

CRYSTAL PEAK MINERALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2017

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This Management Discussion and Analysis (MD&A) of Crystal Peak Minerals Inc. (CPM) formerly EPM Mining Ventures Inc. or (EPM) together with its subsidiaries (collectively the Company), is dated May 18, 2017 and provides an analysis of the Company's performance and financial condition for the three months ended March 31, 2017. CPM is listed on the TSX Venture Exchange and its common shares trade under the symbol CPM. The Company's common shares also trade on the OTCQX International under the ticker symbol CPMMF.

This MD&A should be read in conjunction with the Company's unaudited interim consolidated financial statements (the Financial Statements) for the three months ended March 31, 2017 and March 31, 2016, including the related note disclosures.

The Company's Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statements have been prepared under the historical cost convention, except in the case of fair value of certain items, and unless specifically indicated otherwise, are presented in United States dollars. The Financial Statements, along with Certifications of Annual and Interim Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Michael Blois, MBL Pr. Eng., is the Qualified Person in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) who is responsible for the mineral processing and metallurgical testing, recovery methods, infrastructure, capital cost, and operating cost estimates described in this MD&A. Mr. Blois is an independent consultant contracted by the Company.

Lawrence D. Henchel, P. Geo., Vice President Geological Services with Norwest Corporation, is the Qualified Person in accordance with NI 43-101 who is responsible for the resource estimate in this MD&A. Mr. Henchel is an independent consultant contracted by the Company.

Michael Hardy, P. Eng., President with Agapito Associates, Inc., is the Qualified Person in accordance with NI 43-101 who is responsible for the mining methods described in this MD&A. Mr. Hardy is an independent consultant contracted by the Company.

Scott Effner, P.G., Principal Geochemist/Hydrogeologist with Whetstone Associates, is the Qualified Person in accordance with NI 43-101 who is responsible for the hydrogeological modeling content in this MD&A. Mr. Effner is an independent consultant contracted by the Company.

David Waite, P.E., Senior Engineer with CH2M HILL is the Qualified Person in accordance with NI 43-101 who is responsible for the environmental and permitting content of this MD&A. Mr. Waite is an independent consultant contracted by the Company.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements related to activities, events or developments that the Company expects or anticipates will or may occur in the future, including, without limitation: statements related to the release of a feasibility study; the economic analysis of the Sevier Playa Project in southwestern Utah (the "Sevier Playa Project"); mineral resource estimates; the permitting process; environmental assessments; business strategy; objectives and goals; and development of the Sevier Playa Project. Forward-looking statements are provided to allow readers the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating the Company.

Forward-looking information is often identified by the use of words such as "plans", "planning", "planned", "expects" or "looking forward", "does not expect", "continues", "scheduled", "estimates", "forecasts", "intends", "potential", "anticipates", "does not anticipate", or "belief", or describes a "goal", or variation of such words and phrases or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is based on a number of factors and assumptions made by management and considered reasonable at the time such information is provided. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements to be materially different from those expressed or implied by the forward-looking information.

This MD&A contains information taken from a technical report titled "NI 43-101 Technical Report Preliminary Feasibility Study of the Sevier Lake Playa Sulphate of Potash Project Millard County, Utah" filed on November 18, 2013 and dated effective October 25, 2013 (the "PFS"). The PFS is, by definition, preliminary in nature and should be considered speculative. It is based upon a process flow sheet that may change, which would impact all costs and estimates. Operating costs for the Sevier Playa Project were based upon assumptions including future energy costs, natural gas costs, water costs, labor, and other variables that are likely to change. Capital costs were based upon a list of equipment thought to be necessary for production and are likely to change. Sulfate of potash ("SOP") price forecasts were based upon third-party estimates and management assumptions that may change due to market dynamics. The mineral resource estimates were based upon assumptions outlined in the "Brine Resource" section. Some figures were calculated using a factor to convert short tons to metric tonnes. Changes in estimated costs to acquire, construct, install, or operate the equipment, or changes in projected pricing, may adversely impact project economics.

