Consolidated financial statements of

Potash Ridge Corporation

For the years ended December 31, 2013 and December 31, 2012

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Potash Ridge Corporation (the "Corporation") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management, in discharging these responsibilities, maintains a system of internal controls designed to provide reasonable assurance that its assets are safeguarded, only valid and authorized transactions are executed and accurate, timely and comprehensive financial information is prepared. However, any system of internal controls over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities.

PricewaterhouseCoopers LLP, an independent firm of Chartered Professional Accountants, was appointed by the shareholders to examine the consolidated financial statements and provide an independent professional opinion. PricewaterhouseCoopers LLP has full and free access to the Board of Directors.

March 27, 2014

Independent Auditor's Report

To the Shareholders of
Potash Ridge Corporation

We have audited the accompanying consolidated financial statements of Potash Ridge Corporation, which comprise the consolidated statement of financial position as at December 31, 2013 and 2012 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Potash Ridge Corporation as at December 31, 2013 and 2012 and its financial performance and its cash flows for the years then ended in accordance with IFRS.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

POTASH RIDGE CORPORATION

(An Exploration and Development Stage Entity)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Canadian dollars)

As at		December 31 2013		December 31 2012
ASSETS				
Current				
Cash and cash equivalents (Note 4)	$	8,031,855	$	17,800,890
Short term deposits (Note 4)		-		4,975,000
Restricted cash (Note 5)		268,041		212,353
Receivables (Note 6)		28,979		361,386
Other current assets		240,490		227,434
		8,569,365		23,577,063
Exploration and evaluation assets (Note 7)		21,107,864		10,300,480
Property, plant and equipment (Note 8)		578,458		368,734
Restricted cash (Note 5)		510,272		-
Other non-current assets		45,006		108,708
	$	30,810,965	$	34,354,985
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	1,579,528	$	1,677,517
SHAREHOLDERS' EQUITY				
Capital stock (Note 9)		33,428,933		33,267,933
Contributed surplus (Note 9)		6,271,378		5,317,884
Deficit		(10,435,305)		(5,902,684)
Accumulated other comprehensive loss		(33,569)		(5,665)
		29,231,437		32,677,468
	$	30,810,965	$	34,354,985

Approved by the Board of Directors on March 27, 2014.

(Signed) GUY BENTINCK
Director

(Signed) NAVIN DAVE
Director

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

POTASH RIDGE CORPORATION
(An Exploration and Development Stage Entity)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(In Canadian dollars)

		Years ended		
		December 31 2013		December 31 2012
EXPENSES				
Management, employee, director, general and administrative expenses	$	4,122,249		2,276,022
Professional fees		1,213,379		1,351,126
Share-based compensation (Note 11)		803,983		1,040,760
Prospecting		9,701		44,766
Depreciation		158,397		36,882
		(6,307,709)		(4,749,556)
OTHER ITEMS				
Interest income		60,183		103,837
Foreign exchange gain/(loss)		1,714,905		(127,600)
Net loss for the year		(4,532,621)		(4,773,319)
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment		(27,904)		(6,047)
Comprehensive loss for the year	$	(4,560,525)	$	(4,779,366)
Weighted average number of common shares outstanding		86,680,265		67,705,453
Basic and diluted loss per common share	$	(0.05)	$	(0.07)

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

POTASH RIDGE CORPORATION
(An Exploration and Development Stage Entity)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Canadian dollars)

	Number of voting shares	Number of non-voting shares	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income/(loss)	Total shareholders' equity
Balance at January 1, 2013	**81,303,778**	**5,055,254**	**$ 33,267,933**	**$ 5,317,884**	**$ (5,902,684)**	**$ (5,665)**	**$ 32,677,468**
Exercised options	**350,000**	**-**	**161,000**	**(73,500)**	**-**	**-**	**87,500**
Net loss	**-**	**-**	**-**	**-**	**(4,532,621)**	**-**	**(4,532,621)**
Effect on foreign currency translation	**-**	**-**	**-**	**-**	**-**	**(27,904)**	**(27,904)**
Share based compensation (Note 11)	**-**	**-**	**-**	**1,026,994**	**-**	**-**	**1,026,994**
Balance at December 31, 2013	**81,653,778**	**5,055,254**	**$ 33,428,933**	**$ 6,271,378**	**$ (10,435,305)**	**$ (33,569)**	**$ 29,231,437**
Balance at January 1, 2012	66,215,966	-	$ 16,398,381	$ 1,994,582	$ (1,129,365)	$ 382	$ 17,263,980
Initial public offering							
Net proceeds	15,047,812	-	13,392,502				13,392,502
Private Placement							
Net proceeds	-	5,055,254	4,970,426				4,970,426
Non-voting warrants	-	-	(1,516,576)	1,516,576			-
Exercised warrants	40,000	-	23,200	(3,200)			20,000
Net loss	-	-	-	-	(4,773,319)	-	(4,773,319)
Effect on foreign currency translation	-	-	-	-	-	(6,047)	(6,047)
Share based compensation (Note 11)	-	-	-	1,809,926	-	-	1,809,926
Balance at December 31, 2012	81,303,778	5,055,254	$ 33,267,933	$ 5,317,884	$ (5,902,684)	$ (5,665)	$ 32,677,468

