Annual Information Form

For the year ended December 31, 2016

Dated as of March 30, 2017

Note to Reader:

This Annual Information Form is being refiled to correct the report date.
No other content has changed.

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CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This annual information form ("**AIF**") contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws which reflect management's expectations regarding future growth, results of operations, performance and business prospects of the Corporation. This forward-looking information may include statements that are predictive in nature, or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates", "guidance" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to, the future financial or operating performance of the Corporation and its subsidiaries and its mineral projects; the anticipated results of exploration activities; the estimation of mineral resources; the realization of mineral resource estimates; capital, development, operating and exploration expenditures; costs and timing of the development of the Corporation's mineral projects; timing of future exploration; requirements for additional capital; climate conditions; government regulation of mining operations; anticipated results of economic and technical studies; environmental matters; receipt of the necessary permits, approvals and licenses in connection with exploration and development activities; appropriation of the necessary water rights and water sources; changes in commodity prices; recruiting and retaining key employees; construction delays; litigation; competition in the mining industry; reclamation expenses; reliability of historical exploration work; reliance on historical information acquired by the Corporation; optimization of technology to be employed by the Corporation; title disputes or claims, dilution to the Common Shares and the limitations of insurance coverage and other factors described herein under the heading "*Risk Factors*".

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained herein. Such assumptions include, but are not limited to, the following: that general business, economic, competitive, political and social uncertainties remain favourable; that agriculture fertilizers are expected to be a major driver in increasing yields to address demand for premium produce, such as fruits and vegetables, as well as diversified protein rich diets necessitating grains and other animal feed; that actual results of exploration activities justify further studies and development of the Corporation's mineral projects; that the future prices of minerals remain at levels that justify the exploration and future development and operation of the Corporation's mineral projects; that there is no failure of plant, equipment or processes to operate as anticipated; that accidents, labour disputes and other risks of the mining industry do not occur; that there are no unanticipated delays in obtaining governmental approvals or financing or in the completion of future studies, development or construction activities; that the actual costs of exploration and studies remain within budgeted amounts; that regulatory and legal requirements required for exploration or development activities do not change in any adverse manner; that input cost assumptions do not change in any adverse manner, as well as those factors discussed in the section entitled "*Risk Factors*" herein. Accordingly, readers are cautioned not to place undue reliance on such statements.

All forward-looking information herein is qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this AIF and the Corporation disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.

This AIF uses the terms "Measured", "Indicated" and "Inferred" Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume

that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Feet	Meters (m)	0.305
Meters (m)	Feet	3.281
Miles	Kilometers (km)	1.609
Kilometers (km)	Miles	0.621
Tons	Tonnes	0.907
Tonnes	Tons	1.1023

PRESENTATION OF FINANCIAL MATTERS

Unless otherwise indicated herein, all references to "$" are to the lawful currency of Canada and all references to "US$" are to the lawful currency of the United States.

The closing, high, low and average exchange rates for one US$ (based on the noon spot rate of exchange) in terms of Canadian dollars for each of the three years ended December 31, 2016, 2015 and 2014, as reported by the Bank of Canada, were as follows:

	2016	2015	2014
	$	$	$
Closing	1.3427	1.3840	1.1601
High	1.4589	1.3990	1.1643
Low	1.2544	1.1728	1.0614
Average[(1)]	1.3248	1.2787	1.1045

Note:
(1) Calculated as an average of the daily noon spot rates for each period.

