

**POTASH RIDGE CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016**

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 December 31, 2015 and September 30, 2016 and results of operations for the three and nine months ended September 30, 2016.

This MD&A has been prepared as of November 10, 2016. It is intended to supplement and complement the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2016 (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 both the condensed interim consolidated financial statements for the three and nine months ended September 30, 2016, the annual audited consolidated financial statements for the year ended December 31, 2015, and the Annual Information Form ("AIF") form dated March 28, 2016. 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 17. 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 82 Richmond Street East, Suite 200, Toronto, Ontario, M5C 1P1. On December 5, 2012, Potash Ridge's common shares listed on the Toronto Stock Exchange (the "TSX"), under the symbol "PRK".

The principal activity of the Corporation is to develop projects focused on the production of sulphate of potash ("SOP").

Located in Valleyfield, Quebec, the Valleyfield Project intends to utilize well-known Mannheim technology to produce SOP at an initial rate of 40,000 tonnes per annum.

The development of the Blawn Mountain Project in Utah involves the exploration, development and production of mineral resources and is currently focused on the development of an alunite deposit in order to produce SOP, co-product sulphuric acid, and potentially, alumina. The Blawn Mountain Project comprises 23.5 sections of land owned by the State of Utah, acting by and through the School and Institutional Trust Lands Administration ("SITLA"), and covers approximately 15,404 acres (6,233 hectares) of land located in Beaver County, Utah.

## **Highlights**

- In April 2016 the Corporation released the results of a capital and operating budget study for Valleyfield by SNC-Lavalin Inc. ("SNC"). SNC's engineering study encompassed the construction and operation of a 40,000 tonnes per year SOP facility. SNC estimates the total capital cost of the facility to be Cdn\$48.8 million. Valleyfield is negotiating with reputable third parties for a potential investment of approximately Cdn\$9.5 million of the Cdn\$48.8 million, which includes the sulphuric acid and hydrochloric acid equipment and infrastructure.

Based on SNC's Valleyfield Study, the Corporation projects an after-tax net present value of Cdn\$67 million, assuming a 10% discount rate, and an unlevered after-tax rate of return of 32.5%. These economics are based on a realized SOP price of Cdn\$1,000 (US\$760) per tonne and a delivered muriate of potash price of Cdn\$500 (US\$380) per tonne. The study is accurate within +/- 30%.

- On July 5, 2016 the Corporation announced that it had engaged SNC-Lavalin ("SNC") (TSX: SNC) for the first phase of an Engineering, Procurement and Construction (EPC) program for the Valleyfield project, located in Valleyfield, Quebec

The contract for the Valleyfield project comprises two distinct phases. The first phase is expected to be approximately a four-month process during which SNC will finalize engineering and process drawings, prepare equipment lists, schedule long lead items, and award early vendor works contracts such as the Mannheim furnace package, for a 40,000 tonnes per year sulphate of potash facility, with the potential to increase the size of the facility to 80,000 tonnes per year. The second phase of the project involves procurement and site works, which will occur shortly upon completion of the detailed engineering. The Valleyfield Project is expected to be fully operational by late 2017.

In addition to the work currently being undertaken by SNC, the Corporation is focused on obtaining the required environmental permits, entering into SOP off-take arrangements, and raising the construction financing, with a target of beginning production in late-2017.

- On April 20, 2016 the Corporation closed a non-brokered private placement ("Private Placement") for gross proceeds of \$1.75 million. The Private Placement was originally announced on April 4, 2016 for \$1.0 million, but was increased to \$1.75 million due to stronger than anticipated investor demand. The Private Placement offering of units ("Units") for gross proceeds of \$1.75 million was at a price of \$0.15 per Unit. Each Unit is comprised of one common share in the capital of Potash Ridge (a "Common Share") and one half Common Share purchase warrant, with each whole warrant entitling the holder to purchase one Common Share at \$0.30 for a period of three years from the date of closing.

