CRYSTAL PEAK MINERALS INC.
(Formerly EPM Mining Ventures Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Six Months Ended June 30, 2016 and 2015
(Unaudited)

August 18, 2016

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements (the "Interim Financial Statements") of Crystal Peak Minerals Inc. ("CPM") are the responsibility of the Board of Directors and management of CPM. These Interim Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") applicable to interim financial statements including International Accounting Standard 34 Interim Financial Reporting. Accordingly, these Interim Financial Statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with CPM's audited consolidated financial statements for the year ended December 31, 2015. Management acknowledges responsibility for the preparation and presentation of the Interim Financial Statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to CPM's circumstances. In the opinion of management, the Interim 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 Interim Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is 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 Interim Financial Statements; and (ii) the Interim Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of CPM, as of the date of, and for the period presented by, the Interim Financial Statements.

The Board of Directors is responsible for reviewing and approving the Interim 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 Interim Financial Statements and the auditors' report. The Audit Committee also reviews CPM's Management Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the Interim Financial Statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Interim 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.

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)
(An Exploration-Stage Entity)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited and Expressed in US Dollars)

As at	June 30, 2016	December 31, 2015
ASSETS		
Current		
Cash and cash equivalents	$ 10,986,167	$ 2,566,557
Receivables	21,351	23,544
Prepaid expenses	31,074	20,450
	11,038,592	2,610,551
Non-current		
Property, plant and equipment	169,503	193,730
Interest in mineral properties	48,573,357	46,874,219
Investment in associate	6,109,470	6,108,069
	$ 65,890,922	**$ 55,786,569**
LIABILITIES		
Current		
Trade and other payables	$ 349,572	$ 758,635
Interest payable	-	489,074
Current portion of borrowings	-	3,075,000
	349,572	4,322,709
Non-current		
Repurchase obligation	532,921	505,230
Provisions	225,024	208,905
	1,107,517	5,036,844
Shareholders' Equity		
Voting common shares	73,261,145	56,956,533
Non-voting common shares	906,574	906,574
Share purchase warrants	37,863	1,265,898
Contributed surplus	6,123,296	6,004,673
Accumulated deficit	(15,184,545)	(14,455,064)
Accumulated and other comprehensive (loss)	(360,928)	71,111
	64,783,405	50,749,725
	$ 65,890,922	**$ 55,786,569**

Nature of Operations and Going Concern (Note 1)

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

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Six Months Ended June 30, 2016
(Unaudited and Expressed in US Dollars)

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
EXPENSES				
General and administrative	$ 216,569	$ 220,686	$ 411,580	$ 397,369
Depreciation	1,570	2,249	3,331	4,592
Investor relations	57,625	80,255	86,241	90,524
Professional fees	159,476	106,433	327,187	167,440
Share-based compensation	12,146	2,563	27,422	40,293
	(447,386)	(412,186)	(855,761)	(700,218)
OTHER ITEMS				
Interest income	3,309	898	3,465	922
Finance expenses (Note 8)	(114,838)	(172,285)	(289,956)	(307,029)
Net income of equity method investee attributable to owners of CPM	-	(203)	-	(355)
Foreign exchange income (loss)	166,530	(43,492)	412,661	(325,393)
Loss on disposal of asset	108		108	-
Net loss before income taxes	(392,277)	(627,268)	(729,483)	(1,332,073)
Income tax recovery (Note 10)	-	-	-	-
Net loss for the period	$ (392,277)	$ (627,268)	$ (729,483)	$ (1,332,073)
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment	(212,731)	30,712	(432,039)	282,253
Comprehensive loss for the period	$ (605,008)	$ (596,556)	$ (1,161,522)	$ (1,049,820)
Basic and diluted loss per share (Note 9)	$ nil	$ nil	$ nil	$ (0.01)
Weighted average number of shares outstanding	173,802,561	124,071,482	159,974,358	118,036,241