POTASH RIDGE CORPORATION

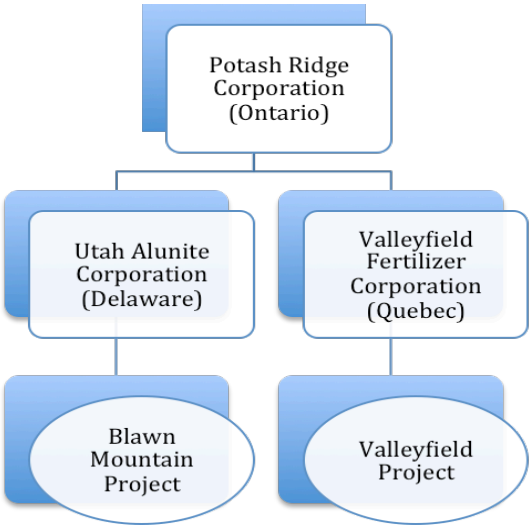
Corporate Structure

Potash Ridge Corporation ("**Potash Ridge**" or the "**Corporation**") was incorporated as "0903095 B.C. Ltd." under the *Business Corporations Act* (British Columbia) by articles of incorporation dated February 16, 2011. On May 24, 2011, the Corporation changed its name to "New Earth Potash Corp". Pursuant to articles of continuance dated October 21, 2011, the Corporation continued under the *Business Corporations Act* (Ontario) (the "**OBCA**") under the name "Potash Ridge Corporation". On December 4, 2012, the Corporation amended its articles to create a class of non-voting shares (the "**Non-Voting Shares**") having the terms described under "*Description of Share Capital — Non-Voting Shares*". The registered and principal office of the Corporation is located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The Corporation's wholly-owned subsidiary, Utah Alunite Corporation, is a Delaware corporation incorporated on April 17, 2012. On May 8, 2012, Utah Alunite Corporation amalgamated with Utah Alunite, LLC, a Utah limited liability company formed on September 8, 2008. Pursuant to certain purchase and sale agreements dated April 18, 2011 (the "**Utah Alunite Acquisition Agreements**"), the Corporation acquired all of the interests in Utah Alunite, LLC from its founding members (the "**Vendors**") for an aggregate purchase price of US$160,000, of which US$60,000 was paid on April 18, 2011. Pursuant to the terms of the Utah Alunite Acquisition Agreements, Potash Ridge was to pay to the Vendors in the aggregate an additional US$100,000 (the "**Deferred Payment**") of which US$25,000 was to be paid on April 18, 2012 and a further US$75,000 was to be paid on April 18, 2014, subject to certain conditions. The Corporation and the Vendors agreed to waive the conditions to the final payment and on April 5, 2012, Potash Ridge paid to the Vendors the Deferred Payment in satisfaction of all of its obligations under the Utah Alunite Acquisition Agreements. In connection with the transactions contemplated by the Utah Alunite Acquisition Agreements, on April 1, 2011 the Corporation advanced US$262,370 to Utah Alunite, LLC in order for Utah Alunite, LLC to acquire its exclusive right to explore potash, metalliferous minerals and clay minerals and an option to lease the Blawn Mountain Project.

The Corporation's other wholly-owned subsidiary, Valleyfield Fertilizer Corporation, is a Quebec corporation incorporated on July 28, 2015. On August 11, 2015, the Corporation acquired Valleyfield Fertilizer Corporation from its founder, Mr. Jay Hussey, for 200,000 Common Shares of the Corporation, together with royalty of up to 1% from all future revenue generated by the Corporation utilizing the Mannheim Process. In connection with the transaction, Mr. Hussey became a consultant to Potash Ridge and continues to work on the development of the Valleyfield Project, as well as other potential Mannheim opportunities.

The following chart identifies Potash Ridge's corporate structure.



As used herein, unless the context indicates or requires otherwise, the terms "Potash Ridge", "Corporation", "we", "us" and "our" mean Potash Ridge Corporation and its subsidiaries Utah Alunite Corporation and or Valleyfield Fertilizer Corporation. The term "Utah Alunite" means Utah Alunite Corporation, together with its predecessor, Utah Alunite, LLC.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The principal activity of the Corporation is to develop projects focused on the production of sulphate of potash ("SOP").

The Corporation's principal mineral project is the Blawn Mountain project (the "**Blawn Mountain Project**"). The Corporation's manufacturing project is the Valleyfield Fertilizer project ("**Valleyfield Project**").

The Corporation's common shares (the "**Common Shares**") are traded on the Toronto Stock Exchange (the "**TSX**") under the symbol "PRK".

The Blawn Mountain Project is focused on the exploration, development and production of mineral resources for alunite in order to produce SOP, co-product sulphuric acid and, potentially, alumina. The Blawn Mountain Project is comprised of 23.5 sections of land owned by the State of Utah, acting by and through the School and Institutional Trust Lands Administration ("**SITLA**"), and covering approximately 15,403 acres (6,233 hectares) of land located in Beaver County, Utah. Pursuant to an agreement dated April 1, 2011 as amended on June 4, 2012 and August 21, 2012 (the "**Exploration and Option Agreement**"), the Corporation acquired from SITLA the exclusive right until March 31, 2014 (the "**Option Period**") to explore the Blawn Mountain Project for potash, metalliferous minerals and clay minerals. Management considers the Blawn Mountain Project to be the only material project for purposes of National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

Alunite is a naturally occurring volcanic mineral containing potassium, sulphur and alumina. The Corporation intends to mine surface alunite deposits on the Blawn Mountain Project to extract and produce SOP, co-product sulphuric acid and, potentially, alumina. SOP is primarily used as a specialty fertilizer providing essential potassium to high-value, chloride-sensitive crops, including nuts, fruit, vegetables, tea, tobacco and turf grass. It is most widely used in China, Europe and the United States and typically sells at a premium over traditional muriate of potash ("**MOP**") because of its favourable impact on crop yield and quality and its superior performance over MOP.

The existing Mountain West US market for sulphuric acid is in the region of 5.6 million tons per annum and is expected to increase as a result of new and planned mine developments and existing mine expansions. The Corporation has in place a non-binding memorandum of understanding with an existing Utah mine for 20% of the sulphuric acid produced by the Blawn Mountain Project. The alumina contained in the leach residue remaining after the dissolution of the SOP may be used by a refinery as bauxite material to produce smelter grade alumina.

Located in Valleyfield, Quebec, the Valleyfield Project intends to utilize well-known Mannheim technology to produce SOP at an initial rate of 40,000 tonnes per annum. The Valleyfield Project is scalable and will be located in a region ideally suited for future expansion.

