral project in Spain (See Overview above). Accordingly, the Company incurred \$85,909 in deferred acquisition costs in connection with this transaction during the three months ended April 30, 2010. Additionally, the Company recorded a loss of \$258,121 during this quarter, primarily as a result of the \$259,234 foreign exchange loss. This was partially offset by the \$152,387 interest income earned by the Company during the quarter.

### Fiscal 2010

During the fourth quarter of fiscal 2010, the Company recorded a foreign exchange loss of \$554,096 that resulted in a net loss for the quarter of \$610,769. Otherwise administrative expenses remained consistent with the prior quarter.

During the third quarter of fiscal 2010, the Company recorded a gain on foreign exchange of \$1,561,633 that resulted in a net income for the quarter of \$1,468,398. Otherwise, all administrative expenses remained consistent with the prior quarter.

During the second quarter of fiscal 2010, the Company received AUD4,500,000 (CDN\$4,133,250), representing the third and final tranche in connection with the sale of the Company's interest in the Middlemount coal deposit. Also during this quarter, the Company paid AUD2,879,842 (CDN\$2,526,773) towards the income taxes payable by Racehorse Investment Inc. ("Racehorse"), the Company's subsidiary, in connection with the sale of the Collingwood and Ownaview coal deposits. Lastly, the Company reported net income of \$314,657 primarily a result of the \$429,846 foreign exchange gain recorded by the Company.

During the first quarter of fiscal 2010, the Company reported a gain of \$667,339 primarily a result of the \$1,416,524 foreign exchange gain recorded during this quarter. The Company's funds from the sale of its coal assets are mostly held in Australian dollars. The fiscal 2010 first quarter gain was partially offset as the Company recorded a \$738,068 stock based compensation expense on the granting of 5,650,000 stock options exercisable at \$0.17 per share over a five year period.

### **Fiscal 2009**

During the fourth quarter of fiscal 2009, the Company reported a loss of \$172,387. During this quarter, management recorded a recovery of income tax expense of \$320,481. This was a result of the over-estimate in income tax payable recorded in the year January 31, 2008.

During the third quarter of fiscal 2009, the Company reported a loss of \$2,538,325, primarily a result of the \$2,667,553 loss on foreign exchange on its funds held in Australia dollars. The Company also earned \$367,362 in interest income during the third quarter. Lastly, during the third quarter the Company paid \$89,348 of income taxes on the sale of the Middlemount coal asset.

During the second quarter of fiscal 2009, the Company reported a net income of \$438,683, primarily from interest income totaling \$366,351 and a foreign exchange gain of \$391,061. Included in interest income was \$113,698 of accreted interest income. The Company also paid \$3,377,500 (AUD3,500,000) towards taxes payable on the sale of the Middlemount project during the second quarter of fiscal 2009. Lastly, during the second quarter, the Company received the second installment payment of \$4,359,150 (AUD4,500,000) from the sale of the Middlemount project. A receivable of AUD4,480,000 was due to the Company no later than June 30, 2009 (received).

### **Liquidity and Capital Resources**

The Company has no operational cash flow. At April 30, 2010, the Company had working capital of \$17,528,871, inclusive of cash and cash equivalents of \$17,657,109. This compares to working capital of \$17,872,901 at January 31, 2010, inclusive of cash on hand and equivalents of \$17,882,317.

The decrease in cash during the three months ended April 30, 2010, was primarily a result of the approximate \$140,000 of cash used from operating activities and approximately \$86,000 of deferred acquisition costs. Additionally, the Company recorded an approximate \$260,000 foreign exchange loss as a result of holding the majority of its funds in Australian dollars. This foreign exchange loss was partially offset by the \$152,000 of interest income earned by the Company during the three months ended April 30, 2010.

As at April 30, 2010, the Company had current assets of \$17,665,823, total assets of \$17,751,732 and total liabilities of \$136,952. There is no long-term debt. There are no known trends in the Company's liquidity or capital resources.

The Company has sufficient funds on hand to fund its operating expenses for the balance of fiscal 2011.

Cash flow from operations to date has not satisfied the Company's operational requirements. The development of the Company may in the future depend on the Company's ability to obtain additional financings. In the past, the Company has relied on the sale of equity securities to meet its cash

requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing or in joint venturing its properties.

### **Related Party Transactions**

The Company entered into the following transactions with related parties during the period:

- a) Paid or accrued consulting fees of \$45,000 (2009 - \$45,000) to a company controlled by Ian Rozier, a director of the Company.
- b) Paid or accrued rent of \$16,500 (2009 - \$16,500) to a company controlled by Ian Rozier.
- c) Paid or accrued management fees of \$30,000 (2009 - \$30,000) to a company controlled by Barbara Dunfield, the Chief Financial Officer of the Company.
- d) Paid or accrued director's fees of \$15,000 (2009 - \$15,000) to James Robertson, J. Merfyn Roberts and Douglas B. Hyndman, directors of the Company.

As of April 30, 2010, accounts payable included \$10,000 (January 31, 2010 - \$10,000) owed to Msrs. Robertson, Roberts and Hyndman.

