

**POTASH RIDGE CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE QUARTER ENDED MARCH 31, 2015**

The following Management's Discussion and Analysis ("MD&A") of Potash Ridge Corporation ("Potash Ridge" or the "Corporation") is intended to enable the reader to assess material changes in the financial condition of the Corporation between March 31, 2015 and December 31, 2014 and results of operations for the three months ended March 31, 2015 and March 31, 2014.

This MD&A has been prepared as of May 12, 2015. It is intended to supplement and complement the unaudited consolidated financial statements and notes thereto as at and for the three months ended March 31, 2015 (collectively the "Financial Statements"). The reader should review the Financial Statements in conjunction with the review of this MD&A. This MD&A should also be read in conjunction with the Corporation's Annual Information Form ("AIF") dated March 5, 2015. Certain scientific and technical information regarding the Corporation's Blawn Mountain project contained in this MD&A is derived from the Corporation's technical report entitled "Technical Report – Resources and Reserves of the Blawn Mountain Project dated effective November 6, 2013" prepared for the Corporation by Steven B. Kerr, Lawrence D. Henchel, Jason N. Todd, Robert I. Nash and L. Ravindra Nath of Norwest Corporation (the "Technical Report"). The Financial Statements, AIF and the Technical Report can be found at [www.sedar.com](http://www.sedar.com). The Corporation prepares and files its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The currency referred to herein is the Canadian dollar, unless otherwise specified.

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS as prescribed by the IASB. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.

The following MD&A includes forward-looking information. Readers are cautioned to review the Cautionary Note Regarding Forward Looking Information found on page 15. This MD&A contains statistical data, market research and industry forecasts that were obtained from government or other industry publications, publicly available sources and reports purchased and commissioned by the Corporation or based on estimates derived from such publications and reports and management's knowledge of, and experience in, the markets in which the Corporation operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Further, certain of these organizations are advisors to participants in the fertilizer and mining and minerals industries, and they may present information in a manner that is more favourable to that industry than would be presented by an independent source. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although management of the Corporation believes that these sources are generally reliable, the accuracy, currency and completeness of such information is not guaranteed and has not been independently verified. Further, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

## **Overview of the Corporation's Business**

Potash Ridge is a corporation existing under the *Business Corporations Act* (Ontario). Its registered office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5. On December 5, 2012, Potash Ridge's common shares were listed on the Toronto Stock Exchange (the "TSX"), under the symbol "PRK", in connection with the closing of its initial public offering (the "IPO"). The Corporation's common shares commenced trading on the OTCQX on April 29, 2013 under the symbol "POTRF".

The principal activity of the Corporation is the exploration, development and production of mineral resources and is currently focused on the exploration of alunite in order to produce sulphate of potash ("SOP"), co-product sulphuric acid and, potentially, alumina. The Corporation's principal mineral project is the Blawn Mountain project (the "Blawn Mountain Project" or the "Project"), comprised of 23.5 sections of land owned by the State of Utah, acting by and through the School and Institutional Trust Lands Administration ("SITLA"), and covering approximately 15,404 acres (6,233 hectares) of land located in Beaver County, Utah. The Blawn Mountain Project is the Corporation's only material property.

## **Highlights of the three months ended March 31, 2015**

- In January 2015, the Corporation entered into a construction and service rail arrangement with Watco Companies LLC ("Watco"). Under the terms of a memorandum of understanding ("MOU"), Watco will undertake the development, financing and operation of a short-line railroad connecting the Project to the Union Pacific railroad main line near Milford, Utah, and a loading facility for its SOP, sulphuric acid and alumina rich material saleable products. Initial work contemplated under the MOU will begin after the commencement of a feasibility study, subject to the Corporation successfully raising additional financing.
- In February 2015, in light of the challenging capital markets for junior resource issuers, the Corporation announced that it has implemented various cost reduction initiatives, with the objective of significantly reducing its cash outgoings and managing its cash position. These initiatives included a reduction in headcount, salary reductions for all of senior management, and an elimination of all non-critical expenditures.
- Also in February 2015, the Corporation announced changes to its Board of Directors. As part of an initiative to streamline its operations the Board of Directors reduced its size from seven to four, with Mr. Phillip Williams, Mr. Rocco Rossi and Mr. Navin Dave voluntarily resigning from the Board of Directors. There is no current intention to replace these directors. In addition, Mr. Robert C. Gross replaced Mr. Rahoul Sharan as Chairman of the Board. Mr. Sharan will continue to serve as a director of the Corporation and has been appointed Chairman of the Audit Committee. The Audit Committee was re-constituted with Mr. Sharan as its Chairman and with Mr. Gross and Mr. Stephen Harapiak as its members. The Audit Committee continues to meet all requirements set out in National Instrument 52-110 – *Audit Committees*.
- The Corporation noted in its MD&A for the year-ended December 31, 2014, that it was in discussions with the Utah School and Institutional Trust Lands Administration ("SITLA") regarding the current financial obligations due under the terms of the Mining Lease. Due to the liquidity constraints currently being experienced by the Corporation, the payment owed to SITLA on March 31, 2015 was not made in accordance with the terms of the Mining Lease, resulting in an event of default thereunder. The Corporation's discussions with SITLA towards a possible amendment to the Mining Lease, contemplating a deferral of payments, are on-going. SITLA has indicated that it has no plans at this time to formally notify the Corporation of a default under the Mining Lease which would trigger a 30 day cure period. In the event that SITLA changes its position and seeks to enforce the terms of the Mining Lease, the Corporation could forfeit its rights to the Project. The Corporation is confident that this matter will be resolved favourably in the near term; however no assurance can be provided that a favourable resolution will be reached with SITLA and on what time frame.

