CRYSTAL PEAK MINERALS INC.

UNAUDITED*
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2017 and 2016

*Notice of Disclosure of Non-Auditor Review of Interim Financial Statements

Pursuant to Ontario Securities Act National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, the interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Crystal Peak Minerals Inc. ('the Company') for the interim periods ended March 31, 2017 and 2016 have been prepared in accordance with IAS 34, Interim Financial Reporting and are the responsibility of the Company's management.

The Company's independent auditors, PricewaterhouseCoopers, LLP, have not performed a review of these interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

May 18, 2017

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying interim consolidated financial statements (the “Financial Statements”) of Crystal Peak Minerals (the “Company”) are the responsibility of the Company’s Board of Directors and management. These Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the Financial Statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances. In the opinion of management, the Financial Statements have been prepared within acceptable limits of materiality and are consistent with IFRS appropriate in the circumstances.

Management has established processes that are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that: (i) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the Financial Statements; and (ii) the Financial Statements fairly present in all material respects the Company’s financial condition, results of operations, and cash flows, as of the date of, and for the period presented by, the Financial Statements.

The Board of Directors is responsible for reviewing and approving the Financial Statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the Financial Statements, and the auditors’ report. The Audit Committee also reviews the Company’s Management Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the Financial Statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Financial Statements for issuance to the shareholders.

Management recognizes its responsibility for conducting CPM’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Lance D’Ambrosio	*/s/ Blake Measom*
Lance D’Ambrosio, CEO	Blake Measom, CFO

Crystal Peak Minerals Inc.
(An Exploration-Stage Entity)
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2017 and December 31, 2016
(Unaudited and Expressed in US Dollars)

As at		March 31, 2017		December 31, 2016
ASSETS				
Current				
Cash and cash equivalents	$	3,721,535	$	5,900,798
Receivables		1,524		26,864
Prepaid expenses		15,000		15,000
		3,738,059		5,942,662
Non-current				
Property, plant and equipment		131,926		142,470
Interest in mineral properties (Note 4)		55,780,596		53,816,347
Investment in associate		6,128,939		6,121,200
	$	**65,779,520**	**$**	**66,022,679**
LIABILITIES				
Current				
Trade and other payables		1,479,845		1,371,909
		1,479,845		1,371,909
Non-current				
Repurchase obligation (Note 5)		761,996		685,648
Provisions		219,342		203,460
		2,461,183		2,261,017
Shareholders' Equity				
Voting common shares (Note 6)		73,297,794		73,297,794
Non-voting common shares (Note 6)		906,574		906,574
Share purchase warrants (Note 6)		37,717		37,717
Contributed surplus		6,332,401		6,311,022
Accumulated deficit		(16,776,386)		(16,301,579)
Foreign Currency Translation Reserve		(479,763)		(489,866)
		63,318,337		63,761,662
	$	**65,779,520**	**$**	**66,022,679**

Nature of Operations and Going Concern (Note 1)

The accompanying notes are an integral part of these Financial Statements.

Crystal Peak Minerals Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2017 and 2016
(Unaudited and Expressed in US Dollars)

	3 Months Ended			
		March 31, 2017		March 31, 2016
EXPENSES				
General and administrative	$	238,054	$	195,011
Depreciation		1,103		1,761
Investor relations		70,528		28,616
Professional fees		60,855		167,711
Share-based compensation		15,733		15,276
		(386,273)		(408,375)
OTHER ITEMS				
Interest income		4,806		156
Finance expenses (Note 7)		(76,348)		(175,118)
Foreign exchange gain (loss)		(16,992)		246,131
Net loss before income taxes		(474,807)		(337,206)
Income tax		-		-
Net loss for the year	$	(474,807)	$	(337,206)
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment		10,103		(219,308)
Comprehensive loss for the year	$	(464,704)	$	(556,514)
Basic and diluted loss per share (Note 9)	$	-	$	-
Weighted average number of		193,586,531		146,450,071

The accompanying notes are an integral part of these Financial Statements.