- In conjunction with the Private Placement the Corporation engaged NHP Asset Management AG of Zurich Switzerland to provide European capital markets and investor relations advisory services. NHP is a privately owned independent Swiss family office focusing on personalized advisory and asset management services. NHP follows a value investing philosophy that includes investments in small to mid-cap companies with promising growth potential. NHP has decades of expertise in the area of finance and a history of introducing large institutions, funds and banks throughout Europe into projects with high merit.
- In May 2016 the Corporation announced the appointment of Robert (“Bob”) Cross as a corporate advisor. Mr. Cross brings with him a wealth of experience in executive leadership in the natural resource sector and significant capital markets experience. Mr. Cross has more than 25 years of experience as a financier in the natural resource sector. He is a co-founder and Non-Executive Chairman of Bankers Petroleum Ltd., and is a co-founder and Non-Executive Chairman of B2Gold Corp. Mr. Cross was also a director of Athabasca Potash Inc. from 2009 until 2010 when Athabasca was sold to BHP Billiton Canada Inc. He also served as the Non-Executive Chairman of Northern Orion Resources Inc. between 2002 and 2007. Between 1995 and 1998, Mr. Cross was President and then Chairman and Chief Executive Officer of Yorkton Securities Inc. From 1987 to 1994, he was a Partner, Investment Banking with Gordon Capital Corporation in Toronto. He has an Engineering Degree from the University of Waterloo, and received his MBA from Harvard Business School in 1987.
- On May 25, 2016 the Corporation closed a non-brokered private placement (“Private Placement”) for gross proceeds of \$1.40 million. The Private Placement offering of Units for gross proceeds of \$1.40 million was at a price of \$0.25 per Unit. Each Unit is comprised of one Common Share and one half Common Share purchase warrant, with each whole warrant entitling the holder to purchase one Common Share at \$0.50 for a period of three years from the date of closing.
- On June 23, 2016 the Corporation entered into a Memorandum of Understanding (“MOU”) with SNC, which establishes a long-term relationship between the Corporation and SNC for the development of the Blawn Mountain Project in Utah.

Under the terms of the MOU, the parties intend to enter into a contractual agreement whereby SNC will first undertake a study (the “Scaling Study”) for the development of Blawn Mountain at a more modest scale than was contemplated in the 2013 Blawn Mountain Technical Report. The Technical Report contemplated an average production rate of 645,000 tons per annum of SOP over a 40-year mine life. It is anticipated that the Scaling Study will assess a likely initial production rate of around one third of this originally contemplated rate. The Scaling Study has commenced and is contemplated to take four months to complete.

In parallel with the Scaling Study, the Corporation will oversee the production of a 43-101 compliant technical report, to be completed by others.

Under the terms of the MOU, SNC will have the exclusive option to execute the development of Blawn Mountain and will confer and negotiate in good faith the terms of a lump sum, fixed price EPC contract immediately upon completion of the Scaling Study.

- On October 4, 2016 the Corporation announced that it signed an offtake and funding agreement with Jones-Hamilton Co. (“Jones-Hamilton”), a leading chemicals company and one of North America’s premier producers and marketers of hydrochloric acid.

Under the terms of the agreement, Jones-Hamilton will fund the hydrochloric acid equipment of Potash Ridge’s Valleyfield Project. As part of this arrangement, Valleyfield will sell its production of hydrochloric acid from the Valleyfield facility to Jones-Hamilton for a minimum ten-year period. The hydrochloric acid equipment represents up to approximately 15% of the total \$50 million capital cost for Valleyfield.

## **Outlook**

The Corporation’s primary focus is continuing to advance the Valleyfield and Blawn Mountain Projects as well as continuing to

raise additional capital for the advancement of the Projects and for nearer term working capital requirements.