Among other factors, the Company's inability to complete further mineral resource and mineral reserve estimates; the inability to complete a feasibility study; the inability to obtain sufficient playa recharge; the inability to anticipate changes in brine volume or grade due to recharge or other factors; changes to the economic analysis; the failure to obtain necessary permits to develop the Sevier Playa Project; environmental issues or delays; the inability to successfully complete additional drilling and other field testing at the Sevier Playa Project; the inability to secure project financing; factors disclosed in the Company's current MD&A; as well as information contained in other public disclosure documents available on SEDAR at www.sedar.com, may adversely impact the Sevier Playa Project. Although CPM has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. There can be no assurance that forward-looking information will prove to be accurate. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's plans, objectives, and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. CPM does not undertake to update forward-looking information, except in accordance with applicable securities laws.

OVERALL PERFORMANCE

Principal Business and Corporate History

On May 26, 2011, EPM, 44907 Yukon Inc. ("44907 Yukon" a wholly-owned subsidiary of EPM incorporated to effect a business amalgamation), and 44170 Yukon Inc. ("44170 Yukon"), completed a triangular amalgamation (the "Amalgamation") whereby investors exchanged their 44170 Yukon voting and non-voting common shares for voting and non-voting common shares of EPM on a one-for-one basis. Pursuant to the terms of the Amalgamation, 44170 Yukon and 44907 Yukon amalgamated to form Peak Minerals Canada Limited ("Peak Minerals Canada"). Peak Minerals Canada became a wholly owned subsidiary of EPM. The Amalgamation was accounted for as a purchase of net assets and assumption of liabilities of 44170 Yukon. On June 25, 2015, the Company changed its name from "EPM Mining Ventures Inc." to "Crystal Peak Minerals Inc."

Pursuant to the Amalgamation, which resulted in the Company's acquisition of a significant mineral property, the Company operates as an exploration stage entity focused on the development, construction and operation of a large-scale SOP project on the Sevier Playa in southwestern Utah. The Company is currently engaged in engineering, permitting, and financing activities on the Sevier Playa Project with the objective of providing a feasibility study and reserve estimate in accordance with the standards of NI 43-101. Although a PFS of the Sevier Playa Project has been completed, no claim for mineral reserves has been made at this time.

Sevier Playa Project Overview

CPM, through its indirect wholly-owned subsidiary, Peak Minerals Inc. ("Peak Minerals"), has direct control over mineral leases on approximately 95,800 acres of land leased from the Bureau of Land Management ("BLM"); agreements on about 6,400 acres of School and Institutional Trust Land Administration ("SITLA") lands leased to Emerald Peak Minerals, LLC ("Emerald Peak"); and agreements that provide for the development and operational control, subject to approval of final unitization agreements, on about 22,000 acres of BLM land leased to LUMA Minerals, LLC ("LUMA"). The combined total of these leases constitutes the approximate 124,200-acre land package for the Sevier Playa Project.

The Sevier Playa has been explored intermittently by various entities over the last several decades. Consequently, it is considered a likely source of SOP, as well as bitterns such as magnesium chloride ("MgCl₂") and magnesium sulfate ("MgSO₄"); halite ("NaCl"); salt cake ("Na₂SO₄"); and possibly other ancillary minerals, such as lithium, all derived from the harvesting and processing of salts precipitated from brines found in the Sevier Playa sediments.

Brine Resource

Commencing in August 2011, the Company began its own drilling and exploration program on the Sevier Playa to confirm the existence and extent of potash-containing brines in accordance with NI 43-101 standards. CH2M HILL provided overall engineering support and Norwest handled well-site logging, sampling, and analytical assistance. The Phase 1 drilling program produced brine samples for independent chemical assay and analysis as well as materials necessary to define the stratigraphy of the sediments in the Sevier Playa and included geotechnical studies, hydrological work, geological interpretations, core logging, and other studies.