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

POTASH RIDGE CORPORATION
(An Exploration and Development Stage Entity)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Canadian dollars)

		Year ended December 31 2013		Year ended December 31 2012
CASH FLOWS USED IN OPERATING ACTIVITIES				
Loss for the year	$	(4,532,621)	$	(4,773,319)
Items not affecting cash:				
Depreciation		158,397		36,882
Share based compensation (Note 11)		803,983		1,040,760
Foreign exchange gain		(1,321,868)		-
Changes in non-cash working capital items:				
Decrease/(Increase) in receivables		332,407		(319,715)
Increase in other current assets		(13,056)		(224,314)
Decrease/(Increase) in other non-current assets working capital		63,702		(108,708)
Increase in operating restricted cash		(565,960)		(147,784)
Decrease in accounts payable and accrued liabilities		(902,033)		(601,747)
Net cash used in operating activities		(5,977,049)		(5,097,945)
CASH FLOWS USED IN INVESTING ACTIVITIES				
Acquisition of property, plant and equipment		(369,301)		(268,301)
Decrease/(Increase) in short term deposits		4,975,000		(4,975,000)
Payment for acquisition of Utah Alunite		-		(99,500)
Exploration and evaluation assets		(8,849,056)		(6,986,615)
Net cash used in investing activities		(4,243,357)		(12,329,416)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from issuance of IPO shares		-		13,503,101
Net proceeds from issuance of Private Placement Units		-		5,004,701
Net proceeds from share options exercised		87,500		-
Net cash provided by financing activities		87,500		18,507,802
(Decrease)/Increase in cash and cash equivalents for the period		(10,132,906)		1,080,441
Effect of foreign exchange rate changes on cash and cash equivalents		363,871		13,203
Cash and cash equivalents, beginning of the period		17,800,890		16,707,246
Cash and cash equivalents, end of the year	$	8,031,855	$	17,800,890

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

POTASH RIDGE CORPORATION
(An Exploration and Development Stage Entity)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013
(In Canadian dollars, except where otherwise noted)

1. NATURE OF OPERATIONS

Potash Ridge Corporation (the "Corporation") is a corporation operating under the Ontario Business Corporation Act. Its registered office is located in Toronto, Canada at 3 Church Street, Suite 600, Toronto, Ontario, M5E 1M2. On December 5, 2012, the Corporation closed its initial public offering (the "IPO") of Common Shares. The Common Shares were listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "PRK" on December 5, 2012. The Common Shares commenced trading on the OTCQX on April 29, 2013 under the symbol "POTRF".

The principal activity of the Corporation is the exploration and development of its Blawn Mountain alunite property in Utah, USA (the "Blawn Mountain Project" or "Project"). The Blawn Mountain Project is located on lands belonging to the State of Utah, managed by the State of Utah School and Institutional Trust Lands Administration ("SITLA") and leased to the Corporation through a Mining Exploration Agreement with option to Lease (the "Exploration Agreement"). On March 24, 2014, the Corporation exercised an option in the Exploration Agreement to convert it into a long-term mining lease (note 18). The Blawn Mountain Project is the Corporation's only material development property.

Through the IPO, the Corporation received gross proceeds of $14,944,746. Concurrent with the IPO, the Corporation raised additional gross proceeds of $5,055,254 by way of a private placement of units (see Note 9).

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 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.

The Corporation incurred a comprehensive loss for the year ended December 31, 2013 of $4,560,525 (December 31, 2012 - $4,779,366) and reported an accumulated comprehensive deficit of $10,468,874 as at December 31, 2013 (December 31, 2012 - $5,908,349). The Corporation's sole source of funding has been the issuance of equity securities for cash. As at December 31, 2013, the Corporation had $8,031,855 in cash and cash equivalents and short term deposits (December 31, 2012 - $22,775,890). There are no sources of operating cash flows. The Corporation intends to use its existing cash resources to continue execution of its permitting strategy, pursue commercial and infrastructure arrangements for the development of the Blawn Mountain Project, and incur project management and general corporate and operating expenditures. The Corporation will continue to seek and evaluate various financing alternatives to address future development funding requirements. Although the Corporation has been

successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in future fundraisings.