The Corporation is focused on achieving several key near term milestones, with the goal of further advancing the development of the Valleyfield and Blawn Mountain Projects. These include:

- Completion of additional engineering for the Valleyfield Project, advancing it to the construction phase.
- Acquiring the requisite regulatory permits for the Valleyfield Project.
- Assessment of the potential to develop the Blawn Mountain Project at a more modest scale than what was contemplated in the December 3, 2013 Blawn Mountain Project Prefeasibility Study 43-101 Technical Report.

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.

### **Valleyfield Project**

The Corporation intends to develop a SOP production facility in Valleyfield, Quebec. The project contemplates initially producing 40,000 tonnes per year of SOP utilizing Mannheim technology, and has the potential to be expanded to produce an additional 80,000 tonnes per year.

Valleyfield's strategy is to become the first SOP producer in North America utilizing the proven Mannheim process. The Mannheim process is extensively used in Europe and Asia, and currently accounts for approximately 40% of the world's SOP supply. Valleyfield represents an exciting opportunity for Potash Ridge, as it has a low capital cost, near term production, and a robust rate of return. The process combines muriate of potash (potassium chloride) with sulphuric acid at high temperatures to produce SOP and by-product hydrochloric acid.

The city of Valleyfield is located 50km west of Montreal and contains the only self-managed port in Canada. The port is home to warehousing, storage, and handling services available to port customers. It is expected that the majority of the Corporation's SOP will be shipped through the port facilities. Rail lines from Canadian rail company CN run through Valleyfield, and US-based CSX Corporation, a leading rail-based transportation company, recently built a new depot in the city. The Corporation plans to utilize the existing inter-modal installations for efficient access to road, rail, and the St. Lawrence Seaway.

Valleyfield is also home to many industrial companies, including several complimentary service providers, customers, and suppliers. Valleyfield is well suited because of its local supply of sulphuric acid and close proximity to customers for hydrochloric acid. A memorandum of understanding was previously signed for the offtake of the hydrochloric acid. The primary raw material, MOP, can be easily delivered from Saskatchewan to the planned production facility. SOP can be shipped through the St. Lawrence River from the port facilities, which are located within two kilometres of the planned production facility.

### **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 currently assessing the potential for commencing production at Blawn Mountain at a smaller scale than the 645,000 tons per annum production rate contemplated in the Technical Report issued on December 3, 2013. The Corporation is also evaluating the potential for marketability of the Blawn Mountain Project's alumina rich residue material, currently not included in the Project economics contained within the Technical Report.

### **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 and fertilizer industries, and global economic and commodity price volatility. The underlying value of the Blawn Mountain Project and the Valleyfield Project, and the recoverability of the related capitalized costs are entirely dependent on the Corporation's ability to successfully develop

the Blawn Mountain and Valleyfield Projects 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 outflows 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 intends to maintain a modest headcount while focusing on achieving several key, near term strategic milestones.

The Corporation earned a comprehensive loss for the nine months ended September 30, 2016 of \$3,094,848 (nine months ended September 30, 2015 – comprehensive income of \$1,880,311) and reported an accumulated comprehensive deficit of \$12,510,293 as at September 30, 2016 (December 31, 2015 - \$9,243,590). The Corporation's sole source of funding has been the issuance of equity securities for cash. As at September 30, 2016, the Corporation had \$1,033,536 (December 31, 2015 - \$410,877) 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 currently expects to raise additional funds and continue the development of the Valleyfield and Blawn Mountain Projects, advancing both Projects to the beginning of the execution phase. 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.

### **Board of Directors**

In February 2016 the Corporation announced that Mr. Rahoul Sharan resigned from the Board of Directors for personal reasons. Mr. Robert C. Gross was appointed as Chairman of the Audit Committee.

On June 1, 2016 Chris Reid was elected to the Board of Directors at the corporation's Annual General Meeting. Mr. Reid now serves as the Chairman of the Audit Committee, and the Audit Committee is comprised of Chris Reid (Chairman of the Audit Committee), Stephen Harapiak and Robert C. Gross. Each member of the Audit Committee are financially literate within the meaning of National Instrument 52-110—Audit Committees ("NI 52-110"). In addition, each member are independent within the meaning of NI 52-110.