## **Outlook**

The Corporation's primary focus is on minimizing cash spending while seeking to raise additional financing to fund its feasibility study and for nearer term working capital requirements, essentially to bring development of the Project to the beginning of the execution phase and the commencement of detailed engineering, assuming receipt of a positive feasibility study.

Assuming sufficient financing is obtained, the Corporation will resume efforts towards several key milestones, with the goal of further advancing the development of the Blawn Mountain Project. These include:

- Completion of a feasibility study, including additional metallurgical test work.
- Filing of the Air Emission Standard, the only major remaining authorization to commence construction and operations.
- Offtake, construction financing and commercial arrangements in line with the ongoing development of the Project.

There is no guarantee that the Corporation will be successful in its fund raising initiatives and the timing is uncertain. An inability to raise additional financing may materially impact the future assessment of the Corporation to continue as a going concern.

## **Blawn Mountain Project**

The Corporation intends to continue to develop a surface mine at the Blawn Mountain Project and to construct a processing plant large enough to produce an average of 645,000 tons per annum of a premium-priced SOP, and 1.4 million tons per annum of sulphuric acid. The Corporation is also evaluating the marketability of the Project's alumina rich residue material, currently not included in the Project economics contained within the Technical Report.

Pursuant to an agreement dated April 1, 2011 as amended on June 4, 2012 and August 21, 2012 (the "Exploration and Option Agreement"), the Corporation acquired from SITLA the exclusive right until March 31, 2014 (the "Option Period") to explore the Blawn Mountain Project for potash, metalliferous minerals and clay minerals. Pursuant to the Exploration and Option Agreement, the Corporation acquired an option (the "Lease Option") to convert its exclusive exploration right into the Mining Lease at any time during the Option Period. The Mining Lease, which was entered into on March 24, 2014, has an initial term of 10 years and will remain in effect beyond the initial term as long as the Corporation is producing minerals profitably from, or demonstrates diligent exploration, development or operation on, the Project. The Corporation holds the Mining Lease through its wholly owned subsidiary, Utah Alunite Corporation ("UAC").

In 2013, the Corporation entered into new exploration leases with SITLA and acquired the exclusive right to explore an additional 3,854 acres (1,559 hectares) of land adjacent to the Project for metalliferous minerals and water.

## **Financial Capability**

The Corporation is an exploration and development stage entity and has not yet achieved profitable operations. It is subject to risks and challenges similar to companies in a comparable stage of development. These risks include, but are not limited to, the challenges of securing adequate capital to fund its activities, operational risks inherent in the mining industry, and global economic and commodity price volatility. The underlying value of the Blawn Mountain Project and the recoverability of the related capitalized costs are entirely dependent on the Corporation's ability to successfully develop the Blawn Mountain Project by, among other things, securing necessary permits, obtaining the required financing to complete the development and construction, and upon future profitable production from, or the proceeds from the disposition of its mineral property.

In light of the current challenging capital market conditions for junior resource issuers, the Corporation implemented various cost reduction initiatives in early 2015, with the objective of significantly reducing its cash outgoings and

managing its cash position. These initiatives include a reduction in headcount, salary reductions for all of senior management, and an elimination of all non-critical expenditures.