On May 31, 2012, the results of the Phase 1 drilling program were filed in a NI 43-101 technical report entitled "Technical Report, Mineral Brine Resources of Sevier Lake Playa, Millard County, Utah" (the "Resource Report"). The Resource Report defined an in-situ measured, indicated, and inferred mineral

resource estimate within approximately the first 100 feet (30.5 meters) of the Sevier Playa Project at an average resource depth of approximately 65 feet (20.0 meters).

In conjunction with the PFS, the Company undertook an expansion of its Phase 1 drilling program, during February and March 2013, with additional hydrology drilling around the perimeter of the Sevier Playa as well as an expansion of the exploration drilling into the LUMA lease area and other areas throughout the playa (collectively □Phase 2□).

The results of the Phase 2 drilling program were combined with the Phase 1 drilling results, and were used to produce the updated mineral resource estimate (□the Updated Resource Estimate□) in Table 1:

**Table 1 – Brine Mineral Resource Summary and
Major Dissolved Cations and Anions (In-Situ)
Dated Effective October 25, 2013**

CATEGORY	BRINE RESOURCE	POTASSIUM (K)		SULFATE (SO ₄)		CHLORINE (CL)		SODIUM (NA)		MAGNESIUM (MG)	
	MT	WT %	MT	WT %	MT	WT %	MT	WT %	MT	WT %	MT
Measured	1,937	0.261	5.063	2.161	41.854	8.072	156.332	6.627	128.353	0.326	6.321
Indicated	3,755	0.241	9.036	2.009	75.414	7.175	269.411	6.353	238.533	0.308	11.546
Measured plus Indicated	5,692	0.248	14.099	2.060	117.268	7.480	425.743	6.446	366.886	0.314	17.867
Inferred	476	0.241	1.148	2.101	9.993	7.007	33.332	6.675	31.751	0.334	1.586

The brine resource listed in Table 1 allows the calculation of theoretical tonnages of mineral-equivalent compounds that could be created using the available ions shown in the table. Given that sufficient sulfate is present in the brine beyond that needed to utilize all potassium ions present to make SOP, it may be possible to produce additional potassium sulfate compounds by adding supplemental potassium during processing that could result in quantities of SOP beyond those shown in Table 2:

**Table 2 – Mineral Equivalent Compounds from brine resource (In-Situ)
Dated Effective October 25, 2013**

LEASE AREA	CLASSIFICATION	MT (MILLION METRIC TONNES)				
		POTASH	BITTERNS	BITTERNS	SALT CAKE	HALITE
		K ₂ SO ₄	MgCl ₂	MgSO ₄	Na ₂ SO ₄	NaCl
State	Measured	0.376	0.416	0.526	0.384	7.524
	Indicated	0.754	0.840	1.061	0.732	14.653
	Measured plus Indicated	1.130	1.256	1.587	1.116	22.177
	Inferred	0.004	0.004	0.005	0.008	0.087
Federal	Measured	10.471	11.391	14.391	32.981	225.649
	Indicated	16.272	17.998	22.738	53.577	346.196
	Measured plus Indicated	26.743	29.389	37.129	86.558	571.845
	Inferred	1.212	1.259	1.591	4.389	25.889
LUMA	Measured	0.497	0.657	0.830	1.067	10.492
	Indicated	3.116	3.803	4.804	7.027	55.327
	Measured plus Indicated	3.613	4.460	5.634	8.094	65.819
	Inferred	1.344	1.848	2.335	3.654	25.137
Total	Measured	11.344	12.464	15.747	34.432	243.665
	Indicated	20.142	22.641	28.603	61.336	416.176
	Measured plus Indicated	31.486	35.105	44.350	95.768	659.841
	Inferred	2.560	3.111	3.931	8.051	51.113

The total measured plus indicated resource for SOP increased from 29.485 million tonnes (Mt) in the Resource Report, to 31.486 Mt in the PFS, an increase of approximately 7%, primarily due to the results of the Phase 2 drilling program.

Preliminary Feasibility Study

The Company commissioned the PFS in late 2012, the results of which were published on November 18, 2013.

