

CRYSTAL PEAK MINERALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2016

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This Management Discussion and Analysis ("MD&A") of Crystal Peak Minerals Inc. ("CPM"), together with its subsidiaries (collectively the "Company"), is dated April 20, 2017 and provides an analysis of the Company's performance and financial condition for the year ended December 31, 2016. 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 audited annual consolidated financial statements (the "Financial Statements") for the years ended December 31, 2016 and December 31, 2015, 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 its 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 (DOGM) 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 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
Year ended December 31, 2016						
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, 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
Year ended December 31, 2015						
Opening net book amount	22,480,628	654,167	9,022,229	1,150,588	8,631,650	41,939,262
Additions	387,361	2,135	1,023,993	46,929	3,530,301	4,990,719
Exchange differences	(55,762)	-	-	-	-	(55,762)
Closing net book amount	22,812,227	656,302	10,046,222	1,197,517	12,161,951	46,874,219
As at December 31, 2015						
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

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
December 31, 2016	\$ -	\$ (590,815)	\$ 12,676	\$ (578,139)	\$ (0.01)	\$ 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
March 31, 2014	-	(447,568)	(4,549)	(452,117)	nil	(674,821)	47,988,649

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

Year Ended December 31, 2016

During the year ended December 31 2016, the Company's total operating expenses were \$1,881,860 compared to \$1,572,551 for the year ended December 31, 2015, an increase of \$309,309. A categorical breakdown of the significant components and changes has been provided below.

General and Administrative Expenses

General and administrative expenses during the year ended December 31, 2016, were \$846,063 compared to \$822,766 for the year ended December 31, 2015, an increase of \$23,297. The primary components of the Company's general and administrative expenses are as follows:

- *Salaries and benefits* for the year ended December 31, 2016, were \$523,358, compared to \$605,743 for the year ended December 31, 2015, a decrease of \$82,385 resulting primarily from certain employees being replaced by external consultants, or eliminating positions after office staff left the company. Salaries and benefits is comprised of salaries, employee benefits, accrued bonuses, accrued vacation, payroll taxes, and insurance. During the year ended December 31, 2016, the Company also capitalized project-related salaries and benefits of \$396,143 compared to \$389,983 for the year ended December 31, 2015, an increase of \$6,160.
- *Office-related expenses and rent* for the year ended December 31, 2016, were \$127,214, compared to \$113,161 for the year ended December 31, 2015, an increase of \$14,053.

- *Other expenses* for the year ended December 31, 2016 were \$195,491 compared to \$103,862 for the year ended December 31, 2015, an increase of \$91,629 resulting primarily from increased travel, as well as an external consultant replacing an employee.

Depreciation

The Company recognized depreciation expense of \$5,763 during the year ended December 31, 2016, compared to \$8,551 for the year ended December 31, 2015. During the year ended December 31, 2016, the Company also capitalized depreciation expense of \$69,743 for project-related vehicles and equipment, compared to \$72,083 for the year ended December 31 2015.

Investor Relations Expenses

Investor relations expenses during the year ended December 31, 2016 were \$175,516 compared to \$161,933 for the year ended December 31, 2015, an increase of \$13,584. This increase was due primarily to increased marketing activity and travel during the year.

Professional Fees

Professional fees, which primarily include legal, accounting, lobbying, and business development expenses, were \$604,793 during the year ended December 31, 2016 compared to \$425,586 for the year ended December 31, 2015, an increase of \$179,207. This increase was primarily due to an increase in legal fees associated with the financing, a partnership with a capital markets consultant, and external consultants replacing employees that were on staff in 2015.

Share-based Compensation

Share-based compensation expense during the year ended December 31, 2016 was \$249,725 compared to \$153,716 for the year ended December 31, 2015, an increase of \$96,009. This is largely related to the stock option award that was authorized in August of 2016. 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.