Crystal Peak Minerals Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2017 and 2016
(Unaudited and Expressed in US Dollars)

	Voting common	Non-voting common	Share purchase warrants	Contributed surplus	Accumulated deficit	Foreign Currency Translation Reserve	Total shareholders' equity
Balance as at January 1, 2017	**$ 73,297,794**	**$ 906,574**	**$ 37,717**	**$ 6,311,022**	**$ (16,301,579)**	**$ (489,866)**	**$ 63,761,662**
Foreign currency translation adjustment	-	-	-	-	-	10,103	10,103
Net loss for the period ended March 31, 2017	-	-	-	-	(474,807)	-	(474,807)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(474,807)**	**10,103**	**(464,704)**
Share-based compensation	-	-	-	21,379	-	-	21,379
Equity issued pursuant to private placement	-	-	-	-	-	-	-
Balance as at March 31, 2017	**$ 73,297,794**	**$ 906,574**	**$ 37,717**	**$ 6,332,401**	**$ (16,776,386)**	**$ (479,763)**	**$ 63,318,337**
Balance as at January 1, 2016	**$ 56,956,533**	**$ 906,574**	**$ 1,265,898**	**$ 6,004,673**	**$ (14,455,063)**	**$ 71,111**	**$ 50,749,726**
Foreign currency translation adjustment	-	-	-	-	-	(219,308)	(219,308)
Net loss for the period ended March 31, 2016	-	-	-		(337,206)	-	(337,206)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(337,206)**	**(219,308)**	**$ (556,514)**
Share-based compensation	-	-	-	20,699	-	-	20,699
Equity issued pursuant to private placement	-	-	-	-	-	-	-
Balance as at March 31, 2016	**$ 56,956,533**	**$ 906,574**	**$ 1,265,898**	**$ 6,025,372**	**$ (14,792,269)**	**$ (148,197)**	**$ 50,213,911**

The accompanying notes are an integral part of these Financial Statements.

Crystal Peak Minerals Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2017 and 2016
(Unaudited and Expressed in US Dollars)

	Three Months Ended	
	March 31, 2017	March 31, 2016
OPERATING ACTIVITIES		
Net income (loss) before income tax	$ (474,807)	$ (337,206)
Adjustments for:		
Depreciation	1,103	1,761
Share-based compensation	15,733	15,276
Accretion of repurchase obligation (Note 9)	76,348	76,348
Net currency translation adjustment	(7)	(280,788)
Changes in working capital:		
Receivables	25,340	(10,023)
Prepaid expenses	-	4,283
Trade and other payables	263,390	(66,774)
Operating cash flows before interest and income taxes	(92,900)	(597,123)
Interest Paid	-	98,770
Net cash used in operating activities	**(92,900)**	**(498,353)**
INVESTING ACTIVITIES		
Additions to property, plant and equipment	-	(5,641)
Additions to mineral properties	(2,086,363)	(1,149,597)
Net cash used in investing activities	(2,086,363)	(1,155,238)
Net change in cash and cash equivalents	(2,179,263)	(1,653,591)
Effect of exchange rate changes in foreign cash	-	24,364
Cash and cash equivalents, beginning of period	5,900,798	2,566,557
Cash and cash equivalents, end of period	$ 3,721,535	$ 937,330

The accompanying notes are an integral part of these Financial Statements.

Note 1. Nature of Operations and Going Concern

Crystal Peak Minerals Inc. ("CPM" or the "Company") is a public company listed on the TSX Venture Exchange. CPM's common shares trade on the TSX Venture Exchange under the symbol "CPM". CPM's common shares also trade on the OTCQX International under the symbol "CPMMF". CPM is domiciled in the Yukon Territory, Canada, and the address of its registered office is 200 – 204 Lambert Street, Whitehorse, Yukon Territory, Y1A 3T2.