Economic Highlights

The PFS forecasts average annual SOP production of 300,000 tonnes with an estimated Net Present Value (NPV) of \$629 million (after tax, inflated, 8% discount rate) and an estimated internal rate of return (IRR) of 20% (after tax, inflated).

ECONOMIC INDICATORS	
NPV (pretax, 8%)	\$957 million
NPV (after tax, 8%)	\$629 million
IRR (pretax)	24%
IRR (after tax)	20%
Average Annual SOP Production	300,000 tonnes
Mine Life	30 years
Initial Direct Capital Costs	\$292 million
Initial Indirect Capital Costs	\$50 million
Initial Capital Contingency	\$36 million
Operating Cost	\$180.91/tonne
Production Royalties (% of gross revenues)	5.61%
Year 3 EBITDA (nameplate production)	\$143 million
Payback Period (from commencement of production)	5.5 years
Measured Plus Indicated SOP Resource	31.486 Mt

The economic analysis in the PFS was based upon the following assumptions:

- 100% equity
- Construction on playa beginning in preproduction year three (PP-3)
- Production ramp-up over two years, reaching full production in year three
 - 50,000 tonnes in year one
 - 100,000 tonnes in year two
 - 300,000 tonnes in year three
- Effective tax rate of approximately 29%

The economic analysis was based upon measured and indicated mineral resources only. No inferred resources were included in the analysis. Mineral resources that are not mineral reserves do not have demonstrated economic viability. 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.

Ancillary Minerals

Although the Sevier Playa brine contains dissolved ions which could be potentially utilized to create ancillary mineral products, the Company elected to maintain the focus of its PFS on the production of SOP. The Company anticipates completing analysis in its feasibility study (FS) that will consider mineral extraction in addition to SOP, including products such as magnesium sulfate, magnesium chloride, sodium sulfate, and lithium. Given the presence of these other mineral constituents in the brine resource, ancillary minerals may provide the Company with a source of additional value if such minerals prove to be economic as the result of further studies.

Feasibility Study

Upon receipt of funding from EMR Capital Resources Fund 1, LP (EMR) on May 29, 2015, work began to develop a field program to address information required to complete a FS (the FS Field Program). The FS Field Program was completed in the first quarter of 2016. Primary objectives of the FS Field Program included improving the understanding of playa hydrology, continuing the development of a numeric model to evaluate playa hydrology and resource recovery, improving geotechnical understanding, and advancing permitting. Norwest and CH2M HILL were retained to develop and oversee the program.

The primary objectives of the FS Field Program included improving the Company's understanding of playa hydrology; geotechnical data collection; continuing the development of a numeric model to evaluate playa hydrology and resource recovery; and, the advancement of environmental permitting. The Company completed trench tests and a drill program that provided brine and sediment analysis needed to improve the understanding of the brine resource zones. It also completed an aerial survey of the playa, continued evaporation analysis, laboratory work, and a potentiometric survey to support the numeric model. Trench and well tests were concluded in December 2015. Flow tests were then performed that will be used to finalize the FS, the environmental impact statement, and other required permits.

The findings from this fieldwork confirmed or exceeded many technical metrics used to develop the PFS. Based upon meeting these technical markers, the Board of Directors approved going forward with the remaining phases of the FS and permitting process.

In June 2016, the Company engaged CH2M HILL, Norwest and Novopro Projects ("Novopro") to complete the FS. CH2M HILL assumes the role of lead FS consultant and will be responsible for coordinating the overall delivery of the FS. The NI 43-101 compliant technical report will build on the results of the PFS and on the FS fieldwork already completed. It is intended to further define the Project to AACE Class 3 standards and to typical FS levels of confidence. The technical report will incorporate engineering design for all facets of the project required to reach a minimum mine life of 30 years and target production of 300,000 tonnes per year of potassium sulfate, as well as the production of any associated minerals that may prove to be economic.