During the year ended December 31, 2016, the Company capitalized project-related share-based compensation of \$12,650 compared to \$20,273 for the year ended December 31 2015.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

During the year ended December 31 2016, the Company's cash used in operating activities was \$1,978,018 compared to \$1,456,394 for the year ended December 31, 2015, an increase in cash outflows of \$521,624. The increase was primarily due to the Company's net loss for the year, currency translation adjustments, and the payment of accrued interest associated with the repayment of the Credit Financing during the period (see "Financing Activities" below).

Investing Activities

During the year ended December 31, 2016, the Company's cash used in investing activities was \$6,369,046 compared to \$4,454,180 for the year ended December 31, 2015 an increase in cash outflows of \$1,914,866. 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 and related work. The Company invested \$6,344,908 in its Sevier Playa Project during the year ended December 31, 2016 compared to \$4,399,308 for the year ended December 31, 2015.

Financing Activities

During the year ended December 31, 2016, the Company's cash inflow from financing activities was \$11,950,281, compared to \$7,791,839 for the year ended December 31, 2015.

On May 29, 2015, CPM closed a private placement with 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.

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).

During the year ended December 31, 2014, the Company closed a \$3,200,000 financing (the "Credit Financing") with the Company entering into a \$2,500,000 credit agreement with Extract Advisors LLC and its affiliate, Extract Capital LP and entering into a \$700,000 credit agreement with certain directors. The Credit Financing was repaid in May 2016.

Liquidity

At December 31, 2016, the Company had working capital of \$4,570,753 compared to \$(1,712,158) at December 31, 2015, with cash of \$5,900,798 as at the year ended December 31, 2016 compared to \$2,566,557 as at December 31, 2015.

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 April 20, 2017, the Company's fully diluted share capital is as follows:

	Number of shares
Voting and non-voting common shares outstanding - April 20, 2017	196,378,478
Share purchase warrants (weighted average exercise price of C\$0.36 and average remaining life of 2.05 years).	750,000
Share purchase options (weighted average exercise price of C\$0.42 and average remaining life of 2.99 years).	11,352,076
Total common shares outstanding, assuming exercise of all share purchase warrants and share purchase options - as at April 20, 2017	208,480,554

As at December 31, 2016, the Company's fully diluted share capital is as follows:

	Number of shares
Voting and non-voting common shares outstanding - December 31, 2016	196,378,478
Share purchase warrants (weighted average exercise price of C\$0.36 and average remaining life of 2.33 years).	750,000
Share purchase options (weighted average exercise price of C\$0.47 and average remaining life of 3.053 years).	12,277,076
Total common shares outstanding, assuming exercise of all share purchase warrants and share purchase options - as at December 31, 2016	209,405,554

Details of share purchase warrants and share purchase options can be found in Note 11 to the Company's Annual Financial Statements.

OTHER INFORMATION

Significant Accounting Policies

As described in Note 2 to the Annual Financial Statements, the Company's Consolidated Financial Statements were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB).

As described in Note 2 to the Annual Financial Statements, the Company did not adopt any new or revised accounting standards during the year ended December 31, 2016.

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 year ended December 31, 2016.

The Company's critical accounting estimates and judgments are described in Note 3 to the Annual 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 year ended December 31, 2016, the Company's share of Emerald Peak's net income was \$12,456, compared to \$11,897 for the year ended December 31, 2015.

Related Party Transactions

The Company's related party transactions are disclosed in Note 16 to the Company's Annual Financial Statements and include:

- the Company's investment in Emerald Peak Minerals;
- compensation paid or payable to the Company's senior officers and directors;
- the repayment of the Director and Extract loans; and
- CPM's equity transactions with EMR.

Commitments and Contingencies

The Company's commitments and contingencies are disclosed in Note 17 to the Company's Annual 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

Until the Company's amalgamation on May 26, 2011, it had no operations. The Company's intention is to focus its near-term efforts on its Sevier Playa Project in Utah. A number of factors should be considered carefully when considering risk related to the Company's proposed business and include the following:

Risk Factors Related to the Company's Activities

The Company is dependent on the Sevier Playa Project.