Equity Financings

November 2015 Private Placement

On November 27, 2015 the Corporation closed a non-brokered private placement for gross proceeds of $600,000 through the issuance of 20,000,000 units ("**Units**"). Each Unit is comprised of one Common Share in the capital of the Corporation and one half of one Common Share purchase warrant (a "**Warrant**"). Each Warrant is exercisable to acquire one Common Share at an exercise price of $0.08 per Common Share for a period of two years from the date of issuance.

As the aggregate number of Common Shares (or rights to acquire Common Shares) issuable pursuant to the Private Placement exceeded 25% of the Common Shares issued and outstanding at the time, Potash Ridge would ordinarily have been required to obtain shareholder approval for the Private Placement pursuant to the applicable policies of the TSX. However, the Corporation applied to the TSX, pursuant to the provisions of Section 604(e) of the TSX Company Manual, for a "financial hardship" exemption from the requirement to obtain shareholder approval, on the basis that the Corporation was in serious financial difficulty.

The Corporation was placed under remedial delisting review by the TSX as an ordinary consequence of the Corporation's application for reliance on the financial hardship exemption.

April 2016 Private Placement

On April 15, 2016 and April 20, 2016, the Corporation closed two tranches of a non-brokered private placement for gross proceeds of $1,750,000 through the issuance of 11,666,663 units (the "**April 2016 Units**"). Each April 2016 Unit is comprised of one Common Share and one half Common Share purchase warrant (each, a "**April 2016 Warrant"**). Each April 2016 Warrant is exercisable to acquire one Common Share at an exercise price of $0.30 per Common Share for a period of three years from the date of issuance.

May 2016 Private Placement

On May 20, 2016 and May 25, 2016, the Corporation closed two tranches of a non-brokered private placement for gross proceeds of $1,400,000 through the issuance of 5,600,000 units (the "**May 2016 Units**"). Each May 2016 Unit is comprised of one Common Share and one half Common Share purchase warrant (each, a "**May 2016 Warrant**"). Each May 2016 Warrant is exercisable to acquire one Common Share at an exercise price of $0.50 per Common Share for a period of three years from the date of issuance.

Lind Partners Financing

On December 16, 2016, Potash Ridge announced that it had entered into a convertible security funding agreement (the "**Lind Agreement**") with an entity managed by The Lind Partners, a New York based asset management firm ("**Lind**").

Under the terms of the Lind Agreement, U.S.$2,640,000, less a closing fee of U.S.$132,000, was provided to the Corporation by way of the issuance of an initial convertible security with a face value of U.S.$3,168,000 (the "**First Convertible Security**"). Lind has the right to increase the funding under the First Convertible Security by an additional U.S.$871,200 during its two-year term.

Subject to certain conditions, the Lind Agreement also provides for the issuance of a second convertible security (the "**Second Convertible Security**") on mutual agreement of Potash Ridge and Lind, in which Lind will fund up to another U.S.$6,200,000 (the "**Second Tranche**"). Like the First Tranche, Lind has the right to increase the funding under the Second Convertible Security by up to U.S.$2,046,000. If the Second Tranche occurs, Potash Ridge would pay Lind a closing fee equal to 5% of the amount advanced in the Second Tranche.

The proceeds of the financings from the Lind Agreement will be used to continue advancement of the Valleyfield Project in Québec and the Blawn Mountain Project in Utah, and to provide working capital for general corporate purposes.

Each convertible security has a two-year term from the date of issuance and will incur a simple interest rate obligation of 10% on the amount funded that is prepaid and attributed to its face value upon the issuance of each convertible security.

Potash Ridge's obligations under the Lind Agreement are secured by all of its present and after-acquired property, including a pledge of its equity interests in its subsidiaries. The Lind Agreement does not, however, restrict Potash Ridge's ability to put in place project financing at the subsidiary level. Potash Ridge is also permitted to issue up to 15% of the current issued and outstanding shares of its subsidiaries to prospective equity investors.

Shares underlying each convertible security will be restricted from trading on the TSX for a period of four months and one day from the time of issuance of the applicable convertible security. Once issued, Lind will be able to convert the convertible securities in monthly installments over the term at a conversion price equal to 85% of the 5-day trailing volume-weighted average price ("**VWAP**") of the common shares prior to the date that notice of conversion is provided by Lind. The Lind Agreement contains restrictions on how much of the convertible securities may be converted in any particular month; however, Lind is entitled to accelerate its conversion right to the full amount of the

face value or demand repayment of the face value in cash upon a default and other specified events. To the extent that the full face value has not been converted at maturity, the balance of the face value is to be paid in cash at the end of the two-year term.

Potash Ridge has the option to buy-back the convertible securities in cash at any time by paying a buy-back premium equal to 5% of the outstanding balance of the applicable convertible security, except that no such premium is payable if Potash Ridge elects to buy back the First Convertible Security within the first six months of its issuance.

In addition, Potash Ridge has issued warrants to Lind in respect of the First Convertible Security, exercisable for 60 months at an exercise price of $0.50 per share. The number of warrants to be issued in connection with the First Convertible Security was 6,511,326 warrants. In respect of the Second Tranche (if any), Potash Ridge has agreed to issue such number of warrants equal to 50% of the amount advanced by Lind in respect of the Second Convertible Security divided by the VWAP of the common shares for the five trading days immediately preceding the issuance of the Second Convertible Security. Warrants calculated in the same manner will also be issued to Lind if it elects to increase the size of any convertible security as described above. All subsequent warrants issued to Lind pursuant to the Lind Agreement will be exercisable for 60 months from the date of issuance at an exercise price equal to 125% of the five-day VWAP of the common shares immediately prior to the applicable closing date.