The FS scope of work is designed to support project financing and will be organized around three primary work areas:

- Playa: Mining plan including extraction trenches and wells, and the water recharge system;
- Process facilities: Process ponds and product refinery from salt harvest to load out, warehouse, administration, and process yard facilities; and
- Infrastructure: Power, gas, water, communication, access roads, and load-out facility.

The FS will include early work to evaluate opportunities for project optimization with the potential to improve project economics. These options include evaluating associated minerals, optimizing the mine

plan, and improving process design to defer capital costs and accelerate time-to-production.

Permitting

In addition to the Company's FS Field Program activities, its permitting efforts continue as follows:

Mining Plan □ The BLM has determined that the Mining Plan is substantially complete and can be used as the basis for the Environmental Impact Statement (EIS) analysis. The Mining Plan will be updated to incorporate Utah Division of Oil, Gas, and Mining (DOG M) Large Mine Permit requirements to create a combined Mine Plan. The Company anticipates approval of the combined Mining Plan through both the DOGM and BLM processes by the fourth quarter of 2017.

BLM Plan of Development ("POD") □ Preliminary POD reports were submitted to the BLM in September 2013 for the off-playa right-of-way elements. The draft POD reports were combined into one draft POD document when it was submitted to BLM in July 2015. Although the draft POD report is a working document and will require revisions before it is considered complete by BLM, it is anticipated that the POD will be approved by the fourth quarter of 2017.

EIS □ An EIS public scoping open house was held in Delta, Utah on August 5, 2015. The purpose of the public scoping process was to determine relevant issues that will influence the scope of the environmental analysis, including alternatives, and guide the process for developing the EIS. The open house gave local residents and the public the opportunity to learn about the project, ask questions and submit comments on the project. The public scoping period ended September 5, 2015 with minimal public comment. The Company anticipates the approval of the EIS in early 2018.

Air Permit □ The Minor Source permit application was approved by the Utah Division of Air Quality (UDAQ) on May 9, 2014 to allow construction of on-playa structures such as ponds and trenches. Due to updates to regulations and lapse in time from approval and when the on-playa construction is scheduled to begin, UDAQ requires that the Minor Source permit be updated and resubmitted for approval. The Company anticipates approval of the Minor Source permit by the second quarter of 2018.

The 12-month air monitoring on the south end of the lake concluded in November 2014. This monitoring was conducted in support of the Major Source permit application with UDAQ. The Company anticipates approval of the Major Source permit in 2018.

Interest in Mineral Property

The costs associated with the Company's interest in the Sevier Playa Project mineral property balance consist 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

SELECTED QUARTERLY INFORMATION

The following tables set out financial performance highlights for the previous twelve quarters.

Quarter ended	Revenues	Expenses	Other Items	Net loss total	Net loss per share	Working Capital	Non-Current Assets
March 31, 2017	\$ -	\$ (386,273)	\$ (88,534)	\$ (474,807)	nil	\$ 2,258,214	\$ 62,041,461
December 31, 2016	-	(590,815)	12,676	(578,139)	nil	4,570,753	60,080,017
September 30, 2016	-	(435,284)	(103,609)	(538,893)	nil	7,876,543	57,258,221
June 30, 2016	-	(447,386)	55,109	(392,277)	nil	10,689,020	54,852,330
March 31, 2016	-	(408,375)	71,169	(337,206)	nil	(3,346,285)	54,351,792
December 31, 2015	-	(477,261)	(264,606)	(741,867)	(0.02)	(1,712,158)	53,176,018
September 30, 2015	-	(395,072)	(399,163)	(794,235)	nil	1,333,257	50,687,755
June 30, 2015	-	(412,186)	(215,082)	(627,268)	nil	3,661,929	48,860,450
March 31, 2015	-	(288,032)	(416,773)	(704,805)	(0.01)	298,621	48,356,664
December 31, 2014	-	(394,202)	(488,719)	(882,921)	(0.04)	678,506	48,259,125
September 30, 2014	-	(483,500)	(621,250)	(1,104,750)	(0.04)	767,973	48,487,244
June 30, 2014	-	(704,115)	(274,838)	(978,953)	(0.01)	1,364,535	48,246,436

Working capital generally consists of cash, net of accounts payable and short-term debt, while non-current assets are primarily made up of the Company's investment in the Sevier Playa Project and the Company's investment in Emerald Peak. The major variances in working capital and non-current assets are mainly attributable to equity placements and the funding of the Company's exploration and evaluation activities on the Sevier Playa Project, as well as administrative expenses. Other items are generally related to financing expenses. As the Company is in the exploration stage, it does not generate operating revenue.