At present, the Company's only property interest is the Sevier Playa Project. As a result, any adverse developments affecting the Sevier Playa Project could have a material adverse effect upon the Company and would materially and adversely affect the Company's potential mineral resource production, profitability, financial performance, and results of operations. While the Company may seek to acquire additional mineral properties that expand or complement the Sevier Playa Project and are consistent with the Company's business objectives, it cannot assure that it will be able to identify suitable additional mineral

properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties on acceptable terms.

No known commercial SOP deposit exists on the Sevier Playa Project

There is no known body of commercial SOP deposit on the Sevier Playa Project. There is no certainty that the expenditures to be made by the Company in the exploration of the Sevier Playa Project or otherwise will result in development and recovery of commercial quantities of SOP. The establishment of a commercial discovery will require substantial additional exploration and evaluation. The additional costs of further exploration, as well as all costs incurred to date, may not be recovered if a commercial deposit is not proven.

All of the Company's operations are at the exploration stage, and there is no guarantee that any such activity will result in commercial production of mineral deposits. The exploration for mineral deposits involves significant risks that even a combination of careful evaluation, experience, and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes, and to construct recovery and processing facilities at a particular site. It is impossible to ensure that the exploration programs conducted to date by the Company, or any future development programs, will result in a profitable commercial recovery operation, and the Company cannot assure that its Sevier Playa Project will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade, and proximity to infrastructure; highly cyclical commodity prices; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted. The Company's long-term profitability will be directly related to the cost and success of its exploration programs and any subsequent development programs.

The Company has not yet demonstrated the economic feasibility of SOP recovery in its Sevier Playa Project.

The Company has not completed feasibility level work and analysis that would allow it to declare proven or probable mineral reserves for the Sevier Playa Project, and the Company cannot assure that it will ever be in a position to declare a proven or probable mineral reserve. While a PFS of the Sevier Playa Project has been prepared, it is an estimate that does not have sufficient certainty to constitute a feasibility study. In particular, the PFS contains the Company's estimated capital and operating costs, which are based upon anticipated tonnage and grades of resources to be mined and processed, expected recovery rates, and other factors, none of which has been completed to date to a feasibility study level. Whether the Company completes a feasibility study on the Sevier Playa Project depends on a number of factors, including: (i) the particular attributes of the deposit (including its size, grade, geological formation, rates of recovery, and proximity to infrastructure); (ii) commodity prices, which are highly cyclical; (iii) government regulations (including regulations relating to taxes, royalties, land tenure, land use, and permitting); (iv) environmental protection and permitting considerations; and (v) the availability of sufficient financing. At this time the Company cannot determine whether any of these estimates will ultimately be correct or that the Sevier Playa Project will prove to be economically viable. Therefore, it is possible that mineral reserves will never be identified at the Sevier Playa Project, which would inhibit the Company's ability to develop the project into a commercial mining operation and, in turn, would have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

Mineral resource estimates may prove inaccurate.

The mineral resource figures referred to herein or in documents filed by the Company from time to time in Canada and available on SEDAR at www.sedar.com are estimates only, and the Company cannot assure that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized, or that mineral resources could be mined or processed profitably. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any resource or reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Lower market prices, increased production costs, reduced recovery rates, and other factors may render the Company's mineral resources uneconomic to exploit. Resource data are not indicative of future results of operations. If the Company's actual mineral resources are less than current estimates or if the Company fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. The Company will evaluate mineral resources from time to time and may change its estimates depending on further hydrogeological interpretation, drilling results, and mineral prices. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Until mineral resources are actually mined and processed, the quantity of mineral resource grades must be considered as estimates only.

The grade of brine that is recovered may vary from projections due to the complex geology and hydrogeology of mineral resources, which could adversely affect SOP production and financial results.

SOP production, if commenced, will be affected by the brine grade, or potassium content of the brine. The Company's projections of brine grade may vary from time to time, and the amount of SOP that is actually produced may vary substantially from projections. There are numerous uncertainties inherent in estimating brine grade, including many factors beyond the Company's control. The Sevier Playa Project sediments have complex hydrogeology. An unexpected reduction in the grade of the brine resources could decrease SOP production because the Company would need to process more brine to produce the same amount of saleable-grade product. As a result, the Company's expected future cash flows could be materially and adversely affected.