The Corporation earned a comprehensive income for the three months ended March 31, 2015 of \$1,576,560 (three months ended March 31, 2014 - \$260,820) however, reported an accumulated comprehensive deficit of \$10,947,687 as at March 31, 2015 (December 31, 2014 - \$12,514,247). The Corporation's sole source of funding has been the issuance of equity securities for cash. As at March 31, 2015, the Corporation had \$516,104 (December 31, 2014 - \$1,026,771) in cash and cash equivalents. There are no sources of operating cash flows. The Corporation intends to use its existing cash resources prudently on basic project management and essential, non-discretionary, general corporate and operating expenditures while further capital is sought. The Corporation expects that it will be able to operate on this basis until mid-year 2015 without making further spending reductions and without the receipt of additional financing.

The Corporation continues to seek and evaluate various financing alternatives to address future development funding requirements, including the completion of an expected feasibility study. The Corporation expects that it will require financing to fund its feasibility study and for nearer term working capital requirements. The Corporation is targeting to complete this financing in the coming months. The Corporation currently expects that this additional funding could bring the development of the Project to the beginning of the execution phase and the commencement of detailed engineering, assuming receipt of a positive feasibility study. Although the Corporation has been successful in its past fundraising activities, there are no assurances as to the success or timing of future fundraising efforts or as to the sufficiency of funds raised.

**Selected Financial Information**

	Potash Ridge Corporation	
	Three months ended	
	March 31 2015	March 31 2014
<b>Revenue</b>		
Interest income	\$ 357	\$ 6,690
<b>Expenses</b>		
Management, employee and director	325,243	443,464
General and administrative	260,941	379,009
	586,184	822,473
Professional fees	145,607	307,324
Foreign exchange gain	2,542,605	1,049,023
<b>Net Loss</b>		
Total comprehensive loss	(1,576,560)	(260,820)
Per common share, basic and fully diluted	0.02	(0.00)
<hr/>		
<b>Financial Position as at</b>	<b>March 31 2015</b>	<b>December 31 2014</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 516,104	\$ 1,026,771
Restricted cash	402,086	592,085
Receivables	8,682	35,835
Other current assets	57,175	173,518
	984,047	1,828,209
Exploration and evaluation assets	29,236,005	26,465,738
Property, plant and equipment	392,358	429,938
Restricted cash	227,988	279,688
Other non-current assets	16,234	29,209
	30,856,632	29,032,782
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 857,341	\$ 709,771
Other current liabilities	682,887	421,537
	1,540,228	1,131,308
Other non-current liabilities	415,445	570,770
	1,955,673	1,702,078
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	33,428,933	33,428,933
Contributed surplus	5,409,713	6,416,018
Deficit	(10,573,193)	(12,341,807)
Accumulated other comprehensive loss	(364,494)	(172,440)
	28,900,959	27,330,704
	\$ 30,856,632	\$ 29,032,782

## Results of Operations

### Revenue

The Corporation did not generate any revenue during the three months ended March 31, 2015 and March 31, 2014, as all of the operating activities of the Corporation were directed towards the exploration and development of the Blawn Mountain Project. Interest income of \$357 was earned for three months ended March 31, 2015 (three months ended March 31, 2014 - \$6,690) on the Corporation's cash and cash equivalents.

### Expenses

#### *Three months ended March 31, 2015 and March 31, 2014*

During the three months ended March 31, 2015, the Corporation incurred management, employee, director, general and administrative costs of \$586,184 (three months ended March 31, 2014 - \$822,473). Salaries of management, employees, and director costs in the period were \$325,243 (three months ended March 31, 2014 - \$443,464). As at March 31, 2015, the Corporation had five full-time employees (March 31, 2014 - sixteen full-time employees). During the first quarter of 2015, the Company reduced headcount by eight individuals. Spending of \$260,941 was related to other general and administrative expenses (three months ended March 31, 2014 - \$379,009) and it decreased period over period by \$118,068 due to reduced travel and other corporate expenses.

During the three months ended March 31, 2015, the Corporation incurred professional fees of \$145,607 (three months ended March 31, 2014 - \$307,324), including legal and audit fees of \$52,516 (three months ended March 31, 2014 - \$66,396) and consulting fees of \$32,832 (three months ended March 31, 2014 - \$200,225). The decrease in spending for the period occurred primarily due to reduction in consulting fees on contracts that ended during the first half of 2014. Current period spending on professional fees was in line with the Corporation's budget estimates.

During the three months ended March 31, 2015, the Corporation incurred a share-based compensation recovery of \$10,352 (three months ended March 31, 2014 - \$85,248) which is associated with previously granted but unvested stock options forfeited in the quarter.