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

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)
Condensed Interim Consolidated Statements of Changes in Equity
For the Six Months Ended June 30, 2016
(Unaudited and Expressed in US Dollars)

	Voting common	Non-voting common	Share purchase warrants	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
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	-	-	-	-	-	(432,039)	(432,039)
Net loss for the period ended June 30, 2016	-	-	-	-	(729,483)	-	(729,483)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(729,483)**	**(432,039)**	**(1,161,522)**
Share-based compensation	-	-	-	81,568	-	-	81,568
Equity issued pursuant to private placement	4,090,537	-	-	-	-	-	4,090,537
Equity issued pursuant to warrants exercised	12,767,323	-	(1,190,980)	-	-	-	11,576,343
Share issue costs	(553,248)	-	-	-	-	-	(553,248)
Expiry of warrants	-	-	(37,055)	37,055	-	-	-
Balance as at June 30, 2016	**$ 73,261,145**	**$ 906,574**	**$ 37,863**	**$ 6,123,296**	**$ (15,184,545)**	**$ (360,928)**	**$ 64,783,405**
Balance as at January 1, 2015	**$ 50,355,674**	**$ 906,574**	**$ 74,918**	**$ 5,830,517**	**$ (11,586,888)**	**$ (419,375)**	**$ 45,161,420**
Foreign currency translation adjustment	-	-	-	-	-	282,253	282,253
Net loss for the period ended June 30, 2015	-	-	-		(1,332,073)	-	(1,332,073)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(1,332,073)**	**282,253**	**(1,049,820)**
Share-based compensation	-	-	-	52,049	-	-	52,049
Equity issued pursuant to private placement	7,036,983	-	1,269,669	-	-	-	8,306,652
Share issue costs	(436,124)	-	(78,689)	-	-	-	(514,813)
Balance as at June 30, 2015	**$ 56,956,533**	**$ 906,574**	**$ 1,265,898**	**$ 5,882,566**	**$ (12,918,961)**	**$ (137,122)**	**$ 51,955,488**

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

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)
Condensed Interim Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2016
(Unaudited and Expressed in US Dollars)

	Six Months Ended	
	June 30, 2016	June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (711,011)	$ (1,332,073)
Adjustments for:		
Depreciation and amortization	3,331	4,592
Share-based compensation	27,422	40,293
Finance expense	-	219,189
Accretion	152,700	-
Net loss of equity method investee	-	355
Loss on disposal on asset	(108)	-
Interest income	(3,465)	(922)
Accrued interest payable	(471,185)	-
Unrealized foreign exchange (gain) loss	(395,868)	253,379
Changes in working capital:		
Receivables	3,158	22,273
Prepaid expenses	(10,718)	28,554
Trade and other payables	26,563	14,219
	(1,379,181)	(750,141)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(18,856)	(15,000)
Additions to mineral properties	(2,076,319)	(393,876)
Interest received	3,465	750
	(2,091,710)	(408,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement (Note 7)	4,090,536	8,306,651
Borrowings	(3,102,916)	-
Share issue costs	(689,638)	(514,812)
Proceeds on exercise of warrants (Note 7)	11,544,806	-
	11,842,788	7,791,839
Net change in cash and cash equivalents	8,371,897	6,633,572
Effect of exchange rate changes in foreign cash	47,712	44,741
Cash and cash equivalents, beginning of period	2,566,558	802,594
Cash and cash equivalents, end of period	$ 10,986,167	$ 7,480,907

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

Note 1. Nature of Operations and Going Concern

Crystal Peak Minerals Inc. ("CPM") is a public company listed on the TSX Venture Exchange. On June 25, 2015, CPM changed its name from "EPM Mining Ventures Inc." to "Crystal Peak Minerals Inc." 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 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 its 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 ("PFS") on the Sevier Playa Project in November 2013; but although a PFS has been completed, no claim for mineral reserves has been made at this time pending additional testing planned during the Sevier Playa Project's feasibility study phase.