Projections contained in the PFS may not be achieved.

There are many risks and unknowns inherent in resource projects, and the economic feasibility of the Sevier Playa Project is based on many factors. The Sevier Playa Project has no operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop any new project are considerable, and changes in capital, operating costs, and construction schedules can affect project economics. It is possible that actual capital and operating costs may increase significantly and economic returns may differ materially from the Company's estimates; that prices of SOP may decrease significantly; that the Company could fail to obtain the satisfactory governmental approvals necessary for operations; or the Company cannot obtain project financing on acceptable terms and conditions or at all. In such case, the Sevier Playa Project may not proceed either on its original timing or at all. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. The Company cannot assume that the principal

favorable preliminary conclusions reached in the PFS will be confirmed or will not be substantially qualified, conditioned, or restricted in a feasibility study.

The Company's estimated timetable to complete a feasibility study may not be accurate, and the Company may not be able to complete the Sevier Playa Project.

The Company currently is working toward the completion of a feasibility study; however, there is no guarantee that such a study will be completed on schedule or at all, or that a completed study will confirm the economic feasibility of the Sevier Playa Project. If the Company decides to commence production, it will require significant amounts of capital, and the Company's ability to obtain the necessary funding will depend on a number of factors, including the status of the national and worldwide economy and the price of SOP. Fluctuations in production costs, material changes in the mineral estimates and grades of mineralization, or changes in the political conditions or regulations in the United States may make placing the Sevier Playa Project into production uneconomic.

The conclusions of the feasibility study will partially depend on estimates of future SOP market prices, SOP availability from competitors, and agricultural economics as well as customer application rates.

The feasibility and economic viability of the Sevier Playa Project will partially depend on the anticipated world market for SOP and other products. The Company is unable to accurately predict future market conditions. Crop growers, which are the principal users of SOP products for fertilizer, are continually seeking to maximize their economic returns, which may impact the application rates for SOP products. Growers' decisions regarding the application rate for SOP, including whether to forgo application altogether, may vary based upon many factors, including crop and SOP prices and nutrient levels in the soil.

Resource exploration and development operations are subject to a variety of risks and hazards.

The process of resource exploration and development involves risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, or acts of nature. These risks and hazards could lead to events or circumstances that could result in the complete loss of a project; damage, impairment, or destruction of mineral properties and future production facilities; environmental damage; delays in exploration and development; and personal injury or death.

The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the Company's control. These factors include market fluctuations; the proximity and capacity of natural resource markets and processing equipment; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Although the Company evaluates risks and carries insurance policies to mitigate the risk of loss when economically feasible, not all of these risks are reasonably insurable, and insurance coverage may contain

limits, deductibles, exclusions, and endorsements. The Company cannot assure that its coverage will be sufficient to meet its needs. Uninsured losses may have a material adverse effect on the Company.

Resource exploration and development depend on obtaining and maintaining the required permits and approvals from governmental authorities.

Minerals exploration and development requires numerous governmental, environmental, mining, and other permits, leases, and approvals authorizing operations. A decision by a governmental agency to deny or delay issuing a new or renewed permit or approval, or to revoke or substantially modify an existing permit or approval, could prevent or limit the ability to continue exploration and development at the affected project and have a material adverse effect on the Company's proposed business, financial condition, and exploration results. In addition, the federal government will require an environmental impact statement as a condition of approving the ultimate development and construction of a recovery facility at the Sevier Playa Project. A decision by a government agency to deny or delay issuing a new or renewed permit, lease, or approval, or to revise or substantially modify an existing permit or approval, could prevent or limit the ability to continue exploration and development activities at the Sevier Playa Project and have a material adverse effect on the Company's business.

The Company may be unable to satisfy lease terms.