**Selected Financial Information**

	Potash Ridge Corporation		Potash Ridge Corporation	
	Three months ended		Nine months ended	
	September 30 2016	September 30 2015	September 30 2016	September 30 2015
<b>Revenue</b>				
Interest income	\$ 1,259	\$ 88	\$ 1,571	\$ 677
<b>Expenses</b>				
Management, employee and director	118,432	20,985	241,273	624,103
General and administrative	137,038	37,929	686,261	885,664
	<b>255,470</b>	<b>58,914</b>	<b>927,534</b>	<b>1,509,767</b>
Professional fees	91,674	27,364	317,669	196,743
Foreign exchange (loss) gain	480,095	2,024,651	(1,705,150)	4,149,185
<b>Net (loss)/income</b>				
Total comprehensive (loss)/income	\$ (108,317)	\$ 1,663,626	\$ (3,094,848)	\$ 1,880,311
Basic net income (loss) per share	\$ (0.00)	\$ 0.02	\$ (0.03)	\$ 0.03
Diluted net income (loss) per share	\$ (0.00)	\$ 0.02	\$ (0.03)	\$ 0.03
<b>Financial Position as at</b>			<b>September 30 2016</b>	<b>December 31 2015</b>
<b>ASSETS</b>				
<b>Current</b>				
Cash and cash equivalents			\$ 1,033,536	\$ 410,877
Restricted cash			85,511	89,673
Receivables			86,207	24,308
Other current assets			106,925	72,208
			<b>1,312,179</b>	<b>597,066</b>
Exploration and evaluation assets			31,304,799	32,563,219
Property, plant and equipment			675,096	20,178
			<b>\$ 33,292,074</b>	<b>\$ 33,180,463</b>
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities			\$ 955,182	\$ 1,273,515
Other current liabilities			1,377,530	1,100,474
			<b>2,332,712</b>	<b>2,373,989</b>
Other non-current liabilities			-	226,976
			<b>2,332,712</b>	<b>2,600,965</b>
<b>SHAREHOLDERS' EQUITY</b>				
Capital stock			35,268,608	33,828,074
Contributed surplus			8,656,820	6,622,642
Deficit			(12,510,293)	(9,243,590)
Accumulated other comprehensive loss			(455,773)	(627,628)
			<b>30,959,362</b>	<b>30,579,498</b>
			<b>\$ 33,292,074</b>	<b>\$ 33,180,463</b>

## **Results of Operations**

### **Revenue**

The Corporation did not generate any revenue during the nine months ended September 30, 2016 and September 30, 2015, as all of the operating activities of the Corporation were directed towards the exploration and development of the Blawn Mountain Project. Interest income of \$1,571 was earned for the nine months ended September 30, 2016 (nine months ended September 30, 2015 - \$677) on the Corporation's cash and cash equivalents. During the three months ended September 30, 2016, interest income was \$1,259 (three months ended September 30, 2015 - \$88).

### **Expenses**

#### *Three months ended September 30, 2016 and September 30, 2015*

During the three months ended September 30, 2016, the Corporation incurred management, employee, director, general and administrative costs of \$255,470 (three months ended September 30, 2015 - \$58,914). Salaries of management, employees, and director costs in the period were \$118,432 (three months ended September 30, 2015 - \$20,985). As at September 30, 2016, the Corporation had three employees (September 30, 2015 - five full-time employees). Spending of \$137,308 was related to other general and administrative expenses (three months ended September 30, 2015 - \$37,929) and it increased period over period by \$196,556 due to increased travel and other corporate expenses.

During the three months ended September 30, 2016, the Corporation incurred professional fees of \$91,674 (three months ended September 30, 2015 - \$27,364), including legal and audit fees of \$31,860 (three months ended September 30, 2015 - \$10,003) and consulting fees of \$39,583 (three months ended September 30, 2015 - \$592). The increase in spending for the period occurred primarily due to an increase in consulting fees related to investor relations services.