These consolidated financial statements have been prepared under the assumption that the Corporation will continue as a going concern. The going concern basis of presentation assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from December 31, 2013. Different bases of measurement may be appropriate when a company is not expected to continue operations for the foreseeable future. An inability to raise additional financing may materially impact the future assessment of the Corporation as a going concern in the long term.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Corporation on March 27, 2014.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) *Statement of compliance*

The Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board as outlined in Part 1 of the CPA Canada Handbook - Accounting.

b) *Basis of preparation*

The consolidated financial statements have been prepared using the historical cost convention, modified by the revaluation of any financial assets and financial liabilities at fair value through profit and loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

c) *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Corporation and its wholly-owned subsidiary Utah Alunite Corporation ("UAC"). Consolidation is required when the Corporation is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

d) Foreign currencies

The individual financial records of each group entity are kept in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency, as determined by management, of the Corporation is Canadian dollars and the functional currency of UAC is U.S. dollars. For the purpose of the consolidated financial statements, the results and financial position are reported in Canadian dollars.

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated at the rates of exchange prevailing on the underlying transaction dates.

Exchange differences are recognized in profit and loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

e) Share based compensation

The Corporation has a stock option plan that allows the Corporation's employees, directors and consultants to acquire common shares in the Corporation. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in contributed surplus. The fair value of option grants to employees who are primarily dedicated to the exploration and evaluation of mining properties are capitalized with a corresponding increase in contributed surplus. The fair value of options is measured using the Black-Scholes option pricing model and estimated forfeitures as at the grant date and is recognized over the vesting period. At each financial reporting date, the compensation expense is adjusted to reflect any changes to the Corporation's estimate of the number of awards that are expected to vest. Upon exercise of a share option, the consideration received is credited to share capital along with the amounts previously recognized in other reserves.

The Corporation also recognizes share based compensation awards made in the current period through employment contracts. The estimated fair values of these awards are recognized over the service and vesting periods. At each financial reporting date, the compensation expense is adjusted to reflect updated fair value estimates for the awards, to the extent the awards have not been officially granted yet.

f) Income taxes

The Corporation uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the

consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases ("temporary differences") and loss carry-forwards.

Such deferred tax assets and liabilities are not recognized if the temporary differences arise from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. The effect on future tax assets and liabilities of a change in tax rates is generally recognized in income in the period that includes the date of enactment or substantive enactment. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss. In the case of a business combination, the tax effect is included in the accounting for the business combination.

g) Cash and cash equivalents

Cash and cash equivalents are comprised of cash at banks and on hand, and highly liquid money market instruments with an original maturity of three months or less.

h) Short term deposits

Short term deposits with original terms to maturity of greater than 90 days, but less than one year are recorded as short term deposits. Interest income, if applicable, on these short-term deposits is recorded as earned over the term of the deposit.

i) Common shares (share capital) and subscriber warrants

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. Subscriber warrants are classified within contributed surplus. Where common shares and subscriber warrants are offered together (as a "unit") the Corporation allocates the consideration received per unit, net of any issuance costs, to the common shares and subscriber warrants based on their relative fair values. The fair value of warrants is measured using a Black-Scholes option pricing model.

j) Equity financing and listing costs

Costs directly identifiable with the raising of capital are charged against the related capital account. Costs related to securities not yet but likely to be issued are presented

as a prepaid asset until the issuance of the securities, to which the costs relate, at which time the costs are charged against the related capital account or charged to earnings if the securities are not issued. Costs which are incurred as part of an actual or proposed listing of existing shares are expensed as incurred.

k) Exploration and evaluation expenditures

Exploration and development expenditures related to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, technical feasibility studies for extracting alunite and other costs directly attributable to exploration and development projects are capitalized. Mineral rights for exploration and evaluation are carried at cost less any accumulated 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.

l) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The Corporation provides depreciation of its property plant and equipment at the following annual rates:

Office equipment	-	Straight line 3-5 years
Computer equipment	-	Straight line 3 years
Leasehold improvements	-	Term of the lease

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

m) Impairment of long-lived assets

At each reporting period, the Corporation assesses changes to facts and circumstances and determines if there is an indication that the carrying amount of an asset may exceed its recoverable amount.

Where an indicator of impairment exists, a formal estimate of the recoverable amount of the asset is made.

The recoverable amount is the higher of the fair value less costs to sell and value in use:

- Fair value less costs to sell is the amount obtainable from the sale of the asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties less costs of disposal.

- Value in use is determined as the present value of the estimated future pre-tax cash flows expected to arise from the continued use of the asset or cash generating unit in its present form and its eventual disposal, discounted using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to

the asset for which estimates of future cash flows have not been adjusted. Value in use calculations do not take into account future development.