RESULTS OF OPERATIONS

Three months ended March 31, 2017

During the three months ended March 31, 2017, the Company's total operating expenses were \$386,273 compared to \$408,375 for the three months ended March 31, 2016, a decrease of \$22,102. A categorical breakdown of the significant components and changes has been provided below.

General and Administrative Expenses

General and administrative expenses during the three months ended March 31, 2017 were \$238,054 compared to \$195,011 for the three months ended March 31, 2016, an increase of \$43,043. The primary components of the Company's general and administrative expenses are as follows:

- *Salaries and benefits* for the three months ended March 31, 2017 were \$189,716, compared to \$113,934 for the three months ended March 31, 2016, an increase of \$75,782 resulting primarily from new staff and certain employees having replaced external consultants. Salaries and benefits is comprised of salaries, employee benefits, accrued bonuses, accrued vacation, payroll taxes, and insurance. During the three months ended March 31, 2017, the Company also capitalized project-related salaries and benefits of \$97,469 compared to \$85,702 for the three months ended March 31, 2016, an increase of \$11,767.
- *Office-related expenses and rent* for the three months ended March 31, 2017 were \$27,887, compared to \$26,916 for the three months ended March 31, 2016, an increase of \$971.

- *Other expenses* for the three months ended March 31, 2017 were \$20,450, compared to \$54,161 for the three months ended March 31, 2016, a decrease of \$33,711 resulting primarily from decreased general travel, as well as an internal employee replacing an external consultant.

Depreciation

The Company recognized depreciation expense of \$1,103 for the three months ended March 31, 2017, compared to \$1,761 for the three months ended March 31, 2016. During the three months ended March 31, 2017, the Company also capitalized depreciation expense of \$20,276 for project-related vehicles and equipment, compared to \$23,197 for the three months ended March 31, 2016.

Investor Relations Expenses

Investor relations expenses during the three months ended March 31, 2017 were \$70,528 compared to \$28,616 for the three months ended March 31, 2016, an increase of \$41,912. This increase was primarily due to increased fundraising activities and the timing of payments for our annual filings on SEDAR.

Professional Fees

Professional fees, which primarily include legal, accounting, lobbying, and business development expenses, were \$60,855 during the three months ended March 31, 2017 compared to \$167,711 for the three months ended March 31, 2016, a decrease of \$106,856. This decrease was primarily due to a decrease in legal fees, and no longer accruing quarterly audit fees, as the Company's audit is now completed on an annual basis.

Share-based Compensation

Share-based compensation expense during the three months ended March 31, 2017 was \$15,733 compared to \$15,276 for the three months ended March 31, 2016, an increase of \$457.

During the three months ended March 31, 2017, the Company capitalized project-related share-based compensation of \$5,645 compared to \$5,135 for the three months ended March 31, 2016.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

During the three months ended March 31, 2017, the Company's cash used in operating activities was \$92,900 compared to \$498,353 for the three months ended March 31, 2016, a decrease in cash outflows of \$405,453. The decrease was primarily related to currency translation adjustments and timing of trade accounts payable.

Investing Activities

During the three months ended March 31, 2017, the Company's cash used in investing activities was \$2,086,363 compared to \$1,155,238 for the three months ended March 31, 2016 an increase in cash outflows of \$931,125. The increase in cash outflows for investing activities was primarily a result of increased spending on the Company's Sevier Playa Project as the Company moved ahead with the FS, permitting, and related work. The Company invested \$2,086,363 in its Sevier Playa Project during the three months ended March 31, 2017 compared to \$1,149,597 the three months ended March 31, 2016.