CPM, together with its subsidiaries, operates an exploration-stage entity focused on the development, construction and operation of a potassium sulfate ("SOP") project on the Sevier Playa in southwestern Utah (the "Sevier Playa Project"). CPM is currently engaged in engineering, permitting, and financing activities on the Sevier Playa Project with the objective of providing a feasibility study and reserve estimates in accordance with the standards of Canadian National Instrument 43-101, *Standards of Disclosure for Mineral Projects*. CPM completed a preliminary feasibility study (the "PFS") on the Sevier Playa Project in November 2013; however, although a PFS has been completed, no claim for mineral reserves has been made at this time pending additional testing being conducted during the Sevier Playa Project's feasibility study phase.

These condensed interim consolidated financial statements (the "Financial Statements") are prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern. These standards assume CPM will be able to continue to operate for the foreseeable future, realize its assets, and settle its liabilities in the normal course of operations. The use of these principles may ultimately be inappropriate since there are material uncertainties that may cast significant doubt about CPM's ability to continue as a going concern given its history of losses, accumulated deficit, limited operating history in the fertilizer sector, and dependence upon future financing. CPM's future is currently dependent upon its ability to obtain sufficient cash from external financing and related parties in order to fund its liabilities, ongoing feasibility study work and ultimate project development and construction. Management continues to pursue financing alternatives in connection with the evaluation and development of the Sevier Playa Project. Although CPM has been successful in raising funds in prior reporting periods, there can be no assurance that the steps management is taking, and will continue to take, will be successful in future reporting periods. If the going concern basis were not appropriate, material adjustments may be necessary in the carrying amounts and/or classification of assets and liabilities and losses reported in these Financial Statements.

Note 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all periods presented.

Basis of Preparation

These Financial Statements have been prepared in compliance with IFRS as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting. Further, the Financial Statements have been prepared, primarily, under the historical cost convention.

These Financial Statements include the Company's accounts and those of its wholly owned subsidiary, Peak Minerals Canada Limited ("Peak Minerals Canada"). Peak Minerals Canada's accounts include those of its wholly owned United States (U.S.) subsidiary, Peak Minerals Inc. ("Peak Minerals"). All intercompany accounts and transactions have been eliminated on consolidation. All amounts, unless specifically indicated otherwise, are presented in U.S. dollars.

These Financial Statements were authorized for issuance on May 18, 2017 by the Board of Directors. These Financial Statements should be read in conjunction with the audited Annual Consolidated Financial Statements for the year ended December 31, 2016, which were also prepared in accordance with IFRS.

Foreign Currency Translation

Functional Currency

In January, the Company completed an analysis of its functional currency in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*. Based on this analysis the Company concluded that its business has changed such that the majority of its transactions are now carried out in US dollars ("USD"). Accordingly, the Company changed its functional currency from Canadian dollars to USD, effective January 1, 2017.

Transactions that occur in a foreign currency are translated and recorded into the functional currency (USD) using the exchange rates prevailing at the date of the transaction. Foreign exchange gains that result from the settlement of transactions are recognized in the Consolidated Statement of Loss.

Changes in Accounting Policy and Disclosures

New Standards and Interpretations Not Yet Adopted

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7, *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. This standard becomes effective for annual periods beginning on or after January 1, 2018, and management does not currently anticipate the early adoption of the standard.

On January 13, 2016, the IASB issued IFRS 16 which supersedes existing standards and interpretations under IAS 17, Leases. IFRS 16 requires all leases, including financing and operating leases, to be reported on a company's balance sheet. The new standard will provide greater transparency on a company's lease assets and liabilities. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 16 on the consolidated financial statements.

IFRS 2, *Share-based Payment*, will be amended to address (i) certain issues related to the accounting for cash settled awards, and (ii) the accounting for equity settled awards that include a "net settlement" feature in respect of employee withholding taxes. IFRS 2 is effective for years beginning on or after January 1, 2018. The Company is currently assessing the impact of adopting IFRS 2 on the consolidated financial statements.

Note 3. Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In preparing these Interim Financial Statements, the significant judgments made by management in applying CPM's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended December 31, 2016.