The exploration, development, and future mining operations will take place on land that is leased from federal and state governmental authorities. Existing leases comprising the Sevier Playa Project generally require the Company to commence mining operations by a specified time and to diligently develop and continue minerals recovery in order to retain the lease. The loss of a lease could adversely affect the ability to mine the associated deposit. Also, existing leases require the Company to pay royalties based on the revenue generated by SOP produced from the leased land. The royalty rates are subject to change with future lease renewals, which could lead to significant future increases in royalty rates that would reduce profit margins and, if such increases were significant, would adversely affect operating results.

Resource exploration and development are capital-intensive, and the inability to fund necessary or desirable capital expenditures to develop the Sevier Playa Project could have an adverse effect on the Company's growth and profitability.

Resource exploration and development are capital-intensive. The Company will need to make significant capital expenditures in connection with the development of the Sevier Playa Project. If the Company's feasibility study concludes that the project is economically viable, additional funds, probably on the order of magnitude of several hundreds of millions of dollars, will be required for the development of an economic mineral body and to place it in commercial production. The Company may not have the equity base, financial and operational credibility, or expertise to obtain the required capital and may need to seek joint venture partners or sell all or a portion of its interest in the project, which could reduce or eliminate the Company's retained interest. The Company cannot assure that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its proposed operations.

The seasonal conditions may have an adverse effect on exploration, development, and future operating results.

The fertilizer business is seasonal, with operating results that vary from quarter to quarter as a result of crop growing and harvesting seasons and weather conditions, as well as other factors. If it commences commercial SOP production, the Company anticipates that future quarterly financial results could vary significantly from one year to the next due to weather-related shifts in planting schedules and purchasing patterns. In the future, if seasonal demand is less than expected, the Company will be left with excess inventory and higher working capital and liquidity requirements.

The Company's future operating results will be dependent in part upon conditions in the agriculture markets. The agricultural products business can be affected by a number of factors, the most important of which, for United States markets, are weather patterns, soil conditions (particularly during periods of traditionally high crop nutrients application), and quantities of crop nutrients imported to and exported from North America. Additionally, the Company's ability to produce SOP at the solar evaporation ponds is dependent upon sufficient playa water levels and arid summer weather conditions. Extended periods of precipitation or a prolonged lack of sunshine would hinder the evaporation rate and, hence, the production levels, which may result in lower sales volumes and higher unit production costs in the future. Additionally, the ability to harvest minerals through evaporation ponds could be negatively impacted by any prolonged change in weather patterns leading to changes in mountain snowfall, which could result in changes in fresh water run-off and significant impacts on playa levels, or by increased rainfall during the summer months at the solar evaporation ponds on the Sevier playa.

Prices of natural gas and other important materials and energy that will be used in the business are volatile. Changes in the prices of such materials or energy, or disruptions to supply, could adversely impact the Company's results of operations or cash flow.

Natural gas, electricity, and other consumables, such as chemicals and fuel, are key materials used in the exploration, development, and production of mineral resources. Future results of operations may be impacted by the price and availability of these materials and other energy costs. A significant increase in the price of natural gas, electricity, and fuel that is not recovered through an increase in the Company's funded exploration budget or, if production commences, in the price of SOP, or an extended interruption in the supply of natural gas, electricity, water, or fuel to production facilities, could materially and adversely affect the Company's business, financial condition, or operating results.

A portion of the Company's future fertilizer business is expected to be dependent upon international sales.

The Company will face intense global competition from both SOP and MOP producers, and new competitors may enter the Company's markets. Changes in SOP competitors' production or marketing focus could have a material impact on the Company's future business. An abundance of either type of potash product in the domestic or worldwide markets could unfavorably impact the sales prices the Company can charge for specialty SOP fertilizer.

The Company's business is dependent upon highly skilled personnel, and the loss of key personnel may have a material adverse effect on its results of operations.

The success of the Company's business is dependent on its ability to attract and retain highly skilled executives, technical employees, consultants, and other personnel. The Company cannot assure that it will be able to attract and retain the personnel necessary for the efficient operation of its business. The loss of the services of key personnel or the failure to attract additional personnel as required could have a material adverse effect on the results of operations and could lead to higher labor costs or the use of less-qualified personnel. The Company does not currently maintain "key person" life insurance on any of its key employees.