Financing Activities

During the three months ended March 31, 2017, the Company's cash inflow from financing activities was \$nil, compared to \$nil for the three months ended March 31, 2016.

Liquidity

At March 31, 2017, the Company had working capital of \$2,258,214 compared to 4,570,753 at December 31, 2016, with cash of \$3,721,535 as at March 31, 2017 compared to \$5,900,798 as at December 31, 2016.

The Company intends to use its cash for funding its fieldwork and FS activities, project permitting activities, corporate operations, and ongoing fundraising.

The Company's future is dependent upon its ability to obtain sufficient cash from external financing and related parties in order to fund its ongoing operations, permitting and FS work, and ultimate project development and construction. The Company's ability to raise such financing in the future will depend on the prevailing market conditions, as well as the Company's business performance. As there can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company, there is substantial doubt about the Company's ability to continue as a going concern. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities to develop this project or any new projects, or to otherwise respond to competitive pressures. See "Risk Factors."

Outstanding Share Data

As at March 31, 2017 the Company's fully diluted share capital is as follows:

	Number of shares
Voting and non-voting common shares outstanding as at March 31, 2017	196,378,478
Share purchase warrants (weighted average exercise price of C\$0.36 and average remaining life of 2.09 years).	750,000
Share purchase options (weighted average exercise price of C\$0.47 and average remaining life of 2.81 years).	12,277,076
Total common shares outstanding, assuming exercise of all share purchase warrants and share purchase options - as at March 31, 2017	209,405,554

As at May 18, 2017 the Company's fully diluted share capital is as follows:

	Number of shares
Voting and non-voting common shares outstanding as at May 18, 2017	196,378,478
Share purchase warrants (weighted average exercise price of C\$0.36 and average remaining life of 1.96 years).	750,000
Share purchase options (weighted average exercise price of C\$0.42 and average remaining life of 2.91 years).	11,352,076
Total common shares outstanding, assuming exercise of all share purchase warrants and share purchase options - as at May 18, 2017	208,480,554

Details of share purchase warrants and share purchase options can be found in Note 6 to the Company's Financial Statements.

OTHER INFORMATION

Significant Accounting Policies

As described in Note 2 to the Financial Statements, the Company's Consolidated Financial Statements were prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). Also described in the Note the Company did not adopt any new or revised accounting standards during the three months ended March 31, 2017.

The future accounting standards and pronouncements currently under consideration by the Company are disclosed in Note 2 to the Company's Financial Statements for the three months ended March 31, 2017.

The Company's critical accounting estimates and judgments are described in Note 3 to the Financial Statements.

Off Balance Sheet Transactions

The Company has not entered into any off-balance-sheet arrangements.

Proposed Transactions

There are no proposed transactions at this time.

Investment in Associate

In connection with the May 26, 2011 Amalgamation, the Company acquired the net assets and liabilities of a private company, which assets included an investment in Emerald Peak Minerals, a related party. The investment was recorded using the equity method, and represented a 40% interest in Emerald Peak Minerals. For the three months ended March 31, 2017, the Company's share of Emerald Peak's net income was \$nil, compared to \$nil for the three months ended March 31, 2016.

Related Party Transactions

The Company's related party transactions are disclosed in Note 10 to the Company's Financial Statements and include:

- the Company's investment in Emerald Peak Minerals;
- compensation paid or payable to the Company's senior officers and directors;

Commitments and Contingencies

The Company's commitments and contingencies are disclosed in Note 11 to the Company's Financial Statements and include details concerning:

- the Company's commitments under its agreement with LUMA; and
- the Company's office lease commitments.

Risk and Uncertainties

The Company's risk factors and uncertainties have not materially changed since December 31, 2016 and are described in its annual management discussion and analysis for the year ended December 31, 2016 as filed by the Company on SEDAR.

Subsequent Events

Option Expiry

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