During the three months ended March 31, 2015, the Corporation incurred a foreign exchange gain of \$2,542,605 (three months ended March 31, 2014 - gain of \$1,049,023) which was the result of a strengthening US dollar against the reporting currency of the Corporation which is the Canadian dollar.

As a result of the above, the Corporation recognized net comprehensive income of \$1,576,560 for the three months ended March 31, 2015 (three months ended March 31, 2014 - net comprehensive loss of \$260,820).

### Exploration and Evaluation Assets

In accordance with the Corporation's accounting policies, expenditures incurred on exploration and evaluation of the Blawn Mountain Project have been capitalized and recorded as exploration and evaluation assets. A continuity schedule and description of the exploration and evaluation costs incurred and capitalized in the three months ended March 31, 2015 is presented in the table, below:

	As at March 31, 2015	As at December 31, 2014
Drilling	\$ 6,288,000	\$ 5,759,285
Pre-feasibility study	5,872,665	5,378,870
Professional and labour	4,835,712	4,365,469
Employee salary and benefits	4,411,495	3,741,548
Preliminary economic assessment	3,455,392	3,164,850
Mineral leases	2,117,188	1,935,136
Employee share based compensation (non-vested)	1,050,414	1,046,369
Transportation	379,267	342,098
Equipment rentals	224,163	205,313
Feasibility study	209,749	192,113
Data acquisition	196,547	157,794
Field expenditures	128,280	117,494
Other	67,133	59,399
<b>Total exploration and evaluation assets</b>	<b>\$ 29,236,005</b>	<b>\$ 26,465,738</b>

During the three months ended March 31, 2015, the Corporation incurred \$2,770,267 in expenses related to exploration and evaluation, primarily due to the foreign exchange gain of \$2,323,438 on prior period balances. During the first quarter 2015, the main expenditure activities on exploration and evaluation assets were on professional services (\$69,486) and employee salary and benefits (\$326,463).

#### Other Liabilities

On March 24, 2014, the Corporation exercised the Lease Option in the Exploration and Option Agreement to commence the Mining Lease. The Corporation made an initial payment to SITLA of US\$200,000 and entered into an arrangement whereby it will make further payments, as follows:

- March 31, 2015                    US\$164,000
- August 31, 2015                US\$164,000
- March 31, 2016                 US\$164,000
- August 31, 2016                US\$164,000
- March 31, 2017                 US\$164,000

The Corporation classified this agreement as 'other financial liabilities' and recorded it at fair value on initial recognition. The Corporation has agreed to pay a finance charge of 5.75% per annum on the outstanding balance during this three year period. Also under the terms of the Mining Lease, a minimum annual royalty payment of US\$46,200 and an annual rental payment of US\$11,500 is due to SITLA. The first annual royalty and rental payments were made on March 24, 2014.

The Corporation did not make the payments due to SITLA under the terms of the Mining Lease by March 31, 2015 totalling \$164,000. The Corporation is seeking a waiver of this event of default.

## Summary of Quarterly Results

Selected financial statement information for the eight most recent quarters:

	2015		2014			2013		
	Mar31	Dec31	Sep30	Jun30	Mar31	Dec31	Sep30	Jun30
Exploration and evaluation assets	29,236,005	26,465,738	25,204,294	23,557,143	23,724,184	21,107,864	18,635,301	17,297,307
Total assets	30,856,632	29,032,782	29,176,266	28,872,236	28,866,798	20,810,965	20,858,119	23,337,972
Working capital <sup>1</sup>	(556,181)	(696,901)	(864,696)	(256,369)	(937,181)	(989,837)	(2,210,044)	(3,196,821)
Shareholders' equity	28,900,959	27,330,704	27,447,570	27,187,397	29,083,786	29,231,437	29,948,153	31,590,011
Interest income	1,557	1,028	1,040	1,027	1,690	1,254	1,409	1,874
Expenses	74,348	1,071,546	98,860	1,150,731	1,264,454	1,736,549	1,331,898	1,697,437
Net comprehensive income/(loss)	1,576,560	1,686,897	1,49,063	(2,040,513)	(260,820)	(883,080)	(1,878,967)	(811,186)
Basic and diluted loss per share	(0.02)	(0.00)	(0.00)	(0.02)	(0.00)	(0.01)	(0.02)	(0.01)

1) Working capital is a non-IFRS measure and is defined by the Corporation as being current assets minus current liabilities. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.