During the three months ended September 30, 2016, the Corporation incurred a share-based compensation expense of \$194,714 (three months ended September 30, 2015 - \$nil) which were primarily associated with the stock options granted to directors, management and a consultant of the Corporation during the period.

During the three months ended September 30, 2016, the Corporation incurred a foreign exchange gain of \$480,095 (three months ended September 30, 2015 - gain of \$2,024,651) 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 loss of \$108,317 for the three months ended September 30, 2016 (three months ended September 30, 2015 - net comprehensive income of \$1,663,626).

#### *Nine months ended September 30, 2016 and September 30, 2015*

During the nine months ended September 30, 2016, the Corporation incurred management, employee, director, general and administrative costs of \$927,532 (nine months ended September 30, 2015 - \$1,509,767). Salaries of management, employees, and director costs in the period were \$241,273 (nine months ended September 30, 2015 - \$624,103). As at September 30, 2016, the Corporation had three full-time employees (September 30, 2015 - five full-time employees). Spending of \$686,261 was related to other general and administrative expenses (nine months ended September 30, 2015 - \$885,664).

During the nine months ended September 30, 2016, the Corporation incurred professional fees of \$317,669 (nine months ended September 30, 2015 - \$196,743), including legal and audit fees of \$114,352 (nine months ended September 30, 2015 - \$78,018) and consulting fees of \$90,395 (nine months ended September 30, 2015 - \$34,303). The increase in spending for the period occurred primarily due to an increase in consulting fees related to investor relations services.

During the nine months ended September 30, 2016, the Corporation incurred a share-based compensation expense of \$340,201 (nine months ended September 30, 2015 - share-based compensation recovery \$10,352) which were primarily associated with

the stock options granted to directors, management and a consultant of the Corporation during the period.

During the nine months ended September 30, 2016, the Corporation incurred a foreign exchange loss of \$1,705,150 (nine months ended September 30, 2015 – gain of \$4,149,185) which was the result of a strengthening Canadian dollar, reporting currency of the Corporation, against the US dollar.

As a result of the above, the Corporation recognized a net comprehensive loss of \$3,094,848 for the nine months ended September 30, 2016 (nine months ended September 30, 2015 - net comprehensive income \$1,880,311).

### **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 nine months ended September 30, 2016 is presented in the table, below:

	<b>As at September 30, 2016</b>	<b>As at December 31, 2015</b>
<b><u>Blawn Mountain Project</u></b>		
Drilling	\$ 6,512,729	\$ 6,871,662
Pre-feasibility study	6,269,312	6,416,996
Professional and labour	5,125,368	5,355,163
Employee salary and benefits	5,046,835	5,255,741
Preliminary economic assessment	3,578,425	3,775,670
Mineral leases	2,423,679	2,506,363
Employee share based compensation (non-c)	1,050,414	1,050,414
Transportation	392,772	414,420
Equipment rentals	232,145	244,939
Feasibility study	230,839	243,562
Data acquisition	178,414	214,765
Field expenditures	133,202	140,171
Other	130,665	73,353
<b>Total exploration and evaluation assets</b>	<b>\$ 31,304,799</b>	<b>\$ 32,563,219</b>

During the nine months ended September 30, 2016, the Corporation incurred \$1,258,420 in income related to exploration and evaluation, primarily due to the foreign exchange loss of \$1,641,207 on prior and current period expenditures. During the nine months ended September 30, 2016 the main expenditure activities on exploration and evaluation assets were on pre-feasibility study (\$189,064) and employee salary and benefits (\$66,186).

### **Other Liabilities**

On March 24, 2014, the Corporation exercised the Blawn Mountain Lease Option in the Exploration and Option Agreement to commence the Blawn Mountain 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 Blawn Mountain 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.