(Unaudited and Expressed in US Dollars)

Note 4. Interest in Mineral Properties

The interest in mineral properties balance consists of:

	Acquisition costs	Planning and design	Field operations and expenses	Legal costs and environmental obligations	Technical reports and permitting activities	Total
As at January 31, 2016						
Cost	$ 22,812,227	$ 656,302	$ 10,046,222	$ 1,197,517	$ 12,161,951	$ 46,874,219
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**22,812,227**	**656,302**	**10,046,222**	**1,197,517**	**12,161,951**	**46,874,219**
Year Ended December 31,						
Opening net book amount	22,812,227	656,302	10,046,222	1,197,517	12,161,951	46,874,219
Additions	503,137	2,499	1,067,095	101,266	5,259,217	6,933,214
Exchange differences	8,914	-	-	-	-	8,914
Closing net book amount	**23,324,278**	**658,801**	**11,113,317**	**1,298,783**	**17,421,168**	**53,816,347**
As at December 31, 2016						
Cost	23,324,278	658,801	11,113,317	1,298,783	17,421,168	53,816,347
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**$ 23,324,278**	**$ 658,801**	**$ 11,113,317**	**$ 1,298,783**	**$ 17,421,168**	**$ 53,816,347**
As at January 1, 2017						
Cost	$ 23,324,278	$ 658,801	$ 11,113,317	$ 1,298,783	$ 17,421,168	$ 53,816,347
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**23,324,278**	**658,801**	**11,113,317**	**1,298,783**	**17,421,168**	**53,816,347**
Period ended March 31, 2017						
Opening net book amount	23,324,278	658,801	11,113,317	1,298,783	17,421,168	53,816,347
Additions	-	-	191,112	39,087	1,731,731	1,961,930
Exchange differences	2,319	-	-	-	-	2,319
Closing net book amount	**23,326,597**	**658,801**	**11,304,429**	**1,337,870**	**19,152,899**	**55,780,596**
As at March 31, 2017						
Cost	23,326,597	658,801	11,304,429	1,337,870	19,152,899	55,780,596
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**$ 23,326,597**	**$ 658,801**	**$ 11,304,429**	**$ 1,337,870**	**$ 19,152,899**	**$ 55,780,596**

(Unaudited and Expressed in US Dollars)

Note 5. Borrowings and Related Financial Liabilities

The borrowings and related financial liabilities balance consists of:

As at		March 31, 2017		December 31, 2016
Repurchase obligation		761,996		685,648
Total	**$**	**761,996**	**$**	**685,648**

On May 2, 2014, CPM entered into a secured credit agreement with Extract Advisors, LLC and its affiliate, Extract Capital LP (together "Extract"), for a $2,500,000 loan (the "Extract Loan"). The Extract Loan had a term of 60 months, with 95% of the outstanding principal and interest coming due on May 2, 2016. The Extract Loan was repaid in May 2016, and the security was released. In conjunction with the Extract Loan, CPM issued Extract 1,500,000 common shares and 750,000 common share purchase warrants (the "Extract Warrants"). The Extract Warrants have an exercise price of C$0.36 per common share and are exercisable until May 2, 2019. CPM also provided Extract with a production fee of $1.70/tonne of production of SOP. The production fee may be repurchased at any time by CPM for $1,500,000. CPM estimated the current value of this obligation to be $761,966 at March 31, 2016 (December 31, 2016 - $685,648) based on an anticipated repayment date of August 2019.

Note 6. Share Capital

Authorized

CPM authorized capital consists of unlimited voting common shares without par value, unlimited non-voting common shares without par value and unlimited preference shares without par value.