- Net losses over the years were driven primarily by salaries, general and administrative expenses, non-cash share based compensation and professional fees relating to legal expenses, auditors and the engagement of specialist industry consultants;
- Total assets are comprised of two main categories: the capitalized evaluation and exploration expenditures related to the Blawn Mountain Project and cash, cash equivalents from financings still available to the Corporation; and
- Total assets increased by \$1,823,850 as at March 31, 2015 compared to December 31, 2014 mainly as a result of foreign exchange gains.

### Cash Resources and Liquidity

At March 31, 2015, the Corporation had a working capital<sup>1</sup> deficiency of \$556,181 (December 31, 2014 - \$696,901) comprising of cash, cash equivalents of \$516,104 (December 31, 2014 - \$1,026,771) and receivables, restricted cash, prepaid expenditures and other assets of \$467,943 (December 31, 2014 - \$801,438) offset by current liabilities of \$1,540,228 (December 31, 2014 - \$1,131,308). During the first quarter of 2015, the Corporation reduced its restricted cash by an aggregate amount of US\$251,533 by decreasing its reclamation bonds and other collateral requirements. This amount became available to the Corporation for general purposes.

The Corporation intends to use its existing cash resources prudently on basic project management and on essential non-discretionary general corporate and operating expenditures while further capital is sought. The Corporation is also in discussions with SITLA with regards to its financial obligations (due in March and August 2015) under the terms of the Mining Lease. The Corporation expects that it will be able to operate on this basis until mid-year 2015 without making further spending reductions and without the receipt of additional financing. The Corporation continues to seek and evaluate various financing alternatives to address future development funding requirements, including the commencement of an expected feasibility study. The Corporation will require financing to fund its feasibility study and for nearer term working capital requirements. The Corporation is targeting to complete this financing in the coming months. Although the Corporation has been successful in its past fundraising activities, there are no assurances as to the success or timing of future fundraising efforts or as to the sufficiency of funds raised. The Corporation is managing its existing cash resources prudently. The Corporation does not generate any operating cash flows and is reliant on external sources of funding. An inability to raise additional financing may materially impact the future assessment of the Corporation to continue as a going concern.

<sup>1</sup> "Working capital" is a non-IFRS measure and is defined by the Corporation as current assets less current liabilities. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.

## Financing Activities

No financing transactions occurred in the three months ended March 31, 2015.

## Uses of Cash

The Corporation used \$192,210 for operating activities during the three months ended March 31, 2015 primarily for the payment of operating expenses. In addition, during the three months ended March 31, 2015, the Corporation used \$352,777 for investing activities, as a result of expenditures for the continuing exploration and development activities at the Blawn Mountain Project.

During the three months ended March 31, 2014 the Corporation used \$1,804,389 in operating activities primarily for the payment of operating expenses. In addition, during the three months ended March 31, 2014, the Corporation used \$890,785 for investing activities, as a result of \$846,173 of expenditures for the continuing exploration and development activities at the Blawn Mountain Project and \$44,612 on the acquisition of property, plant and equipment.

## Disclosure of Outstanding Share Data

As at the date of this MD&A, the Corporation has 81,653,778 common shares and 5,055,254 non-voting shares issued and outstanding.

## Commitments and Contingencies

The future minimum payments under various lease arrangements and other contractual obligations are as follows, as at March 31, 2015:

	Less than 1 year	1 to 5 years	After 5 years	Total
Mining lease	\$ 3,147	\$ 7,214	\$ 97,394	\$ 107,755
Exploration leases	7,377	24,570	14,724	46,670
Operating leases	370,050	1,472,400	282,429	2,124,879
<b>Total</b>	<b>\$ 377,573</b>	<b>\$ 1,484,184</b>	<b>\$ 384,546</b>	<b>\$ 2,246,303</b>

During the first quarter of 2015, in conjunction with the Corporation's cost reduction actions, the employment agreements of a group of non-management employees were terminated. As a result of these employment terminations, a severance obligation in the aggregate amount of \$295,000 was triggered.

## Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

## Convertible Securities

As at March 31, 2015, the Corporation had no convertible securities outstanding.

## Incentive Stock Options (Share-Based Compensation)

The Corporation has an incentive stock option plan whereby the Corporation may grant stock options to eligible employees, officers and directors at an exercise price to be determined by the Board of Directors.

The Corporation uses the Black Scholes option-pricing model to determine the fair value of options granted.