In June 2015, the Corporation entered into a modification of the Blawn Mountain Project Mining Lease Agreement with SITLA. The modification cures the event of default under the Lease that occurred on March 31, 2015. Under the terms of the modification, SITLA has agreed to forbear from exercising its rights and remedies resulting from Potash Ridge's failure to make lease and minimum royalty payments to SITLA under the terms of the Lease. The forbearance period is from March 31, 2015 to April 1, 2017.

The Corporation was obligated to pay accrued and unpaid interest by March 31, 2016 or when it raised US \$1.5 million in new funds for the development of the Blawn Mountain Project, whichever arose first. Once the Corporation raises US \$3 million or more of new funds for the development of the Blawn Mountain Project, then all outstanding amounts currently due under the Lease, plus accrued interest, will become due.

The Corporation will pay interest to SITLA on unpaid lease and minimum royalties payments, which will accrue annually at a rate of SITLA's published prime rate plus two percent (currently equivalent to 5.25%) or 6.0%, whichever is greater, with the first interest payment having been due on March 31, 2016. The Corporation made the required accrued interest payment to SITLA on March 30, 2016 and August 30, 2016, and is current on all lease obligations.

Potash Ridge will continue to be required to meet all other obligations under the terms of the Blawn Mountain Lease.

### **Summary of Quarterly Results**

Selected financial statement information for the eight most recent quarters:

	2016				2015			2014
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Exploration and evaluation assets	31,304,799	30,580,754	30,718,407	32,563,219	31,257,816	29,194,976	29,236,005	26,465,738
Total assets	33,292,074	33,370,533	31,148,414	33,180,463	31,535,168	29,742,366	30,856,632	29,032,782
Working capital <sup>1</sup>	(1,020,532)	35,595	(2,242,243)	(1,776,923)	(1,728,895)	(1,459,706)	(556,181)	696,901
Shareholders' equity	30,959,362	30,878,632	28,577,467	30,579,498	29,197,697	27,541,082	28,900,959	27,330,704
Interest income	1,259	42	270	41	88	232	357	1,028
Expenses	541,858	842,314	201,230	250,100	97,767	918,027	774,348	1,071,546
Net comprehensive income/(loss)	(108,317)	(966,590)	(2,019,941)	858,729	1,663,626	(1,391,511)	1,576,560	6,897
Basic and diluted loss per share	(0.00)	(0.01)	(0.02)	(0.04)	0.02	(0.02)	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 \$111,611 as at September 30, 2016 compared to December 31, 2015 mainly as a result of spending on the Valleyfield Project as well as the proceeds raised in private placements during the period in excess of expenses and the foreign exchange loss due to the strengthening of the Canadian dollar.

## **Liquidity and Capital Resources**

### **Cash Resources and Liquidity**

At September 30, 2016, the Corporation had working capital<sup>1</sup> deficiency of \$1,020,532 (December 31, 2015 – deficiency of 1,776,923) comprising of cash, cash equivalents of \$1,033,536 (December 31, 2015 - \$410,877) and receivables, restricted cash, prepaid expenditures and other assets of \$278,643 (December 31, 2015 - \$186,189) offset by current liabilities of \$2,332,712 (December 31, 2015 - \$2,373,989).

The Corporation intends to use its existing cash resources prudently to advance the Blawn Mountain and Valleyfield projects as well as on on basic project management and on essential non-discretionary general corporate and operating expenditures. The Corporation expects that it will be able to operate on this basis into Q1 2017 without making further spending reductions and without the receipt of additional financing. The Corporation raised \$3.15 million in gross proceeds in a non brokered private placements in April and May 2016.

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.

### **Financing Activities**

On April 20, 2016 the Corporation closed a Private Placement for gross proceeds of \$1.75 million. The Private Placement was originally announced on April 4, 2016 for \$1.0 million, but was increased to \$1.75 million (due to stronger than anticipated investor demand). The Private Placement offering of Units for gross proceeds of \$1.75 million was at a price of \$0.15 per Unit. Each Unit is comprised of one Common Share and one half Common Share purchase warrant, with each whole warrant entitling the holder to purchase one Common Share at \$0.30 for a period of three years from the date of closing.