These interim financial statements (the "Interim Financial Statements") are prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern that 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 is significant doubt about CPM's ability to continue as a going concern. Significant doubt may exist 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 CPM's 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 these losses reported in these Interim Financial Statements.

Note 2. Basis of Preparation

These Interim Financial Statements have been prepared in accordance with IFRS applicable to interim financial statements including International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") as issued by the International Accounting Standards Board (the "IASB"), and were approved by the Board of Directors on August 18, 2016. These Interim Financial Statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2015, which were also prepared in accordance with IFRS.

These Interim Financial Statements include the accounts of CPM and its wholly-owned subsidiary, Peak Minerals Canada Limited ("Peak Minerals Canada"). Peak Minerals Canada's accounts include those of its wholly-owned 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 United States ("US") dollars.

These Interim Financial Statements have been prepared under the historical cost convention, except in the case of fair value of certain items.

Note 3. Summary of Significant Accounting Policies

These Interim Financial Statements have been prepared using the same accounting policies and methods of application as those disclosed in Note 2 to CPM's audited consolidated financial statements for the year ended December 31, 2015.

New Standards and Interpretations Not Yet Adopted

The following standard is effective for annual periods beginning after January 1, 2018, and has not yet been applied in preparing these Interim Financial Statements: 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.

Note 4. Critical Accounting Estimates and Judgments

The preparation of 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 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, 2015.

(Unaudited and Expressed in US Dollars)

Note 5. 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 of January 1, 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**
Six months ended June 30, 2016						
Opening net book amount	22,812,227	656,302	10,046,222	1,197,517	12,161,951	46,874,219
Additions	(48,515)	450	485,075	101,570	1,142,089	1,680,669
Exchange differences	18,469	-	-	-	-	18,469
Closing net book amount	**22,782,181**	**656,752**	**10,531,297**	**1,299,087**	**13,304,040**	**48,573,357**
As of June 30, 2016						
Cost	22,782,181	656,752	10,531,297	1,299,087	13,304,040	48,573,357
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**$ 22,782,181**	**$ 656,752**	**$ 10,531,297**	**$ 1,299,087**	**$ 13,304,040**	**$ 48,573,357**

	Acquisition costs	Planning and design	Field operations and expenses	Legal costs and environmental obligations	Technical reports and permitting activities	Total
As of January 1, 2015						
Cost	$ 22,480,628	$ 654,167	$ 9,022,229	$ 1,150,588	$ 8,631,650	$ 41,939,262
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**22,480,628**	**654,167**	**9,022,229**	**1,150,588**	**8,631,650**	**41,939,262**
Six months ended June 30, 2015						
Opening net book amount	22,480,628	654,167	9,022,229	1,150,588	8,631,650	41,939,262
Additions	-	450	357,549	8,434	282,092	648,525
Exchange differences	(24,088)	-	-	-	-	(24,088)
Closing net book amount	**22,456,540**	**654,617**	**9,379,778**	**1,159,022**	**8,913,742**	**42,563,699**
As of June 30, 2015						
Cost	22,456,540	654,617	9,379,778	1,159,022	8,913,742	42,563,699
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**$ 22,456,540**	**$ 654,617**	**$ 9,379,778**	**$ 1,159,022**	**$ 8,913,742**	**$ 42,563,699**

(Unaudited and Expressed in US Dollars)

Note 6. Financial Liabilities

The financial liabilities balance consists of:

	June 30, 2016	December 31, 2015
Borrowings	$ -	$ 3,200,000
Repurchase obligation	532,921	380,230
Total financial liabilities	**$ 532,921**	**$ 3,580,230**

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"). In addition, CPM entered into a secured credit agreement with certain Directors (the "Financing Directors") for a $700,000 loan (the "Director Loans") and collectively with the Extract Loan, the ("Financing"). Under the terms of the Financing, CPM provided a perfected senior security interest in substantially all of CPM's assets.