The total share-based compensation for the three months ended March 31, 2015 was a recovery of (\$6,305) (three months ended March 31, 2014 - \$113,169). In the first three months of 2015, the Corporation capitalized \$4,047 as exploration and evaluation assets and recognized a recovery of (\$10,352) in the consolidated statement of loss and

comprehensive loss. In the first three months of 2014, the Corporation capitalized \$27,921 as exploration and evaluation assets and recognized an expense of \$85,248 in the consolidated statement of loss and comprehensive loss.

The following table summarizes incentive stock options outstanding as at March 31, 2015:

Grant date	Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Weighted average remaining actual life
December 9, 2011	2,500,000	2,500,000	\$ 0.25	December 9, 2021	6.7 years
January 26, 2012	600,000	600,000	0.75	January 26, 2022	6.8 years
February 1, 2012	60,000	60,000	0.75	February 1, 2022	6.9 years
December 5, 2012	2,590,000	2,590,000	1.00	December 5, 2022	7.7 years
March 27, 2013	110,000	110,000	1.00	March 27, 2023	8.3 years
May 9, 2013	30,000	20,000	1.00	May 9, 2023	8.1 years
November 22, 2013	400,000	266,667	0.14	November 22, 2023	8.7 years
May 13, 2014	240,000	120,000	0.33	May 13, 2024	9.1 years
	6,530,000	6,266,667			

### Transactions with Related Parties

The Corporation's related parties, as defined by International Accounting Standard 24 "Related Party Disclosures", include the Corporation's subsidiary, UAC, executive and non-executive directors, senior officers, and entities controlled or jointly-controlled by the Corporation's directors or senior officers. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All related party transactions entered into by the Corporation have been approved by the Board of Directors.

Transactions with related parties were as follows:

	Short term compensation and benefits	Share-based awards	Total
<b>Three Months Ended March 31, 2015</b>			
Senior Officers	\$ 239,118	\$ -	\$ 239,118
Directors	-	-	-
<b>Three Months Ended March 31, 2014</b>			
Senior Officers	340,810	52,464	393,274
Directors	58,407	2,500	110,907

### Indemnities Provided to Directors and Officers

In 2012, the Corporation agreed to indemnify each of its directors and officers in respect of certain liabilities or expenses which such directors and officers may incur as a result of acting as a director or officer of the Corporation or its related corporate entities. The indemnity agreements include an indemnification for all costs, charges, expenses, losses, damages, fees (including any legal, professional or advisory fees or disbursements), liabilities and amounts paid to settle or dispose of any civil, criminal or administrative proceeding. The Corporation believes it carries sufficient Directors and Officers insurance to cover any potential claims for indemnity.

### Financial Instruments and Risk Management

The Corporation has classified its cash, cash equivalents and receivables as loans and receivables, which are measured at amortized cost. Payables and accrued liabilities and other liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, cash equivalents, receivables, accounts payable and accrued liabilities and other liabilities reflected in the consolidated statement of financial position approximate fair value because of the short term nature of these instruments.

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

### Credit Risk Management

The Corporation's main credit risk arises from its cash and cash equivalents with banks. Substantially all of the Corporation's cash and cash equivalents balances are with one major Canadian chartered bank, from which management believes the risk of loss to be remote. The Corporation maintains a current account with a Utah based regional bank. The Corporation limits its counterparty credit risk on its deposits by dealing only with highly rated financial institutions.

### Liquidity Risk Management

The Corporation's ability to remain liquid over the long term depends on its ability to obtain additional financing through the issuance of additional securities, entering into credit facilities or entering into joint ventures, partnerships or similar arrangements. The Corporation manages liquidity risk by maintaining adequate cash balances in order to meet liabilities as they come due. As at March 31, 2015, the Corporation had cash and cash equivalents balance of \$516,104 (December 31, 2014 - \$1,026,771) to settle current liabilities of \$1,540,228 (December 31, 2014 - \$1,131,308).

The Corporation regularly monitors actual cash flows to budgets and updates projected cash forecasts as needed. The Corporation will defer discretionary expenditures, as required, in order to manage and conserve its available cash balances for current liabilities and commitments. The Corporation will need to raise additional capital through equity issuances or other available means in order to continue funding its operations, exploration and evaluation activities and eventual development of the Project.

### Foreign Currency Risk Management

Cash and cash equivalents are comprised of cash at banks and on hand, and short term money market instruments with an original maturity of three months or less. The Corporation's cash and cash equivalents are denominated in the following currencies:

	As at March 31, 2015	As at December 31, 2014
<b>Cash and cash equivalents (expressed in Canadian dollars)</b>		
Denomination in Canadian dollars	107,937	\$76,345
Denomination in U.S. dollars	408,168	950,426
<b>Short term deposits</b>		
Denomination in U.S. dollars	-	-
	<b>516,104</b>	<b>\$1,026,771</b>

The Corporation is exposed to foreign exchange rate fluctuations between the Canadian and U.S. dollars. Based on the balances at March 31, 2015, net income will increase or decrease by, approximately \$20,000 (December 31, 2014 - \$48,000) given a 5% increase or decrease in the U.S. dollar relative to the Canadian dollar.