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

### **Off Balance Sheet Arrangements**

The Company has no off Balance Sheet arrangements.

### **Recent accounting pronouncements**

In February 2008, the Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of the Company will be February 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended January 31, 2011. The Company continues to monitor and assess the impact of Canadian GAAP and IFRS.

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These Sections are applicable for interim and annual consolidated financial statements for fiscal years beginning January 1, 2011. Early adoption of these Sections is permitted and all these Sections must be adopted concurrently.

### **Financial Instruments and Risk Management**

#### **Fair Values**

The fair values of cash and equivalents, receivables and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

### **(a) *Financial Risk Management***

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

### **(b) *Financial Instrument Risk Exposure***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

#### *Credit Risk*

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

#### *Market risk*

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

##### **(a) Interest rate risk**

The Company has cash and equivalent balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The effect of a 1% change in interest rates is approximately \$172,000.

##### **(b) Foreign currency risk**

The Company is exposed to foreign currency risk on fluctuations in exchange rates in Australian dollars. The effect of a 1% change in foreign exchange is approximately \$172,000.

##### **(c) Price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **IFRS Changeover Plan Disclosure**

The Canadian Accounting Standards Board (AcSB) has announced its decision to replace Canadian generally accepted accounting principles ("GAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises ("PAEs"). The effective changeover date is

February 1, 2011, at which time Canadian GAAP will cease to apply and will be replaced by IFRS. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS in the first quarter of 2011 including comparative IFRS financial results and an opening balance sheet as at February 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended January 31, 2011 with restated comparatives for the year ended January 31, 2010.

Management has developed a project plan for the conversion to IFRS based on the current nature of operations. The conversion plan is comprised of three phases: 1) Scoping phase which will assess the overall impact and effort required by the Company in order to transition to IFRS; 2) Planning phase which will include a detailed analysis of the conversion process and implementation plan required for disclosure for the Company's first quarter; and, 3) Transition phase which will include the preparation of an IFRS compliant opening balance sheet as at February 1, 2010, any necessary conversion adjustments and reconciliations, preparation of a fully compliant pro forma financial statements including all note disclosures and disclosures required for the MD&A.

Management has completed phase one, IFRS Scoping phase, and is now advancing through phase two, the Planning stage. Management prepared a component evaluation of its existing financial statement line items, comparing Canadian GAAP to the corresponding IFRS guidelines, and has identified a number of differences. Many of the differences identified are not expected to have a material impact on the reported results and financial position.

Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. The Company is still evaluating which option exemptions it should elect under IFRS 1.

Set out below are the most significant areas, management has identified to date, where changes in accounting policies may have the highest potential impact on the Company's consolidated financial statements based on the accounting policy choices approved by the Audit Committee and Board of Directors.

In the period leading up to the changeover in 2011, the AcSB has ongoing projects and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's consolidated financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

#### IFRS 2 – Share Based Payments;

IFRS and Canadian GAAP largely converge on the accounting treatment for share based transaction with only a few differences. Starting Q1 2010, the Company is moving from 'straight line' to 'graded' vesting for the recognition of stock-based compensation expense. A greater portion of expense is recorded in the initial vesting periods compared to distributing the expense equally over all vesting period.

#### IAS 36 – Impairment of Assets;

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the

higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

### **Risks and Uncertainties**

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's property has no known commercial ore deposit. Other risks facing the Company include competition for mineral properties, environmental risks, fluctuations in metal prices, fluctuations in exchange rates, share price volatility and uncertainty of obtaining additional financing. The Company will require additional capital to pursue its exploration projects. Given the nature of capital market demand for speculative investment opportunities, there is no assurance that additional financing will be available for the appropriate amounts and at the times required. The impact of fluctuations in the price of gold and other minerals is a risk to the Company's ability to advance its properties as well as future profitability and cash flow. As the price for gold and other minerals is denominated in U.S. dollars, the Company is also at financial risk as the currency exchange rate between Canadian and U.S. dollars fluctuates. If the Canadian dollar strengthens against to the U.S. dollar, revenue from future gold and other mineral sales, which is generated in U.S. dollars, would convert to fewer Canadian dollars available to pay for operating costs that are almost entirely incurred in Canadian dollars. The ability of the Company's exploration projects to be successfully permitted to be developed as mining projects requires the approval of regulatory agencies which are beyond the Company's control.

### **Contingencies**

The Company is not aware of any contingencies or pending legal proceedings as of June 23, 2010.

### **Subsequent Event**

Subsequent to April 30, 2010, the Company announced it had executed a Heads of Agreement providing for an acquisition of an option over the rights to a mineral project in Spain (see **Overview** above).

### **Additional Information**

As at June 23, 2010, the Company had:

- a) 47,998,665 common shares outstanding;
- b) 5,700,000 stock options outstanding with exercise prices ranging from \$0.17 to \$0.20 per share and expiring from November 2011 to March 2014.
- c) No share purchase warrants outstanding.

### **Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at [www.sedar.com](http://www.sedar.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

## **Cautionary Statement on Forward Looking Information**

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company’s operations in the jurisdictions in which it operates.