Valleyfield Project

The Corporation's manufacturing project is the Valleyfield Project. The Valleyfield Project is focused on the development of a SOP manufacturing facility incorporating the Mannheim furnace process. The initial phase of Valleyfield Project's construction will be a 40,000 tonne per annum potassium sulphate facility located in Valleyfield, Quebec. As a by-product, the facility will also produce 48,000 tonnes per year of hydrochloric acid. The facility will use the proven Mannheim Process to react potassium chloride with sulphuric acid to produce high quality potassium sulphate and hydrochloric acid.

The Corporation's strategy is to build and operate fertilizer production facilities in locations ideally suitable for sourcing raw materials such as potash and sulphuric acid and selling two end products: SOP and hydrochloric acid ("**HCL**").

Potassium chloride ("**KCL**") reacts with sulphuric acid (H2SO4) to yield K2SO4 (i.e. SOP) and HCL. A two-stage reaction is required; exothermic at relatively low temperature, and endothermic at higher temperature (heated by oil, gas or hydrogen burner). Potassium chloride and sulphuric acid are fed into the Mannheim furnace and the sulphuric acid is neutralized with calcium carbonate and then mixed. Potassium sulphate leaves the reaction and is neutralized and cooled. At that time, the hydrogen chloride gas formed is absorbed in water to form hydrochloric acid or can be used in gaseous form.

The initial location being contemplated is Valleyfield, Quebec, located approximately 50 km west of Montreal. Valleyfield is well suited because of its local supply of sulphuric acid and customers for hydrochloric acid. The primary raw material, potash can be easily transported from Saskatchewan to the proposed locations' rail-side production facilities. The finished product – SOP, can be shipped through the St. Lawrence River from port facilities located within two km from the production facilities, as well as via one of three rail lines in Valleyfield, including a recently opened CSX rail hub and logistics centre.

If and when production begins at the Valleyfield Project, the Corporation must pay to Mr. Hussey a royalty of up to 1% of the gross revenue from the Valleyfield Project.

Blawn Mountain Project

In 1970, Earth Sciences Inc. ("**Earth Sciences**") began to explore for alunite in Blawn Mountain including on the tracts of land contained within the Blawn Mountain Project. Earth Sciences referred to its project as the NG alunite property. The primary objective of Earth Sciences was to develop its NG alunite property as a domestic source of alumina. In 1970, Earth Sciences entered into a joint venture arrangement with Southwire Company ("**Southwire**") and National Steel Corporation ("**National Steel**") to open an alunite mine as a source of alumina to supply the

National Steel/Southwire jointly owned aluminum plant in Kentucky. The joint venture between Earth Sciences, National Steel and Southwire was called the Alumet Company. The Alumet Company significantly advanced the NG alunite property during the 1970s. However, by the early 1980s, the NG alunite property had lost momentum as a collapse in alumina prices and economic conditions made financing difficult. The NG alunite property was eventually relinquished in 1998. See "*Description of the Blawn Mountain Project — History of the Project*".

The Blawn Mountain Project is located in the southern Wah Wah Mountains of Beaver County, Utah, about 290 km south-southwest of Salt Lake City, Utah. Blawn Mountain is located approximately 50 km southwest of Milford and 90 km northwest of Cedar City. The Blawn Mountain Project is entirely composed of Utah State-owned land managed by SITLA. The lands immediately around the Blawn Mountain Project are predominantly federal lands managed by the United States Department of the Interior, Bureau of Land Management (the "**BLM**") along with additional SITLA managed tracts.

On April 27, 2011, Potash Ridge acquired from a third-party certain historical information pertaining to the NG alunite property, including data on drilling results, resource estimates, pilot plant testing, permitting, mine plan, a feasibility study and engineering work performed or commissioned by Earth Sciences. This historical information focused on the exploration and development of an alumina mine with a SOP by-product, however the Corporation expects that much of the documentation will be helpful in expediting the exploration and development of the Blawn Mountain Project. For example, historical drilling results were used in preparing the technical reports and management believes that much of the flowsheet developed by the Alumet Company with respect to mining, extraction and crystallization of SOP will not be significantly modified by the Corporation for purposes of the Blawn Mountain Project.

Pursuant to the Exploration and Option Agreement, the Corporation acquired an option (the "**Lease Option**") to convert its exclusive exploration right into a mineral lease at any time during the Option Period provided that it first obtains SITLA's approval of a positive pre-feasibility study for the development of the Blawn Mountain Project. On May 6, 2013, the Corporation received confirmation from SITLA that the Corporation's NI 43-101 technical report dated November 5, 2012 met the requirements of a positive pre-feasibility study. The Corporation may exercise the Lease Option until the end of the Option Period upon payment to SITLA of US$1,020,000. Upon exercise of the Lease Option, a mineral lease will be granted to the Corporation over the Blawn Mountain Project for an initial term of ten years (the "**Initial Term**"). The mineral lease will remain in effect beyond the Initial Term as long as the Corporation is producing minerals profitably from, or demonstrates diligent exploration, development or operations on, the Blawn Mountain Project. Prior to commencing surface disturbing operations, the Corporation must first obtain the consent of SITLA and SITLA's approval of a plan of operations for the leased premises under the mineral lease.