Voting and non-voting common shares

	Number of shares issued		Share capital			
	Voting common	Non-voting common		Voting common		Non-voting common
Balance as at December 31, 2015	**146,450,071**	**2,791,947**	**$**	**56,956,533**	**$**	**906,574**
Equity issued pursuant to private placement	12,620,331	-		4,090,537		-
Equity issued pursuant to warrants exercise	34,516,129	-		12,814,475		-
Share issue costs	-	-		(563,751)		-
Balance as at December 31, 2016	**193,586,531**	**2,791,947**		**73,297,794**	**$**	**906,574**
Equity issued pursuant to private placement	-	-		-		-
Share issue costs	-	-		-		-
Balance as at March 31, 2017	**193,586,531**	**2,791,947**	**$**	**73,297,794**	**$**	**906,574**

On May 29, 2015, CPM closed a private placement with EMR Capital Resources Fund 1, LP ("EMR"), pursuant to which CPM issued EMR 34,516,129 units at C$0.30 per unit for gross proceeds of $8,306,652 (C$10,354,839), with each unit being comprised of one common share and one common share purchase warrant (the "EMR Warrants"). Each of the 34,516,129 EMR Warrants entitled EMR to subscribe for one common share at a price of C$0.4243 per common share until May 29, 2017. The allocated fair value of the common shares was $7,036,983. CPM incurred transaction costs totaling $514,813, of which $436,124 was allocated to common shares and $78,689 was allocated to the EMR Warrants. The transaction costs included a 4% success fee of $332,267 paid to an advisor, as well as legal and other professional fees.

On May 3, 2016, EMR exercised the 34,516,129 EMR Warrants at C$0.4243 per common share for gross proceeds of $11,544,806 (C$14,645,194). The allocated fair value of the EMR Warrants was $1,269,669 (C$1,582,734). On May 25, 2016, CPM closed a private placement with EMR, pursuant to which CPM issued EMR 12,620,331 common shares at C$0.4243 per unit for gross proceeds of $4,090,537 (C$5,354,806).

(Unaudited and Expressed in US Dollars)

For the private placement with EMR, CPM incurred transaction costs in the amount of $563,751 which included a 4% success fee paid to an advisor.

Share purchase warrants

On May 29, 2015, in connection with the private placement with EMR, CPM issued 34,516,129 EMR Warrants to EMR. Each EMR Warrant entitled EMR to subscribe for one common share at a price of C$0.4243 per common share until May 29, 2017. The EMR Warrants were exercised on May 3, 2016.

The allocated fair value of the EMR Warrants was $1,269,669 (C$1,582,734). The following table outlines the assumptions used to calculate the fair value of the EMR Warrants:

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.32
Exercise price per common share	C$0.4243
Risk-free interest rate	0.57%
Expected volatility	69.75%
Expected dividend yield	0%
Expected life (years)	1.00

In conjunction with the Extract Loan, CPM issued 750,000 Extract Warrants to Extract. Each Extract Warrant entitles the holder to acquire one voting common share at a price of C$0.36 per common share until May 2, 2019.

The fair values of the Extract Warrants were used to determine the Financing proceeds allocated to the equity components based on relative fair values. The proceeds allocated to the Extract Warrants issued in conjunction with the Financing totaled $37,717, net of tax effects.

The following is a summary of the common share purchase warrants outstanding as at March 31, 2017:

	Weighted average remaining contractual life (yrs)	**Number of share purchase warrants**	**Weighted average exercise price (C$)**
Extract Warrants	2.09	750,000	$ 0.36
Share purchase warrants outstanding, end of period	**2.09**	**750,000**	**$ 0.36**

Share purchase options

CPM has a stock option plan (the "Option Plan") whereby the Board of Directors may grant to directors, officers, employees or consultants options to acquire common shares. The Board of Directors has the authority to determine the limits, restrictions and conditions of common share option grants, and to make all decisions and interpretations relating to the Option Plan. The maximum number of common shares that may be reserved for issuance shall not exceed 10% of the Company's outstanding common shares at the time of grant. Furthermore, the maximum number of common shares that may be reserved for issuance to any one optionee shall not exceed 5% of the Company's outstanding common shares at the time of grant, excepting consultants and investor relations persons which shall not exceed 2% of the Company's outstanding common shares.

The term of any common share option granted may not exceed five years and the exercise price may not be lower than the closing price of CPM's common shares on the last trading day immediately preceding the date of grant, less any discounts from the closing price allowed by the TSX Venture Exchange. Vesting conditions vary based on the circumstances of the option grant.