The Extract Loan had a term of 60 months, with 95% of the outstanding principal and interest coming due on May 2, 2016, and had interest at a variable rate equal to the US dollar 12-month LIBOR plus 650 basis points ("bps") per annum calculated on the outstanding principal on a 360-day/year basis. At CPM's option, it elected to defer monthly interest at a rate of US dollar 12-month LIBOR plus 850 bps. LIBOR had a minimum of 200 bps for the purposes of the interest rate calculation.

The Extract Loan required mandatory repayment if CPM closed one or more debt or equity financings exceeding $100,000, or if CPM disposed of any secured assets outside the ordinary course of business. However, in an amendment to the original credit agreement, effective March 30, 2015, Extract agreed to waive the mandatory repayment covenant with respect to CPM's May 29, 2015 equity investment by EMR Capital Resources Fund 1, LP (see Note 7).

Additionally, CPM issued to the Extract lenders 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 the 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 $532,921 at June 30, 2016 (December 31, 2015 - $380,230).

The Director Loans had a term of 24 months, maturing on May 2, 2016. Interest accrued monthly in arrears and was computed on a monthly basis at US dollar 1-month LIBOR plus 175 bps ("Director's Rate") plus 850 bps per annum of the outstanding loan amount calculated on a 360-day/year basis. The Director's Rate had a minimum of 200 bps for calculation of the interest rate. Additionally, CPM issued the Financing Directors an aggregate of 1,050,000 common share purchase warrants (the "Director Warrants"). The Director Warrants had an exercise price of C$0.36 per common share and expired on May 2, 2016 unexercised.

The Director Loans required mandatory repayment if CPM closed one or more debt or equity financings or disposed of any secured assets outside the ordinary course of business. The Director Loans also had an amendment to the original credit agreement waiving the mandatory repayment covenant with respect to CPM's May 29, 2015 equity investment by EMR Capital Resources Fund 1, LP (see Note 7).

The fair value of the borrowings component was calculated using a discounted cash flows analysis with a discount rate of 62.5% and is within level 3 of the fair value hierarchy. The fair value of the repurchase obligation for the production fee arrangement was calculated using a discounted cash flows analysis with a discount rate of 62.5% and is within level 3 of the fair value hierarchy. The equity components of the Financing were recognized as the difference between the proceeds received from the Financing and the fair value of the liability component. Transaction costs of $359,182 were allocated to the liability and equity components in proportion to their initial carrying amounts.

(Unaudited and Expressed in US Dollars)

Interest payable assumes interest was capitalized under the terms of the Extract Loan and will be repayable at the maturity of the Financing. Under these terms, interest under the Extract Loan was calculated using an annual interest rate of 10.5%, which includes the LIBOR floor.

All of the borrowings and interest under the Financings were repaid in May, 2016.

Note 7. 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 January 1, 2014	**108,293,457**	**4,932,432**	**$ 49,420,471**	**$ 1,601,611**
Repurchase of voting shares in exchange for non-voting shares	(31,370,400)	31,370,400	(10,186,291)	10,186,291
Share conversions from non-voting to voting	33,510,885	(33,510,885)	10,881,328	(10,881,328)
Issuance of voting shares pursuant to credit agreement, net of tax effects	1,500,000	-	240,166	-
Balance as at December 31, 2014	**111,933,942**	**2,791,947**	**50,355,674**	**906,574**
Equity issued pursuant to private placement	34,516,129	-	7,036,983	-
Share issue costs	-	-	(436,124)	-
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	-	12,767,323	-
Share issue costs	-	-	(553,248)	-
Balance as at June 30, 2016	**193,586,531**	**2,791,947**	**$ 73,261,145**	**$ 906,574**

On May 3, 2016, EMR Capital Resources Fund 1, LP ("EMR"), exercised 34,516,129 warrants at C$0.42 per common share (the "EMR Warrants") for gross proceeds of $11,544,806 (C$14,645,194). The transaction costs included a 4% success fee totalling $452,654 paid to an advisor.