If the carrying amount of the asset or cash-generating unit exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in the income statement. Previously recognized impairment losses are assessed each reporting period for any indications that the losses have decreased or no longer exist. Such an impairment loss is reversed, in full or in part, if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment losses had been recognized in previous years.

n) *Loss per share*

The Corporation presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

o) *Financial assets*

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ("EIR") method less any impairment.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

p) *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Refer to note 17 for analysis of categories of financial liabilities.

Other financial liabilities, including borrowings, are measured at amortized cost using the effective interest method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The Corporation derecognizes financial liabilities when the obligations are discharged, cancelled or expired.

q) *Leases*

The determination of whether an arrangement is, or contains, a lease is based on the substance of the agreement at the inception date.

Finance leases

Finance Leases which transfer substantially all the risks and rewards incidental to ownership of the leased item to the Corporation as a lessee, are capitalized at the inception of the lease at the fair value of the leased asset, or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and the reduction of the lease liability. Finance charges are recognized in finance cost in the consolidated statements of earnings.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership to the Corporation as a lessee are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statements of earnings on a straight-line basis over the lease term.

r) *Changes in accounting policies*

IFRS 10 'Consolidation' ("IFRS 10")

Effective for annual periods beginning on or after January 1, 2013, IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under previous IFRS, consolidation was required when an entity had the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaced SIC-12 'Consolidation — Special Purpose Entities' and parts of IAS 27 'Consolidated and Separate Financial Statements'. Based on the Corporation's existing operations, management determined that this standard has no impact on the Corporation's financial statements.

IFRS 11 'Joint Arrangements' ("IFRS 11")

Effective for annual periods beginning on or after January 1, 2013, IFRS 11 requires an entity to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the entity will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities — Non-monetary Contributions'. Based on the Corporation's existing operations, management determined that this standard has no impact on the Corporation's financial statements.

IFRS 12 'Disclosure of Interests in Other Entities' ("IFRS 12")

Effective for annual periods beginning on or after January 1, 2013, IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. IFRS 12 carries

forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. Management determined that, based on the Corporation's existing operations, this standard has no impact on the Corporation's financial statements.

IFRS 13 'Fair Value Measurement' ("IFRS 13")

Effective for annual periods beginning on or after January 1, 2013, IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under previous IFRS, guidance on measuring and disclosing fair value was dispersed among the various standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures. Management determined that, based on the Corporation's existing operations, this standard has no impact on the Corporation's financial statements.

IAS 28 'Investments in Associates and Joint Ventures' ("IAS 28")

Effective for annual periods beginning on or after January 1, 2013, IAS 28 will be amended to provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 is applied by all entities that are investors with joint control of, or significant influence over, an investee. Management determined that, based on the Corporation's existing operations, this standard has no impact on the Corporation's financial statements.

s) *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. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting. IFRS 9 has an effective date of January 1, 2015, with early adoption permitted. The Company continues to monitor and assess the impact of this standard.

IAS 32 'Financial Instruments: Presentation' ("IAS 32")

The IASB published amendments to IAS 32 to provide clarifications on the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendments are effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively. The adoption of the amendments is not expected to have a significant impact on the Corporation's consolidated financial statements.

IFRIC 21 'Levies' ("IFRIC 21")

IFRIC 21 is an interpretation on IAS 37, Provisions, Contingent Liabilities and Contingent Assets, with respect to the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. The interpretation clarifies that the obligating event is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. The adoption of this standard is not expected to have a significant impact on the Corporation's consolidated financial statements.

IAS 36 'Impairment of Assets' ("IAS 36")

The IASB published amendments to the disclosures required by IAS 36, when the recoverable amount is determined based on fair value less costs of disposal. The amendments are effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively. The adoption of the amendments is not expected to have a significant impact on the Corporation's consolidated financial statements.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, which are described in note 2 above, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting estimates and judgments

The Corporation applied judgment in the determination of the types of expenses that are capitalized as exploration and evaluation expenditures as described in the accounting policy in note 2(k).

The Corporation estimates 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. See accounting policies in Note 2(e) and 2(i) as well as Notes 10 and 11 for further details of significant assumptions applied to these areas of estimation.

4. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

Cash and cash equivalents consisted of $2,418,474 (December 31, 2012 - $7,601,688) in Canadian dollar denominated current accounts, and $5,613,381 (December 31, 2012 - $10,199,202) in U.S. dollar denominated current accounts. The Corporation held US$4,975,000 in short-term deposits as at December 31, 2012.