(Unaudited and Expressed in US Dollars)

The following table reflects the continuity of common share options for the three months ended March 31, 2017 and March 31, 2016.

	March 31, 2017			March 31, 2016		
	Number of options		Weighted average exercise price (C$)	Number of options		Weighted average exercise price (C$)
Balance, beginning of period	**12,277,076**	**$**	**0.47**	**10,023,975**	**$**	**0.54**
Granted, Forfeited, or Expired	-		-	-		-
Balance, end of period	**12,277,076**	**$**	**0.47**	**10,023,975**	**$**	**0.54**
Exercisable share purchase options	**9,385,410**	**$**	**0.48**	**7,232,255**	**$**	**0.60**

A summary of CPM's common share options outstanding as at March 31, 2017 is as follows:

Exercise price per share (C$)	Weighted average remaining contractual life (yrs)	Number of share purchase options		Weighted average exercise price (C$)
< $0.50	**3.034**	11,352,076	$	0.42
0.51 - 1.00	**-**	-		-
1.01 - 1.50	**0.014**	925,000		1.04
Share purchase options outstanding, end of period	**2.806**	**12,277,076**	**$**	**0.47**

On December 5, 2016, CPM granted 300,000 options to the newly appointed Chief Financial Officer. All options are exercisable over a period of five years at a price of C$0.45 per common share and shall vest in three equal annual installments on the first, second, and third anniversaries of the option grant.

The fair value of the options granted December 5, 2016 was estimated on the date of grant using the Black-Scholes option pricing model. The Company assumed a 3.18% forfeiture rate based on historical forfeitures and the following table outlines the weighted average assumptions used to calculate the fair value:

(Unaudited and Expressed in US Dollars)

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.35
Exercise price per common share	C$0.45
Risk-free interest rate	0.86%
Expected volatility	83.31%
Expected dividend yield	0%
Expected life (years)	3.56

On August 18, 2016, CPM granted 2,515,937 options to CPM directors, 600,000 options to consultants to CPM, and 300,000 options to CPM employees. All options are exercisable over a period of five years at a price of C$0.45 per common share.

The fair value of the options granted August 18, 2016 was estimated on the date of grant using the Black-Scholes option pricing model. The Company assumed a 3.57% forfeiture rate based on historical forfeitures and the following table outlines the average assumptions used to calculate the fair value:

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.23
Exercise price per common share	C$0.45
Risk-free interest rate	0.94%
Expected volatility	108.16%
Expected dividend yield	0%
Expected life (years)	3.87

Share based compensation for the three months ended March 31, 2017 was $21,379 (three months ended March 31, 2016 $20,699), of which $15,733 (three months March 31, 2016 - $15,276) was expensed in the Consolidated Statement of Loss and $5,646 (three months ended March 31, 2016 - $11,755) was capitalized in mineral properties. The offsetting credit was recorded as contributed surplus.

Note 7. Finance Expense

Finance expenses for the period were as follows:

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
Interest expense	$ -	$ 98,770
Accretion expense	76,348	76,348
Total finance expenses	**$ 76,348**	**$ 175,118**

(Unaudited and Expressed in US Dollars)

Note 8. Income Taxes

CPM did not have any transactions during the three months ended March 31, 2017 that triggered the recognition of an income tax recovery or income tax expense.

Note 9. Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of common shares outstanding during the period. CPM's loss per share for the three months ended March 31, 2017 was $nil (three months ended March 31, 2016 $nil) and was based on the loss attributable to common shareholders of $535,261 (three months ended March 31, 2016 – $337,206), and the weighted average number of common shares outstanding of 193,586,531 (three months ended March 31, 2016 – 146,450,071). The diluted loss per share did not include the effect of the following securities, as they are anti-dilutive:

As at	March 31, 2017	March 31, 2016
Number of share purchase warrants	750,000	36,316,129
Number of share purchase options	12,277,076	10,023,975
	13,027,076	**46,340,104**

Note 10. Related Party Transactions

CPM's related parties include CPM's subsidiaries, associates, executive and non-executive directors, senior officers (Chief Executive Officer and Chief Financial Officer), and entities controlled or jointly-controlled by directors or senior officers.