If and when production begins at the Blawn Mountain Project, the Corporation must pay SITLA a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value of metalliferous minerals sold. The mineral lease also establishes annual rental and minimum royalty payments to be paid in advance by the Corporation. The annual rental payment is US$1 for each acre of land leased, subject to a minimum rental payment of US$500. The minimum royalty payment is US$4 per acre of land leased, increasing by US$1 per acre per year beginning in the sixth year of the lease. The annual rental and minimum royalty payments will be set-off against actual royalties payable for a given lease year.

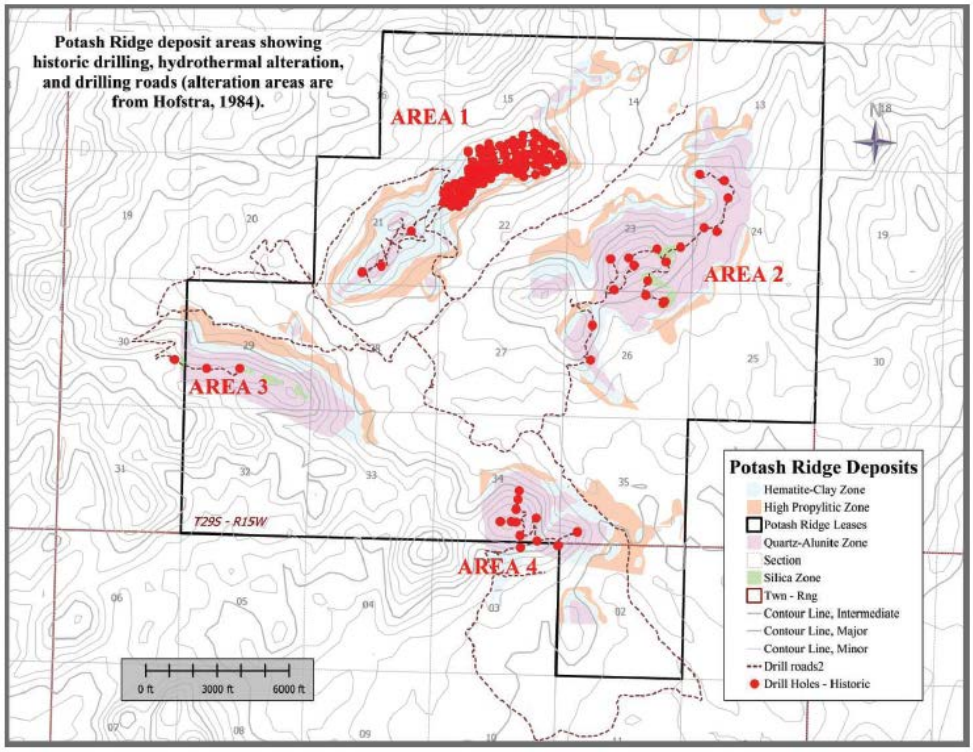
In June 2015, the Corporation entered into a modification (the "**Modification**") of the Blawn Mountain Project Mining Lease Agreement (the "**Blawn Mountain Lease**") with SITLA. The Modification cures the event of default under the Blawn Mountain Lease that occurred on March 31, 2015. Under the terms of the modification, SITLA has agreed to forbear from exercising its rights and remedies resulting from Potash Ridge's failure to make lease and minimum royalty payments under the terms of the Blawn Mountain Lease. The forbearance period is from March 31, 2015 to April 1, 2017. On March 16, 2017, SITLA agreed to an extension of the forbearance period from April 1, 2017 to June 30, 2017. As part of the extension, the Corporation made a US$500,000 payment to SITLA on March 24, 2017.

Under the terms of the Modification, Potash Ridge is obligated to pay accrued and unpaid interest by March 31, 2016 or when it raises US$1.5 million in new funds for the development of the Blawn Mountain Project, whichever arises first. Once Potash Ridge raises US$3 million or more of new funds for the development of the Blawn Mountain Project, then all outstanding amounts then due under the term of the Blawn Mountain Lease plus accrued interest will become due.

The Modification further requires Potash Ridge to pay interest to SITLA on unpaid lease and minimum royalties payments, which will accrue annually at a rate of SITLA's published prime rate plus two percent (currently equivalent to 5.25%) or 6.0%, whichever is greater, with the first interest payment due on March 31, 2016.

Potash Ridge will continue to be required to meet all other obligations under the terms of the Lease.

As delineated on the map below, there are four main zones of exploration and development identified by Potash Ridge within the Blawn Mountain Project. Area 1 is located along a northeast trending ridgeline in the northwest portion of the property ("**Area 1**"). Area 2 is located on another ridgeline, parallel to Area 1, extending from the centre of the property towards the northeast corner ("**Area 2**"). Area 3 is located in the southwest corner of the property ("**Area 3**"). A fourth zone, Area 4, is located east of Area 3 and south of Area 2 ("**Area 4**").