In connection with the Private Placement, the Corporation has agreed to pay fees to certain individuals that include cash commissions totalling \$65,141.

On May 25, 2016 the Corporation closed a non-brokered Private Placement for gross proceeds of \$1.40 million. The Private Placement offering of Units for gross proceeds of \$1.40 million was at a price of \$0.25 per Unit. Each Unit is comprised of one Common Share and one half Common Share purchase warrant, with each whole warrant entitling the holder to purchase one Common Share at \$0.50 for a period of three years from the date of closing.

In connection with the Private Placement, the Corporation agreed to pay fees to certain qualified finders totaling \$41,868.

### **Uses of Cash**

The Corporation used \$1,353,938 by operating activities during the nine months ended September 30, 2016 primarily for the payment of operating expenses. In addition, during the nine months ended September 30, 2016, the Corporation used \$1,158,113 for investing activities, as a result of \$503,195 of expenditures for the continuing exploration and development activities at the Blawn Mountain Prjoect and \$654,918 on the acquisition of property, plant and equipment.

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<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.

The Corporation was provided \$6,873 by operating activities during the nine months ended September 30, 2015 as result of foreign exchange gain. In addition, during the nine months ended September 30, 2015, the Corporation used \$867,272 for investing activities, as a result of \$989,888 of expenditures for the continuing exploration and development activities at the Blawn Mountain Project offset by proceeds of \$137,629 from the sale of property, plant and equipment.

### **Disclosure of Outstanding Share Data**

As at the date of this MD&A, the Corporation has 125,928,397 common shares.

### **Commitments and Contingencies**

The future minimum payments under various lease arrangements and other contractual obligations are as follows, as at September 30, 2016:

	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>After 5 years</b>	<b>Total</b>
Mining Lease	\$ 75,751	\$ 348,453	\$ 409,054	\$ 833,258
Exploration leases	7,639	22,888	10,166	40,693
Operating leases	42,714	148,597	-	191,311
<b>Total</b>	<b>\$ 126,104</b>	<b>\$ 519,938</b>	<b>\$ 419,220</b>	<b>\$ 1,065,262</b>

### **Off-Balance Sheet Arrangements**

The Corporation has no off-balance sheet arrangements.

### **Convertible Securities**

The following table summarizes warrants and finder warrants ("Warrants") outstanding at September 30, 2016, with each Warrant entitling the holder to purchase one common share.

<b>Expiry Date</b>	<b>Number of Warrants</b>	<b>Exercise Price (\$)</b>
November 27, 2017	9,466,666	0.08
November 27, 2017 (finder)	363,642	0.08
April 15, 2019	4,232,610	0.30
April 15, 2019 (finder)	666,667	0.30
April 18, 2019	1,021,750	0.30
April 19, 2019	541,028	0.30
April 20, 2019	37,947	0.30
May 21, 2019	2,429,191	0.50
May 25, 2019	370,809	0.50
	<b>19,130,310</b>	

### **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 nine months ended September 30, 2016 was \$340,201 (nine months ended September 30, 2015 - recovery of \$10,352). In the first nine months of 2016, the Corporation capitalized \$0 as exploration and

evaluation assets and recognized an expense of \$340,201 in the consolidated statement of income (loss) and comprehensive income (loss).

In the first nine 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.