On May 25, 2016, CPM closed a private placement with EMR, pursuant to which CPM issued EMR 12,620,331 common shares at C$0.42 per unit for gross proceeds of $4,090,537 (C$5,354,806).

For the two transactions with EMR, CPM incurred transaction costs totaling $553,248.

(Unaudited and Expressed in US Dollars)

Share purchase warrants

On May 29, 2015, in connection with the private placement with EMR, CPM issued 34,516,129 EMR Warrants. Each EMR Warrant entitled EMR to subscribe for one common share at a price of C$0.42 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. 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. Each common share purchase 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 following table outlines the assumptions used to calculate the fair value of the Extract Warrants:

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.29
Exercise price per common share	C$0.36
Risk-free interest rate	1.11%
Expected volatility	61.51%
Expected dividend yield	0%
Expected life (years)	2.50

Further, in conjunction with the Director Loans, CPM issued 1,050,000 common share purchase warrants to the Financing Directors. Each common share purchase warrant entitled the holder to acquire one voting common share at a price of C$0.36 per share until May 2, 2016. The Director Warrants expired unexercised.

(Unaudited and Expressed in US Dollars)

The following table outlines the assumptions used to calculate the fair value of the Director Warrants:

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.29
Exercise price per common share	C$0.36
Risk-free interest rate	1.07%
Expected volatility	68.98%
Expected dividend yield	0%
Expected life (years)	1.00

The fair values of the warrants issued to Extract and the Financing Directors were used to determine the Financing proceeds allocated to the equity components based on relative fair values. The proceeds allocated to the common share purchase warrants issued in conjunction with the Financing totaled $74,918, net of tax effects of $32,108.

The following is a summary of the common share purchase warrants outstanding as at June 30, 2016:

	Weighted average remaining contractual life (yrs)	**Number of share purchase warrants**	**Weighted average exercise price (C$)**
Financing warrants	2.8	750,000	$ 0.36
Share purchase warrants outstanding, end of period	**2.84**	**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 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 outstanding common shares at the time of grant, excepting consultants and investor relations persons which shall not exceed 2% of the 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 six months ended June 30, 2016 and June 30, 2015.

	June 30, 2016			June 30, 2015		
	Number of options		Weighted average exercise price (C$)	Number of options		Weighted average exercise price (C$)
Balance, beginning of period	**46,340,104**	**$**	**0.45**	**7,676,632**	**$**	**0.61**
Exercised/Released	(34,516,129)		0.42			
Granted	-		-	-		-
Forfeited	-		-	(245,945)		0.40
Expired	(1,050,000)		0.36	(489,821)		1.04
Balance, end of period	**10,773,975**	**$**	**0.53**	**6,940,866**	**$**	**0.61**
Exercisable share purchase options	**7,907,308**	**$**	**0.57**	**5,639,361**	**$**	**0.66**

A summary of CPM's common share options outstanding as at June 30, 2016 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	**3.1**	8,573,975	$	0.41
$0.51 - $1.50	**0.8**	925,000	$	1.04
$1.51 - $2.00	**0.2**	525,000	$	1.81
Share purchase options outstanding, end of period	**3.0**	**10,023,975**	**$**	**0.54**

Share based compensation for the six months ended June 30, 2016 was $36,685 (six months ended June 30, 2015 – $52,049), of which $27,422 (six months ended June 30, 2015 - $40,293) was expensed in the consolidated statement of loss and $9,263 (six months ended June 30, 2015 - $11,756) was capitalized in mineral properties. The offsetting credit was recorded as contributed surplus.