All accounts and deposits are with a Canadian chartered bank with a AA- rating from Standard & Poor's except US$262,618, which is held in an account with a Utah-based commercial bank.

5. RESTRICTED CASH

The Corporation has set aside $778,313 (December 31, 2012 - $212,353) relating to reclamation surety bonds and collateral requirements ($406,053), and a Letter of Credit posted in accordance with the lease of the Corporation's Salt Lake City office ($372,260). The funds relating to the reclamation surety bonds are to be released upon the Corporation meeting all of its commitments to SITLA relating to its on-site Project activities and have therefore been classified as current or non-current assets on the consolidated statements of financial position according to management's estimated timing of completing such commitments.

6. RECEIVABLES

Receivables of $28,979 (December 31, 2012 - $361,386) consisted of harmonized sales tax ("HST") receivables and other miscellaneous receivables.

7. EXPLORATION AND EVALUATION ASSETS

The following is a summary of exploration and evaluation expenditures related to the Corporation's Blawn Mountain Project that have been capitalized.

	As at December 31, 2013	As at December 31, 2012
Drilling	**$ 5,280,213**	$ 3,983,522
Pre-feasibility study	**4,923,590**	-
Professional and labour	**3,436,164**	1,125,222
Preliminary economic assessment	**2,901,591**	2,712,990
Employee salary and benefits	**2,200,445**	570,171
Employee share based compensation (non-cash)	**1,013,177**	790,166
Mineral leases	**579,300**	495,496
Transportation	**275,140**	183,888
Equipment rentals	**188,235**	176,095
Data acquisition	**144,668**	135,337
Field expenditures	**107,721**	100,792
Other	**30,723**	26,801
Feasibility study	**26,897**	-
Total exploration and evaluation assets	**$ 21,107,864**	$ 10,300,480

8. PROPERTY, PLANT AND EQUIPMENT

The table sets out costs and accumulated depreciation as at December 31, 2013 and 2012.

	Office Equipment	Computer Equipment	Leasehold Improvements	Property, plant and equipment
Cost				
Balance as at December 31, 2012	95,673	106,573	203,758	$ **406,004**
Additions	156,648	189,165	10,623	**356,436**
Foreign exchange	6,187	6,678	-	**12,865**
Balance as at December 31, 2013	258,508	302,416	214,381	$ **775,305**
Accumulated depreciation				
Balance as at December 31, 2012	8,094	13,975	15,200	$ **37,269**
Depreciation expense	38,902	77,680	41,815	**158,397**
Foreign exchange	352	829	-	**1,181**
Balance as at December 31, 2013	47,348	92,484	57,015	$ **196,847**
Carrying amount as at December 31, 2013	**$ 211,160**	**$ 209,932**	**$ 157,366**	**$ 578,458**

	Office Equipment	Computer Equipment	Leasehold Improvements	Property, plant and equipment
Cost				
Balance as at December 31, 2011	-	6,826	-	$ 6,826
Additions	95,667	99,364	203,758	398,789
Foreign exchange	6	383	-	389
Balance as at December 31, 2012	95,673	106,573	203,758	$ 406,004
Accumulated depreciation				
Balance as at December 31, 2011	-	1,138	-	$ 1,138
Depreciation expense	8,094	12,768	15,200	36,062
Foreign exchange	-	69	-	69
Balance as at December 31, 2012	8,094	13,975	15,200	$ 37,269
Carrying amount as at December 31, 2012	$ 87,579	$ 92,598	$ 188,558	$ 368,734

9. ISSUED CAPITAL

a) *Authorized: the Corporation is authorized to issue an unlimited number of common shares ("Common Shares") and 50,000,000 non-voting shares.*

On December 4, 2012, the Corporation amended its articles to create a class of non-voting shares (the "Non-voting Shares").

b) *Issued and outstanding Common Shares:*

i. On December 5, 2012, the Corporation closed its IPO of 14,944,746 Common Shares of the Corporation at $1.00 per common share for aggregate gross proceeds of $14,944,746. The Corporation incurred $1,655,310 of underwriters' commission and other issuance costs relating to the IPO. As partial compensation for the underwriters' commission the Corporation issued 103,066 Common Shares to the underwriters.

ii. In January 2013, 350,000 stock options were exercised at an exercise price of $0.25, resulting in net cash proceeds of $87,500 and a fair value of $161,000 recorded in share capital.

c) Issued and outstanding Non-Voting shares:

On December 5, 2012, concurrent with the IPO, the Corporation issued 5,055,254 units of the Corporation (the "Private Placement Units") to Sprott Resource Partnership ("SRP") pursuant to an exemption from the prospectus requirements under applicable securities laws for an aggregate subscription price of $5,055,254. Each Private Placement Unit consisted of one Non-voting Share and one warrant to acquire one Non-voting Share exercisable at a price of $1.00 until December 5, 2014 being two years following the closing date of the IPO. $0.70 of the $1.00 received per unit was allocated to non-voting share capital (before consideration of issue costs), or $3,538,678 in aggregate, with the remaining $0.30 per unit or $1,516,576 in aggregate allocated to the warrants (before consideration of issuance costs) based on their relative fair values at the time of issuance. The Corporation incurred $84,828 of issuance costs for the Private Placement Units.

d) Summary of financings and securities issued:

		Common Shares			Convertible Securities					
	Note	Number of Voting Shares Issued	Number of Non-Voting Shares Issued	Share Capital	Number of Subscriber Warrants	Number of Broker Options	Number of Incentive Options	Number of Broker Warrants	Number of Non-Voting Warrants	Contributed Surplus
Opening Balance at January 1, 2012		66,215,966	-	$ 16,398,381	10,787,500	1,685,600	2,850,000	839,458	-	$ 1,994,582
Initial public offering										
December 5, 2012	9(b)	14,944,746	-	15,047,812	-	-	-	-	-	-
Issue costs		103,066	-	(1,655,310)	-	-	-	-	-	
Private placement - non-voting shares										
December 5, 2012	9(c)		5,055,254	5,055,254	-	-	-	-	-	-
Issue costs		-	-	(84,828)	-	-	-	-	-	-
Issue costs - non-voting warrants		-	-	(1,516,576)	-	-	-	-	5,055,254	1,516,576
Exercised warrants	10(a)	40,000	-	23,200	(40,000)	-	-	-	-	(3,200)
Share-based compensation	11	-	-	-	-	-	3,980,000	-	-	1,809,926
Balance at December 31, 2012		**81,303,778**	**5,055,254**	**33,267,933**	**10,747,500**	**1,685,600**	**6,830,000**	**839,458**	**5,055,254**	**5,317,884**
Exercised share options	11	350,000	-	161,000	-	-	(350,000)	-	-	(73,500)
Expired share options	11	-	-	-	-	-	(380,000)	-	-	(12,122)
Share-based compensation	11	-	-	-	-	-	890,000	-	-	1,039,116
Balance at December 31, 2013		**81,653,778**	**5,055,254**	**$ 33,428,933**	**10,747,500**	**1,685,600**	**6,990,000**	**839,458**	**5,055,254**	**$ 6,271,378**

10. CONVERTIBLE SECURITIES – WARRANTS, BROKER WARRANTS OR OPTIONS

The following table details the actual convertible securities outstanding as at December 31, 2013:

Expiry date	Type	Fair value ($) (at issuance)	Exercise price ($)	Issued	Exercised	Outstanding
November 27, 2014	Subscriber warrants	0.04	0.50	10,787,500	40,000 (a)	10,747,500
November 27, 2014	Broker unit options	0.15	0.25	1,685,600	-	1,685,600
November 27, 2014	Broker warrants	0.42	0.75	839,458	-	839,458
December 5, 2014	Warrants (Non – voting shares)	0.30	1.00	5,055,254 (b)	-	5,055,254
				18,367,812	40,000	18,327,812

a) *Subscriber warrants*

The subscriber warrants will expire on November 27, 2014 being the second anniversary of the date that the Corporation became a reporting issuer.

In December 2012, 40,000 subscriber warrants were exercised. The Corporation received gross proceeds of $20,000.

b) *Private Placement Unit warrants*

5,055,254 warrants to purchase one Non-voting Share in the Corporation at a price of $1.00 per Non-voting Share were issued on December 5, 2012 (see note 9(c)). The warrants expire on December 5, 2014.

The fair value of warrants issued was $1,516,576 or $0.30 per warrant determined by using the Black Scholes option-pricing model. Key assumptions used were as follows:

Risk-free interest rate	0.97%
Annualized expected volatility	100%
Expected life of broker unit options	2 years
Dividend rate	0%

11. SHARE-BASED COMPENSATION

The Corporation maintains a stock option plan under which the Board of Directors, or a committee appointed for such purpose, may from time to time grant to employees, officers, directors, or consultants of the Corporation, options to acquire common shares in such numbers, for such terms and at such exercise prices, as may be determined by the Board of Directors or such committee. The stock option plan provides that the total number of common shares that may be reserved for issuance for all purposes under the stock option plan cannot be more than 10% of the outstanding common shares at the time of any grant of stock options. The terms of the options, including when they vest, are determined by the Board of Directors as they are granted.

The following table reflects the continuity of stock options for the years ended December 31, 2013 and 2012.