Emerald Peak

In 2011, Peak Minerals entered into a commercial agreement with Emerald Peak Minerals, LLC ("Emerald Peak") whereby both parties agreed to commit the acreage associated with certain state leases controlled by Emerald Peak to development and operation of the Sevier Playa Project by Peak Minerals. Lance D'Ambrosio, the Chief Executive Officer and a Director, and the Estate of Jeff Gentry, a former Director, own 60% of Emerald Peak and Peak Minerals owns the remaining 40%. Emerald Peak will make no payments for the development of these state leases and will receive no net revenues from the production from these state leases – all revenues and costs incurred under the Emerald Peak Agreement will be for the benefit of Peak Minerals. The contract commits Peak Minerals to pay Emerald Peak the greater of $40,000 per year or a 7.5% overriding royalty on all SOP production allocated to the state leases. During the three months ended March 31, 2017 and March 31, 2016, CPM did not make any payments to Emerald Peak in conjunction with this agreement. No accounts payable or receivable between the parties existed as at March 31, 2017 or March 31, 2016.

Key Management

During the three months ended March 31, 2017 and March 31, 2016, compensation paid or payable to key management personnel was as follows:

	Three Months Ended	
	March 31, 2017	March 31, 2016
Salaries and benefits	$ 134,582	$ 70,360
Contractor fees	-	25,500
Share-based compensation	10,796	8,868
Total key management compensation	**$ 145,378**	**$ 104,728**

(Unaudited and Expressed in US Dollars)

Note 11. Commitments and Contingencies

LUMA Minerals LLC

Effective July 15, 2011, Peak Minerals and LUMA entered into a cooperative development agreement (the LUMA Agreement) to develop additional federal leases on the Sevier Playa Project that CPM did not control. The LUMA Agreement added approximately 22,000 acres of additional leases to the lands controlled by CPM, bringing the Sevier Playa Project land package total to approximately 124,000 acres. LUMA won their leases as part of the federal Bureau of Land Management (BLM) competitive bidding process as second highest bidder when CPM was not permitted to acquire their leases on more than 96,000 acres, pursuant to federal law.

Under the LUMA Agreement, both parties will commit the acreage to development and operation by CPM. LUMA will make no payments for the development of its acreage and will receive no net revenues from the production from its acreage all revenues and costs will be for the benefit of CPM. The LUMA Agreement commits CPM to pay LUMA a 1.25% overriding royalty on all production from, or allocated to, the LUMA leases. In addition to the overriding royalty, the LUMA Agreement also grants LUMA the right to elect either: (i) a cash-only payment of $2,000,000; or (ii) the number of common shares in CPM equal in value to $1,000,000, plus $1,000,000 cash at closing. The closing is conditioned upon and subject to: (a) all necessary approvals of the shareholders and governing boards of Peak Minerals and/or CPM; (b) all necessary approvals of U.S. and Canadian governmental authorities, including securities and exchange and environmental regulatory bodies, BLM, and SITLA; and (c) all applicable stock exchange rules, regulations, and approvals.

The LUMA Agreement has been renewed annually with one-year extensions, the latest extending the agreement through July 15, 2017.

Office Lease

CPM leases office space located in Salt Lake City, Utah pursuant to a lease that expires on July 31, 2017. This lease has been accounted for as an operating lease.

The future minimum lease payments are as follows:

Minimum lease payments as at		**March 31, 2017**		**March 31, 2016**
Not later than 1 year	$	22,196	$	21,551
Later than 1 year but less than five years		-		-
	$	**22,196**	**$**	**21,551**

Note 12. Subsequent Events

Option Expiry

On April 5, 2017, all of the 925,000 stock options issued to employees on April 5, 2012 expired unexercised.