Environmental laws and regulation may subject the Company to significant costs and liability and require it to incur additional costs in the future.

The Company is subject to numerous business, environmental, health, and safety laws and regulations in the United States, including laws and regulations relating to land reclamation, remediation of hazardous substance releases, and discharges to soil, air, and water, with which it must comply to effectively operate its business. Current environmental laws and regulations may become more stringent and require material expenditures for continued compliance. Environmental remediation laws such as the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, impose liability, without regard to fault or to the legality of a party's conduct, on certain categories of persons (known as "potentially responsible parties" who are considered to have contributed to the release of "hazardous substances" into the environment. In the future the Company may incur material liabilities under CERCLA and other environmental cleanup laws regarding its facilities. Under CERCLA or Utah analogues, a party such as the Company may, under some circumstances, be required to bear more than its proportional share of cleanup costs at a site where it has liability if payments cannot be obtained from other responsible parties, such as the previous company, now no longer in existence, that conducted operations in the Sevier Playa Project area. Liability under these laws involves inherent uncertainties. Violations of environmental, health, and safety laws are subject to civil and, in some cases, criminal sanctions.

Climate change legislation and the physical effects of climate change may have a negative effect on the Company's business and operations.

Continued government and public emphasis on environmental issues, including climate change, can be expected to result in increased future investments for environmental controls at the Company's proposed operations, which would be an initial capital expenditure and a later charge against income from future operations. The potential physical effects of climate change on future customers, and subsequently on business and operations, are highly uncertain and will be particular to the circumstances developing in various geographical regions where the Company's facilities and customers are located. These effects may include changes in weather patterns (including drought and rainfall levels), water availability, storm patterns and intensities, and temperature levels.

Any decline in United States agricultural production or limitations on the use of the Company's products for agricultural purposes could materially and adversely affect the market for the Company's products.

Conditions in the United States agricultural industry can significantly impact the Company's future operating results. The United States agricultural industry can be affected by a number of factors, including weather patterns and field conditions, current and projected grain inventories and prices, the domestic and international demand for United States agricultural products, and United States and foreign policies regarding trade in agricultural products.

State and federal governmental policies, including farm and ethanol subsidies and commodity support programs, may also directly or indirectly influence the number of acres planted, the mix of crops planted, and the use of fertilizers for particular agricultural applications. In addition, there are various city, county, and state initiatives to regulate the use and application of fertilizers due to various environmental concerns.

Some of the Company's competitors have greater capital and human resources than it has, which may place the Company at a competitive disadvantage and adversely affect its sales and profitability.

If production commences, the Company will compete with a number of potassium and potassium product producers in North America and throughout the world. Some of these competitors may have greater total resources than the Company. Competition in product lines is based on a number of considerations, including transportation costs, brand reputation, price, and quality of client service and support. To become competitive, the Company needs to invest continuously in production infrastructure, marketing, and customer relationships. The Company may be required to adjust the prices of some of its products to stay competitive. It may also need to borrow funds and become more highly leveraged. The Company may not have sufficient resources to continue to make such investments or maintain its competitive position relative to some of its competitors with greater capital and human resources. To the extent other SOP producers enjoy competitive advantages, the price of the Company's future products and its sales volumes and profits could be materially and adversely affected.

As an SOP-only producer, the Company will be less diversified than some competitors, and a decrease in the demand for SOP or an increase in SOP supply could have a material adverse effect on financial condition and results of operations.

If production commences, the Company's primary product will be the production and marketing of SOP. As a result of its product focus and domestic geographic focus, the Company would likely be impacted more acutely by factors affecting the SOP industry or the regions in which the Company sells its products than if the business were more diversified. A decrease in the demand for SOP could have a material adverse effect on financial condition and results of operations. Similarly, a large increase in SOP supply could also materially impact financial condition more than more diversified competitors.