(Unaudited and Expressed in US Dollars)

Note 8. Finance Expense

Finance expenses for the period were as follows:

		June 30, 2016		June 30, 2015
Interest expense	$	38,487	$	95,937
Accretion		76,351		76,348
Total finance expenses	**$**	**114,838**	**$**	**172,285**

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 six months ended June 30, 2016 was $nil (three and six months ended June 30, 2015 - $0.01) and was based on the loss attributable to common shareholders of $173,802,561 and 159,974,358 respectively (three and six months ended June 30, 2015 – $627,268 and 1,332,073 respectively), and the weighted average number of common shares outstanding of 173,802,561 and 159,974,358 respectively (three and six months ended June 30, 2015 – 124,071,482 and 118,036,241). The diluted loss per share did not include the effect of the following securities as they are anti-dilutive:

As at	June 30, 2016	June 30, 2015
Number of share purchase warrants	750,000	36,316,129
Number of share purchase options	10,023,975	6,940,866
	10,773,975	**43,256,995**

Note 10. Income Taxes

CPM did not have any transactions during the six months ended June 30, 2016 that triggered the recognition of an income tax recovery or income tax expense.

Note 11. 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 CPM Directors or senior officers.

Emerald Peak

In 2011, Peak Minerals entered into the Commercial Agreement with Emerald Peak. 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 the 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 six months ended June 30, 2016 and June 30, 2015, CPM did not make any payments Emerald Peak in conjunction with the Emerald Peak Agreement. No accounts payable or receivable between the parties existed as at June 30, 2016 or June 30, 2015.

(Unaudited and Expressed in US Dollars)

Officers and Directors

During the three and six months ended June 30, 2016 and June 30, 2015, compensation paid or payable to senior officers and Directors was as follows:

	Three months ended				Six months ended			
		June 30, 2016		**June 30, 2015**		**June 30, 2016**		**June 30, 2015**
Short-term salaries and benefits	$	48,558	$	71,226	$	97,223	$	192,901
Contractor fees	$	25,500	$	-	$	51,000	$	-
Share-based compensation		7,021		(1,193)		15,689		189,386
Total key management compensation	**$**	**81,079**	**$**	**70,033**	**$**	**163,912**	**$**	**382,287**

Lance D'Ambrosio, the Chief Executive Officer and a Director and certain other Directors participated in the Director Loans. Under the terms of the Director Loans the Financing Directors were issued 1,050,000 Director Warrants. The Director Loans were repaid in May 2016 and the Director Warrants expired unexercised. Interest paid on the Director loans in the three and six months ended June 30, 2016 were $7,183 and 26,084 (three and six months ended June 30, 2015 - $nil and $nil).

Note 12. Commitments and Contingencies

LUMA Minerals LLC

In July 2011, Peak Minerals entered into a Cooperative Development Agreement with LUMA to develop the additional Federal Leases on the Sevier Playa Project that CPM did not control (the "LUMA Agreement"). LUMA won these leases as part of the competitive bidding process by the federal Bureau of Land Management ("BLM") when CPM was not permitted to lease 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 contract commits CPM to pay LUMA a 1.25% overriding royalty on all production from, or allocated to, the LUMA leases. The contract also grants LUMA the right, in addition to the overriding royalty, 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 Utah School and Institutional Trust Lands Administration (SITLA); and (c) all applicable stock exchange rules, regulations and approvals.

The LUMA Agreement added approximately 22,012 acres of additional leases to the lands controlled by CPM, bringing the Sevier Playa Project land package total to approximately 124,223 acres.

(Unaudited and Expressed in US Dollars)

On June 27, 2012, but effective as of June 15, 2012, CPM executed a 12-month extension of the LUMA Agreement. On June 5, 2013, but effective June 15, 2013, CPM executed a second 12-month extension of the LUMA Agreement, thereby extending its term from July 15, 2013 to July 15, 2014. On June 13, 2014, but effective June 15, 2014, CPM executed a third 12-month extension of the LUMA Agreement, thereby extending its term from July 15, 2014 to July 15, 2015. On June 15, 2016, CPM executed a fourth 12-month extension of the LUMA Agreement, thereby extending its term from July 15, 2016 to 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 operating leases.

The future minimum lease payments are as follows:

Minimum lease payments as at	**June 30, 2016**
Not later than 1 year	$ 60,934
Later than 1 year but less than five years	5,539
	$ 66,473