Potash Ridge has the exclusive right to explore the Blawn Mountain Project for potash pursuant to the Exploration and Option Agreement. On January 7, 2013, the Corporation entered into a new exploration lease with SITLA and acquired the exclusive right to explore an additional 480 acres (194 hectares) of land adjacent to the Blawn Mountain Project for metalliferous minerals and water. An additional five full sections of land were added through the acquisition of a SITLA lease, effective June 1, 2013, to expand the amount of non-mineral-bearing property that would allow for siting of process tailings and potential alumina stockpiling. There is an existing 155 acre tract located within Area 2 included in the Exploration and Option Agreement that represents the central portion of Area 2 (approximately 25%) and is the subject of an existing mining claim of a third-party. This third-party claim does not include the right to explore for potash but does include the right to explore for certain other minerals such as alumina. The Corporation is evaluating its options to acquire these third-party rights.

Business Objectives and Strategy

The principal activity of the Corporation is to develop projects focused on the production of SOP.

This includes advancing the exploration, development and production of the Blawn Mountain Project in order to become a leading low-cost producer of 230,000 tons (253,000 tonnes) per year of SOP over the life of the mine. To

achieve this objective, the Corporation is focused on advancing the Blawn Mountain Project with the following being key milestones:

- Completion of engineering which includes additional metallurgical test work;
- Obtaining the final permit (Air Quality Emissions);
- Obtaining Engineering Procurement Construction quotes;
- Finalizing terms of the co-product agreement;
- Negotiation an SOP off-take agreement; and
- Securing the necessary financing.

Since acquiring the Valleyfield Project, Potash Ridge has achieved the following milestones:

- Commissioned and engaged SNC-Lavalin to conduct a capital and operating expenditure budget study for the Valleyfield Project. SNC-Lavalin's engineering study will contemplate a first phase of construction of 40,000 tonnes per annum of SOP to an accuracy within +/- 30%.
- Signed an offtake and funding agreement with Jones-Hamilton Co. ("**Jones-Hamilton**") whereby Jones-Hamilton will fund the acquisition/construction of the HCL facilities and purchase 100% of the HCL produced from the Valleyfield Project for a minimum of ten years.
- Signed an agreement with Migao Corporation ("**Migao**"), a leading SOP producer using the Manneheim Process, whereby Migao will provide technical, construction, commissioning, operational and maintenance support services for the Valleyfield Project.
- Signed a five-year agreement for the supply of 100% of the sulphuric acid requirements for the Valleyfield Project.

Since entering into the Exploration and Option Agreement, Potash Ridge has achieved the following milestones in respect of the Blawn Mountain Project:

- A confirmation drilling program for Area 1 was completed in early 2012 and Norwest Corporation ("**Norwest**") issued a technical report in compliance with NI 43-101 that provided mineral resource estimates for Area 1 of the Blawn Mountain Project. In September 2012, based on the recommendations contained in this technical report, the Corporation completed a second phase drilling program in Area 2 and the south-western part of Area 1.
- Norwest issued an updated technical report dated November 5, 2012 entitled "Preliminary Economic Assessment — Blawn Mountain Project — Beaver County, Utah" in compliance with NI 43-101 that includes a preliminary economic assessment for the Blawn Mountain Project (that portion of the technical report which would constitute a preliminary economic assessment which is a study, other than a pre-feasibility study or feasibility study, that includes an economic analysis of the potential viability of Mineral Resources, the "**Preliminary Economic Assessment**").
- Hazen Research, Inc. ("**Hazen**") has performed confirmatory bench testing on the process proposed to be used by the Corporation to recover SOP and the sulphuric acid by-product from alunite. See *"Description of The Blawn Mountain Project — Mineral Processing"*.
- Utah Alunite and SITLA (as co-applicants) have submitted an application with the Utah Division of Water Rights to appropriate and obtain the necessary water rights for the Blawn Mountain Project. See *"Description of the Blawn Mountain Project — Permits and Authorizations"*.
- In February 2013, the Corporation completed its phase three drilling program comprised of 18 infill drill holes, 16 of which were located in Area 2, with the remaining two holes located in Area 1.

- In June 2013, the Corporation confirmed that it has produced SOP from alunite as part of its ongoing metallurgical testing program.

- In July 2013, the Corporation was informed by Beaver County that the right-of-way ("**ROW**") for access to its Blawn Mountain Project was granted. Preliminary construction activities have commenced.

- In September 2013, the Corporation received the results of an SOP market study that it commissioned earlier in the year. The results of the study confirmed the excellent market potential for SOP.

- Norwest issued a technical report dated effective November 6, 2013 entitled "Technical Report Resources and Reserves of The Blawn Mountain Project, Beaver County, Utah" in compliance with NI 43-101 (the "**Technical Report**") that contains the results of a pre-feasibility study issued in November 2013 (the "**Pre-Feasibility Study**").