The Company may be subject, from time to time, to litigation and may be involved in disputes with other parties in the future, which may result in litigation.

Claims to-date have not resulted in material adverse consequences however the Company cannot accurately predict the outcome of any litigation. If the Company cannot resolve disputes favourably, the Company's

activities, financial condition, results of operations, future prospects and share price may be materially adversely affected.

Market upheavals due to global pandemics, military actions, terrorist attacks, and any global and domestic economic repercussions from those events could reduce sales and revenues.

Global pandemics, actual or threatened armed conflicts, future terrorist attacks, or military or trade disruptions affecting areas where the Company's competitors or the Company does business may disrupt the global market for SOP and adversely affect the feasibility of commercial production at the Sevier Playa Project. As a result of such widespread disruptions, competitors may increase their sales efforts in the Company's geographic markets, and pricing of SOP may suffer. If this occurs, the Company may lose sales to its competitors or be forced to lower prices, which would reduce revenues. In addition, due to concerns related to terrorism or the potential use of certain fertilizers as explosives, local, state, and federal governments could implement new regulations impacting the production, transportation, sale, or use of SOP.

Risk Factors Related to the Company and its Common Shares

The use of going concern principles in the Company's financial statements may ultimately be inappropriate.

The Company's financial statements are prepared using IFRS applicable to a going concern, which assumes the Company will 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 substantial doubt about the Company's ability to continue as a going concern because the Company has a history of losses and will require additional capital in order to develop the Sevier Playa Project or to pursue any new opportunities. The Company's future is currently dependent upon its ability to obtain sufficient cash from external financing and related parties in order to pay its liabilities including the Directors and Extract loans coming due on May 2, 2016, as they become due. Management is seeking financing alternatives in connection with the opportunities it reviews. Although management's financing efforts have been successful in the past, the Company cannot assure that the steps management is taking will be successful in the future.

The common shares are currently listed on the TSXV and trade on the OTCQX, and the Company cannot assure that the shares will be listed or traded on any other exchange.

The common shares are currently listed on the TSXV and trade on the OTCQX and not on any other stock exchange, and the Company cannot assure that its shares will be listed or traded on any other exchange. The holding of common shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Persons who cannot afford the possibility of the loss of their entire investment should not hold common shares. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Certain of the Company's directors and officers are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies.

Certain of the Company's directors and officers are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies, and as a result of these and other activities, such directors and officers may become subject to conflicts of interest. In the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter respecting such contract or agreement. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the Company's governing statutes, but the Company cannot assure that such conflicts will be, in all cases, resolved in its best interests.

The Company has no recent history of earnings or of a return on investment, and the Company cannot assure that the Sevier Playa Project or any other property or business will generate a return.

The Company has no recent history of earnings or of a return on investment, and the Company cannot assure that the Sevier Playa Project or any other property or business that the Company may acquire or undertake will generate earnings, operate profitably, or provide a return on investment in the future. The Company has no plans to pay dividends in the future. The Company's Board of Directors will determine the Company's future dividend policy.

The Company has no operating history and no operating revenues.

The Company has no operating history and no operating revenues and does not expect to generate revenues in the next several years. The Company's Sevier Playa Project has no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from the Company's estimates. The Company cannot assure that the underlying assumed levels of expenses for the Sevier Playa Project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. The Company cannot assure that its Sevier Playa Project will move beyond the exploration stage into production or achieve commercial production or that it will produce revenue, operate profitably, or provide a return on investment in the future.

The market price of the common shares and the Company's financial results may be significantly and adversely affected by a decline in the price of SOP and other mineral commodities.

The market price of the Company's common shares and its financial results may be significantly and adversely affected by a decline in the price of potash and other mineral commodities. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of mineral commodities, global and regional consumption patterns, speculative trading activities, the value of the United States dollar and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, political systems, and political and economic developments. The price of mineral commodities has fluctuated widely in recent years, and future serious

price declines could cause potential commercial production to be uneconomic. A severe decline in the price of SOP would have a material adverse effect on the Company.