The Corporation's expenditures on the evaluation, exploration and development of the Project are incurred primarily in U.S. dollars. The Corporation's administrative and head office expenditures are incurred primarily in Canadian dollars. Historically, the Corporation has raised equity denominated in Canadian dollars. The Corporation partially mitigates its exposure to foreign exchange rate fluctuations by purchasing a level of U.S. denominated cash to fund activities expected to be incurred by the Project. The Corporation does not engage in and has no plans to engage in foreign currency hedging activities.

### Interest Rate Risk Management

The Corporation has cash balances that earn interest subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Management believes the interest rate risk is remote as investments have maturities of one year or less and the Corporation currently does not carry interest bearing debt at floating rates.

### **Capital Risk Management**

The Corporation defines capital as total shareholders' equity including share capital, other reserves, deficit and accumulated other comprehensive loss. The Corporation manages its capital to ensure that adequate funds are available or are scheduled to be raised to carry out the Corporation's exploration and development programs and to meet its ongoing administrative costs.

This is achieved by the Board of Directors' review and acceptance of budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fund raisings.

The Corporation is not subject to any externally imposed capital requirements imposed by a regulator or lending institution.

### **Critical Accounting Estimates**

The Corporation's significant accounting policies are described in Note 2 to the Financial Statements. The preparation of the Corporation's Financial Statements, in conformity with IFRS, requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. The following is a list of the accounting policies that the Corporation believes are critical, due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported:

- Exploration and evaluation expenditures; and
- Share based compensation

#### Exploration and evaluation expenditures

Exploration and evaluation expenditures such as, but not limited to, the acquisition and carrying costs of rights to explore (including the Exploration Agreement and Mining Lease), topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, technical feasibility studies and other costs directly attributable to exploration and evaluation of the Blawn Mountain Project are capitalized. Exploration and evaluation expenditures are carried at cost less any assessed impairment losses.

Where the Corporation is incurring costs to prospect or where it is preparing for or applying for prospecting rights, the Corporation expenses those costs as incurred.

#### Share based compensation and subscriber warrants

Management estimated the fair value of convertible securities such as warrants and options using the Black Scholes option-pricing model which requires significant estimation around assumptions and inputs such as expected term to maturity, expected volatility and expected forfeiture rates. Note 7 of the Financial Statements describes the significant assumptions applied to these areas of estimation.

### **Internal Control Over Financial Reporting and Disclosure Controls and Procedures**

Management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), is responsible for designing, establishing, and maintaining a system of internal controls over financial reporting ("ICFR") to provide reasonable assurance that all information prepared by the Corporation for public disclosure is reliable and timely. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

The Corporation's ICFR includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately reflect the transactions of the Corporation; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Corporation's assets that could have a material effect on the Corporation's Financial Statements. Due to its inherent limitations, ICFR and disclosure controls and procedures may not prevent or detect all misstatements.

The CEO and CFO have evaluated whether there were changes to ICFR during the three months ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, ICFR. Based on this assessment and evaluation, there have been no material changes in the Corporation's ICFR during the three months ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, ICFR.

Disclosure controls and procedures ("DC&P") have been designed to provide reasonable assurance that all material information related to the Corporation is identified and communicated on a timely basis. Management of the Corporation, under the supervision of the CEO and the CFO, is responsible for the design and operations of DC&P. There have been no changes in the Corporation's DC&P during the three months ended March 31, 2015.

#### **Changes in Accounting Policies**

No changes to accounting policies were adopted in Q1, 2015.

#### **Future Accounting Standards and Pronouncements**

##### IFRS 9 'Financial Instruments' ('IFRS 9')

This standard is the first step in the process to replace IAS 39, Financial Instruments: Recognition & Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets. IFRS 9 establishes two primary measurement categories for financial assets: (i) amortized cost, and (ii) fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 has an effective date of January 1, 2018, with early adoption permitted. The Corporation continues to monitor and assess the impact of this standard.