The following table summarizes incentive stock options outstanding as at September 30, 2016:

<b>Grant Date</b>	<b>Number Outstanding</b>	<b>Number Vested and Exercisable</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>	<b>Weighted Average Remaining Actual Life (years)</b>
December 9, 2011	2,100,000	2,100,000	0.25	December 9, 2021	5.19
January 26, 2012	600,000	600,000	0.75	January 26, 2022	5.33
February 1, 2012	60,000	60,000	0.75	February 1, 2022	5.34
December 5, 2012	1,550,000	1,550,000	1.00	December 5, 2022	6.18
November 22, 2013	350,000	350,000	0.14	November 22, 2023	7.15
May 13, 2014	240,000	240,000	0.33	May 13, 2024	7.62
November 27, 2015	3,600,000	1,400,000	0.04	November 27, 2025	9.16
May 11, 2016	750,000	250,000	0.33	May 11, 2026	9.62
August 11, 2016	1,325,000	441,666	0.40	August 11, 2026	9.87
	<b>10,575,000</b>	<b>6,991,666</b>			<b>7.72</b>

### **Transactions with Related Parties**

The Corporation's related parties as defined by International Accounting Standard 24 "Related Party Disclosures" ("IAS 24"), 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:

	<b>Short term compensation and benefits or fees</b>	<b>Share-based awards</b>	<b>Total</b>
<b>Three months ended September 30, 2016</b>			
Senior officers	\$ 90,000	\$ 97,934	\$ 187,934
Directors	\$ 18,224	\$ 58,798	\$ 77,022
<b>Three months ended September 30, 2015</b>			
Senior officers	\$ 74,385	\$ -	\$ 74,385
<b>Short term compensation and benefits or fees</b>			
<b>Share-based awards</b>			
<b>Total</b>			
<b>Nine months ended September 30, 2016</b>			
Senior officers	\$ 260,000	\$ 120,321	\$ 380,321
Directors	\$ 33,224	\$ 67,753	\$ 100,977
<b>Nine months ended September 30, 2015</b>			
Senior officers	\$ 450,408	\$ -	\$ 450,408

### **Indemnities Provided to Directors and Officers**

The Corporation has indemnified 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 September 30, 2016, the Corporation had cash and cash equivalents balance of \$1,033,536 (December 31, 2015 - \$410,877) to settle current liabilities of \$2,332,712 (December 31, 2015 - \$2,373,989).

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:

	<b>As at</b>		<b>As at</b>	
	<b>September 30, 2016</b>		<b>December 31, 2015</b>	
<b>Cash and cash equivalents (expressed in Canadian dollars)</b>				
Denomination in Canadian dollars	\$	<b>871,886</b>	\$	403,603
Denomination in U.S. dollars		<b>161,650</b>		7,274
	<b>\$</b>	<b>1,033,536</b>	<b>\$</b>	<b>410,877</b>

The Corporation is exposed to foreign exchange rate fluctuations between the Canadian and U.S. dollars. Based on the balances at September 30, 2016, net income will increase or decrease by, approximately \$2,437 (December 31, 2015 - \$365) given a 7% 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 Blawn Mountain Project are incurred primarily in U.S. dollars. The Corporation's expenditures on the development of the Valleyfield Project, as well as the 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 audited consolidated financial statements for the nine months ended September 30, 2015. 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 8 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 nine months ended September 30, 2016 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 nine months ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, ICFR.

The Corporation’s CEO and CFO have concluded that ICFR are appropriately designed and are operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

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 nine months ended September 30, 2016.

The Corporation’s Chief Executive Officer and Chief Financial Officer have concluded that DC&P are appropriately designed and are operating effectively to provide reasonable assurance that all material information related to the Corporation is identified and communicated on a timely basis.

## **Change in Accounting Policies**

No changes to accounting policies were adopted in Q3, 2016.

## **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.

### IFRS 16, Leases

IFRS 16, issued in January 2016, replaces IAS 17, Leases. IFRS 16 results in most leases being reported on the balance sheet for lessees, eliminating the distinction between a finance lease and an operating lease. IFRS 16 is effective for

annual periods beginning on or after January 1, 2019. Early adoption is permitted for companies that also adopt IFRS 15. The Company is currently assessing the impact of this standard.

### **Risk 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.