- In December 2013, the Corporation filed its "Notice of Intention to Commence Large Mining Operations" with the Utah Division of Oil, Gas and Mining for the Blawn Mountain Project.

- In February 2014, the Corporation filed its Groundwater Discharge Permit Application with the Utah Division of Water Quality for the Blawn Mountain Project.

The Corporation was notified that the Utah office of the U.S. Army Corp of Engineers ("ACOE") concurred with the Corporation's findings that no jurisdictional waters or wetlands will be impacted by the Blawn Mountain Project The Corporation received final confirmation from ACOE and a letter stating that a "Department of the Army Permit' is not required for the Blawn Mountain Project in March 2014.

- In March 2014, the Corporation exercised the Lease Option and entered into the Mining Lease with SITLA for the Blawn Mountain Project

- In May 2014, the Corporation was granted water rights for the Blawn Mountain Project See "Description of the Blawn Mountain Project -Permits and Authorizations".

- In July 2014, the Corporation received its Ground Water Discharge Permit. See "Description of the Blawn Mountain Project-Permits and Authorizations".

- In August 2014, the Corporation received its Large Mining Permit following approval of its "Notice of Intention to Commence Large Mining Operations" that was filed in December 2013. See "Description of the Blawn Mountain Project-Permits and Authorizations".

- In August 2014, the Corporation announced that it had entered into a development and operating partnership with Tetra Tech Inc. ("Tetra Tech") for work on the Blawn Mountain Project. Tetra Tech undertook to perform key aspects of the subsequent feasibility study. A right of first offer was given to Tetra Tech to become the engineering, procurement and construction management contractor after completion of the feasibility study. The arrangement also contemplates Tetra Tech participating in Build, Own, and Operate arrangements for various infrastructure assets, which may include (but is not limited to), the water treatment plant and sulphuric acid plant.

- In October 2014, the Corporation entered into a non-binding offtake and marketing arrangement with a third party marketer for sulphuric acid production from the Blawn Mountain Project.

- In late 2014, Louis Berger, an international professional services company, completed an independent economic impact analysis for the Blawn Mountain Project. This analysis concluded that the Blawn Mountain Project is expected to generate approximately 7,300 jobs in Utah, an estimated total Gross Regional Product ("GRP") exceeding U.S.$l.1billion per annum during the construction phase, and an estimated GRP of US$37S million per annum throughout the operations stage. Following finalization of this analysis, various expressions of support for the Blawn Mountain Project were received from key stakeholders within Utah, including the Governor's office.

- In January 2015, the Corporation entered into a construction and service rail arrangement with Watco Companies LLC (“Watco”). Under the terms of a memorandum of understanding (“MOU”), Watco will undertake the development, financing and operation of a short-line railroad connecting the Blawn Mountain Project to the Union Pacific railroad main line near Milford, Utah, and a loading facility for its SOP, sulphuric acid and alumina rich material saleable products. Initial work contemplated under the MOU will begin after the commencement of a feasibility study, subject to the Corporation successfully raising additional financing.

- In June 2015, the Corporation entered into the Modification of the Blawn Mountain Lease with SITLA. The Modification cures the event of default under the Blawn Mountain Lease that occurred on March 31, 2015. Under the terms of the Modification, SITLA agreed to forbear from exercising its rights and remedies resulting from Potash Ridge's failure to make lease and minimum royalty payments under the terms of the Blawn Mountain Lease. The forbearance period is from March 31, 2015 to April 1, 2017. On March 16, 2017, SITLA agreed to an extension of the forbearance period from April 1, 2017 to June 30, 2017. As part of the extension, the Corporation made a US$500,000 payment to SITLA on March 24, 2017.

- Millcreek Mining Group ("**Millcreek**") issued an updated technical report dated effective January 10, 2017 entitled "Technical Report, The Blawn Mountain Project, Updated Prefeasibility Report, Beaver County, Utah" in compliance with NI 43-101 (the "**Updated Technical Report**") that contains the results of an updated pre-feasibility study (the "**Updated Pre-Feasibility Study**").

- The Corporation believes that it has developed strong relationships with Blawn Mountain Project stakeholders and expects to continue to develop and expand these relationships as the Blawn Mountain Project develops.

Over the next 24 months the Corporation intends to:

- Obtain environmental permits for the Valleyfield Project.

- Enter into commercial arrangements which would allow for the financing and construction of the Valleyfield Project.

- Pursue potential offtake and partnership arrangements for both the Valleyfield Project and the Blawn Mountain Project.

- Continue upgrading of the Blawn Mountain access road across BIM lands and work with Beaver County to develop a road use agreement.

- Obtain remaining required construction and operating permits for the Blawn Mountain Project.

- Pursue project and other financing.

- Complete an evaluation of the alumina rich residue material from the Blawn Mountain Project, after extraction of SOP, to determine whether the material meets the required specifications for use as a feedstock into a Bayer plant for the production of alumina or other potential industrial uses. The Blawn Mountain Project's economics do not currently include any possible revenue from the sale of this material.

- Conduct additional exploration and exploration drilling throughout the Blawn Mountain Project.

The Corporation will provide an updated schedule for the Valleyfield Project and Blawn Mountain Project once additional financing is obtained.