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2011	2,850,000	0.25
Granted (a)	3,980,000	0.94
Cancelled/expired	-	-
Balance, December 31, 2012	6,830,000	0.65
Granted (b)	890,000	0.28
Exercised (c)	(350,000)	0.25
Expired (d)	(360,000)	0.76
Forfeited (e)	(20,000)	1.00
Balance, December 31, 2013	**6,990,000**	**0.62**
Exercisable, December 31, 2013	**5,416,667**	**0.58**

a) During the year ended December 31, 2012 the Corporation granted a total of 3,980,000 stock options to directors, officers and certain employees. 1,010,000 stock options were granted with a term of 10 years from the date of grant and are exercisable at a price of $0.75. These stock options vested fully on grant. A further 2,970,000 stock options were granted with a term of 10 years and are exercisable at a price of $1.00. These options vest on the following schedule: 1/3 on grant, 1/3 a year after grant, 1/3 two years after grant.

b) During the year ended December 31, 2013, the Corporation granted a total of 890,000 stock options to certain employees. The stock options were granted with a term of 10 years from the date of grant. 140,000 of the options granted are exercisable at a price of $1.00 and the remaining 750,000 options granted are exercisable at a price of $0.14. These options vest on the following schedule: 1/3 on grant, 1/3 a year after grant, 1/3 two years after grant.

c) During the year ended December 31, 2013, 350,000 stock options were exercised at an exercise price of $0.25, resulting in net cash proceeds of $87,500 and a fair value of $161,000 recorded in share capital.

d) 360,000 stock options at an average exercise price of $0.76 expired unexercised during the year ended December 31, 2013.

e) 20,000 stock options with an exercise price of $1.00 were forfeited during the year ended December 31, 2013.

Key assumptions used for 140,000 of the options granted in March and May 2013 were as follows:

Grant	
Exercise price	$1.00
Risk-free interest rate	0.97%
Annualized expected volatility	100%
Expected life of options	7.5 years
Dividend rate	0%
Forfeiture rate	0%
Value per option	$0.39

Key assumptions used for the remaining 750,000 of the options granted in November 2013 were as follows:

Grant	
Exercise price	$0.14
Risk-free interest rate	0.97%
Annualized expected volatility	100%
Expected life of options	7.5 years
Dividend rate	0%
Forfeiture rate	0%
Value per option	$0.12

The total share-based compensation of $1,026,994 for the year ended December 31, 2013 (December 31, 2012 - $1,809,926) was allocated as follows:

Year ended December 31,	2013	2012
Share-based compensation	**803,983**	1,040,760
Exploration and evaluation assets	**223,011**	769,166
	1,026,994	1,809,926

The following table summarizes incentive stock options outstanding at December 31, 2013:

Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Weighted average remaining actual life (years)
2,500,000	2,500,000	$0.25	December 9, 2021	7.9
600,000	600,000	0.75	January 26, 2022	8.0
60,000	60,000	0.75	February 1, 2022	8.0
2,940,000	1,960,000	1.00	December 5, 2022	8.9
110,000	36,667	1.00	March 27, 2023	9.2
30,000	10,000	1.00	May 9, 2023	9.2
750,000	250,000	0.14	November 22, 2023	9.9
6,990,000	5,416,667			

12. INCOME TAXES

As at December 31, 2013 the Corporation has temporary differences for which no deferred tax asset has been recognized of non capital Canadian losses of $8,631,587 that expire between 2031 and 2033, and non capital U.S. tax losses of $2,548,260 that expire between 2031 and 2033, and other deductible temporary differences of $2,468,057, the benefits of which have not been recognized in the consolidated financial statements.

Income tax expense varies from the amount that would be computed from applying the combined federal and provincial tax rate to accounting loss before taxes as follows:

	2013	2012
Consolidated loss before taxes	**$(4,532,621)**	$(4,773,319)
Expected tax recovery at combined statutory rate of 26.5%	**1,201,144**	1,264,929
Impact of differences between Canada and United States tax rates.	**82,772**	27,108
Non-deductible expenses	**(219,389)**	(275,801)
Tax benefits not recognized	**(1,064,527)**	(1,016,236)
Total tax recovery	**$—**	$—

13. SEGMENTED INFORMATION

The Corporation operates in one reportable segment, that being the exploration, evaluation and development of mineral properties. The Corporation's development property is located in the United States of America.

14. RELATED PARTY TRANSACTIONS

The Corporation's related parties as defined by IAS 24 "Related Party Disclosures", include the Corporation's subsidiary, executive and non-executive directors, senior officers and entities controlled or jointly controlled by the Corporation's directors or senior officers.