#### **Risks and Uncertainties**

The Corporation is subject to the following risks and uncertainties which are described in greater detail in the Corporation's AIF:

- Potash Ridge has negative operating cash flow and might not be able to continue as a going concern;
- The Corporation will require additional capital in the future and no assurance can be given that such capital will be available at all or on terms acceptable to the Corporation;
- Potash Ridge has a limited operating history and no history of mineral production;
- Infrastructure, capital and operating costs and production estimates;
- Dependence on the Blawn Mountain Project;
- Uncertainty of estimated mineral resources and mineral reserves;
- The Corporation will employ a combination of technologies;
- The Corporation requires approvals, licenses, and permits in connection with its current exploration and development activities that may be delayed or may not be obtained;
- The Corporation requires the necessary water rights and water sources to support the proposed Blawn Mountain Project and those rights and sources may not be obtained;
- Governmental and regulatory requirements could adversely impact the development of the Corporation's projects;
- Title to the Corporation's mineral properties cannot be assured;

- Infrastructure and logistic requirements have not been fully determined;
- Resource exploration and development is a speculative business and involves a high degree of risk;
- The extraction of minerals from a deposit may not be economically viable;
- Commodity prices may affect the Corporation's value;
- The Corporation may have difficulty recruiting and retaining key employees;
- Environmental risks and hazards;
- The Corporation may become subject to litigation which may have a material adverse effect on its performance;
- Construction delays may adversely impact the financial position of the Corporation;
- Climate conditions may cause delays and cost over-runs and inhibit future production;
- The Corporation does not maintain insurance against all possible risks;
- Certain directors and officers may have conflicts of interest;
- Global financial conditions may adversely affect the Corporation's financial position;
- The Corporation has a foreign subsidiary;
- Some of the Corporation's directors, officers and experts are resident outside of Canada;
- Future sales of Common Shares by existing shareholders;
- If securities or industry analysts do not publish research or reports about the Corporation, if they change their recommendations regarding the Corporation adversely, or if the Corporation's operating results do not meet their expectations, the share price and trading volume could decline;
- The Corporation has no record of paying dividends and does not expect to do so in the foreseeable future;
- Risks and hazards inherent in the mining industry;
- Competition in the mining industry may adversely affect the Corporation;
- Demand for commodities tends to be cyclical in nature;
- Weather patterns and natural disasters may affect future demand.

#### **Other Information**

The Corporation's web site address is [www.potashridge.com](http://www.potashridge.com). Other information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## A CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements reflecting management's expectations regarding future growth, results of operations, performance and business prospects of the Corporation. These forward-looking statements may include statements that are predictive in nature, or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates", "guidance" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to, the future financial or operating performance of the Corporation and its subsidiaries and its mineral projects; the anticipated results of exploration activities; the estimation of mineral resources; the realization of mineral resource estimates; capital, development, operating and exploration expenditures; costs and timing of the development of the Corporation's mineral projects; timing of future exploration; requirements for additional capital; climate conditions; government regulation of mining operations; anticipated results of economic and technical studies; environmental matters; receipt of the necessary permits, approvals and licenses in connection with exploration and development activities; appropriation of the necessary water rights and water sources; changes in commodity prices; recruiting and retaining key employees; construction delays; litigation; competition in the mining industry; reclamation expenses; reliability of historical exploration work; reliance on historical information acquired by the Corporation; optimization of technology to be employed by the Corporation; title disputes or claims, dilution to the Common Shares and the limitations of insurance coverage and other factors described under the heading "Risk Factors" in the Corporation's AIF to which reference should be made.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained herein. Such assumptions include, but are not limited to, the following: that general business, economic, competitive, political and social uncertainties remain favourable; that agriculture fertilizers are expected to be a major driver in increasing yields to address demand for premium produce, such as fruits and vegetables, as well as diversified protein rich diets necessitating grains and other animal feed; that actual results of exploration activities justify further studies and development of the Corporation's mineral projects; that the future prices of minerals remain at levels that justify the exploration and future development and operation of the Corporation's mineral projects; that there is no failure of plant, equipment or processes to operate as anticipated; that accidents, labour disputes and other risks of the mining industry do not occur; that there are no unanticipated delays in obtaining governmental approvals or financing or in the completion of future studies, development or construction activities; that the actual costs of exploration and studies remain within budgeted amounts; that regulatory and legal requirements required for exploration or development activities do not change in any adverse manner; that input cost assumptions do not change in any adverse manner, as well as those factors discussed in the section entitled "Risk Factors" in the Corporation's AIF. Accordingly, readers are cautioned not to place undue reliance on such statements.

All forward-looking information herein is qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this MD&A and the Corporation disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.