The compensation expense incurred by the Corporation including its subsidiary is summarized in the tables below:

	Short term compensation and benefits or fee	Share-based awards	Total
Year ended December 31, 2013			
Senior officers	$ 1,793,528	$ 382,681	$ 2,176,210
Directors	230,429	595,000	825,429
Year ended December 31, 2012			
Senior officers	1,329,650	1,305,202	2,634,852
Directors	183,500	472,500	656,000

The Corporation entered into indemnity agreements with all of its directors and officers in 2012 in respect of possible 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 entities. No liability has been incurred in 2013 or 2012.

15. COMMITMENTS AND CONTINGENCIES

Under the terms of the Exploration Agreement, the Corporation owns an unconditional option (the "Lease Option") to convert its exploration right into a long-term mining lease upon written notice and payment to SITLA of US$1,020,000. The Lease Option is available to the Corporation until March 31, 2014.

In addition, SITLA is entitled to a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value for metalliferous minerals (including alumina) as a result of the mining of alunite from the Blawn Mountain Project.

The future minimum payments under various lease arrangements and other contractual obligations are as follows, as at December 31, 2013:

	Less than 1 year	1 - 5 years	After 5 years	Total
Exploration agreement	$ 1,146,296	$ 245,692	$ 491,383	$ 1,883,371
Exploration leases	14,518	55,872	89,039	159,429
Operating leases	458,093	1,425,418	473,220	2,356,731
Purchase obligations	143,750	-	-	143,750
Total	**$ 1,762,657**	**$ 1,726,982**	**$ 1,053,643**	**$ 4,543,281**

16. RISK MANAGEMENT

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 defined development program 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.

Liquidity risk management

The Corporation manages liquidity risk by maintaining adequate cash balances in order to meet liabilities as they come due. As at December 31, 2013 the Corporation had cash and cash equivalents and short-term deposits balance of $8,031,855 (December 31, 2012 - $22,775,890) to settle liabilities of $1,579,528 (December 31, 2012 - $1,677,517) and 2014 commitments of $1,762,657 (December 31, 2012 - $213,132). None of the Corporation's financial liabilities or commitments are interest bearing.

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.

Foreign currency risk management

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash. Short term deposits consist of term deposits with a Canadian chartered bank and are callable at any time prior to maturity.

As at December 31, 2013 the cash and cash equivalents and short term deposit balance was $8,031,855 (December 31, 2012 - $22,775,890). The Corporation's cash and cash equivalents and short term deposits are denominated in the following currencies:

	As at December 31, 2013	As at December 31, 2012
Cash and cash equivalents		
Denomination in Canadian dollars	**$2,418,474**	$7,601,688
Denomination in U.S. dollars	**5,613,381**	10,199,202
Short term deposits		
Denomination in U.S. dollars	**-**	4,975,000
Cash and cash equivalents and short term deposits	**$8,031,855**	$22,775,890

The Corporation undertakes transactions denominated in foreign currencies and consequently, is exposed to exchange rate risks. Exchange rate risks are managed by matching levels of foreign currency balances and related obligations. The rate published by the Bank of Canada at the close of business on December 31, 2013 was $1.0636 (December 31, 2012 - $0.995) per US dollar. Based on the balances at December 31, 2013, net loss would change by approximately $281,000 (December 31, 2012 - $759,000) given a 5% increase or decrease in the US dollar to Canadian dollar.

Interest rate risk management

The Corporation's overall exposure to the risk of changes in market interest rates relates primarily to its bank current account balances and short-term marketable securities. At prevailing market interest rates, the impact on interest income is minimal.

Credit risk management

The Corporation's main credit risk arises from its cash deposits with banks. The majority of the Corporation's cash and cash equivalent balances are with a major Canadian chartered bank. The

Corporation limits its counterparty credit risk on its deposits by dealing only with highly rated financial institutions.

17. CATEGORIES OF FINANCIAL INSTRUMENTS

	Financial Instrument Classification	Dec 31, 2013	Dec 31, 2012
Financial assets			
Cash and cash equivalents	Loans and receivables	$ 8,031,855	$ 17,800,890
Short term deposits	Loans and receivables	-	4,975,000
Restricted cash	Loans and receivables	778,313	212,353
Receivables	Loans and receivables	28,979	361,386
Financial liabilities			
Accounts payable and accrued liabilities	Other financial liabilities	$ 1,579,528	$ 1,677,517

The carrying amount of each of the financial instruments represents the fair value thereof.

18. SUBSEQUENT EVENTS

On March 24, 2014, the Corporation exercised the Lease Option in the Exploration Agreement to convert into a long-term mining lease (note 15). The Corporation made an initial payment to SITLA of US$200,000 and has 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 has agreed to pay a finance charge of 5.75% per annum on the outstanding balance during this three year period.

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.