Environmental Regulation

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. Compliance with such regulation can require significant expenditures or result in operational restrictions. Breaches of such regulatory requirements may result in suspension or revocation of necessary licenses and authorizations, potential civil liability and the imposition of fines and penalties, all of which might have a significant negative impact on the Corporation. See "*Risk Factors — Environmental Risks and Hazards*". The Corporation intends to maintain a policy of operating its business in compliance with all environmental regulations.

Marketing Strategy

SOP

Potassium sulphate can be used in combination with or substituted for potassium chloride depending on the application, crop, and soil conditions. Potassium sulphate is the preferred fertilizer for crops that are more sensitive to chloride and where a crop's demand for sulphur is high. SOP is ideal in situations where crops are at risk from soil salinity.

Potassium sulphate improves, among many functions, the starch or sugar content of crops, which generally acts to increase both yield and quality. It can also increase resistance to drought, frost, insects and disease. Following is an example of crops which are proven to benefit from SOP; vegetables, tree nuts (almond, cashew, pistachio, etc.) citrus, avocado, coffee, tea, tobacco, flowers, fruit trees (apple, peach, pear, etc.), melon, potato, vegetables, tobacco, cotton, grapes.

There are strong and growing markets in North America, including Mexico, for SOP. There are only a few North American producers that under-supply current market demand. Other SOP suppliers to the North American market include a South American company and a small number of European companies.

Both the Valleyfield Project and the Blawn Mountain Project are well positioned to take advantage of an imbalance in the supply/demand situation in North America for potassium sulphate.

In 2013, the Corporation engaged Serecon Management Consulting Inc. ("**Serecon**") and a consultant (the "**Consultant**") to perform studies on SOP markets. In preparing the report, Serecon and the Consultant performed comprehensive analyses of the types of crops best suited for SOP, the range of potential pricing for SOP over MOP and the potential growth in markets for each of these crops by geographical region. The analyses confirm the excellent market potential for SOP.

SOP produced from the Projects will be marketed domestically and globally. As the most commonly used alternative to MOP when the presence of chloride ions is undesirable, SOP sells at a premium over MOP. Worldwide, for the period 2001 to 2010, SOP has commanded an average premium of 47% over MOP, ranging from 38% to 61%. The SOP market in western United States is being served by a single producer leading to a supply constrained market. As a result, the high value crop growers in these markets pay a larger premium for SOP over MOP than premiums realized in other markets. In the fourth quarter of 2015, the average realized SOP price in the western US market was $887 per ton, a 270% premium over the average realized MOP price.

Management intends to focus its SOP marketing efforts in the U.S. on growers of premium value crops. California and Florida will be key markets given their large agricultural base of premium crops. Historically, approximately 100,000 tons per annum of SOP was imported into Florida from Europe and Chile, which can also be displaced given the transportation advantage. Outside of the United States, China and Brazil, with their growing populations and growing need for food, are other key markets of focus for Potash Ridge.

Sulphuric Acid

Management intends to market the co-product sulphuric acid from the Blawn Mountain Project to existing U.S. phosphate producers, copper and gold miners, as well as to mines under development in the region. The existing Mountain West U.S. market for sulphuric acid is in the region of 5.6 million tons per annum. In addition, there are new and planned mine developments and existing mine expansions having the potential to significantly increase this volume. These development prospects, combined with potential supply disruptions by existing sulphuric acid producers in the region, are expected to lead to a healthy demand for the Blawn Mountain Project's sulphuric acid production.

Alumina

Management is evaluating potential markets for the sale of the alumina-containing residue that may be produced at the Blawn Mountain Project. Metallurgical testing to date has confirmed that the alumina contained in the residue from the leaching process is soluble in high temperature caustic solutions; Bayer Process conditions; and may also be acceptable as a raw material feed for low temperature refineries. The Corporation is also in discussions with other North American parties interested in the alumina for various industrial applications, including us in the production of proppants used in oil and gas fracing, an ingredient in concrete and other industrial applications. Further testing is being carried out to determine whether the product meets the required specifications for these various potential applications.

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. Potash Ridge competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation.

The Corporation believes that it is well positioned to compete in its market segment given the strategic location of the Blawn Mountain Project and its experienced management team and directors. The Corporation believes that the Blawn Mountain Project has the potential to be one of the leading producers of SOP, however, this project is still in the exploration and development stage and the Corporation has not commenced any commercial production or recorded any revenues from its operations. See "*Risk Factors — Competition in the mining industry may adversely affect the Corporation*".

Legal Proceedings

With the exception of the water right legal proceedings elsewhere, the Corporation is not party to any material legal proceedings.

Employees

As of the date hereof, the Corporation has four full-time employees/consultants.

RISK FACTORS

Investing in the Corporation involves significant risk that should be carefully considered. Investors should carefully consider the following risk factors and all of the other information contained herein. If any event arising from these risks occurs, the Corporation's assets, liabilities, business, prospects, financial condition, results of operations and/or cash flows could be adversely affected. Additional risks and uncertainties not currently known to the Corporation, or that are currently considered immaterial, may also materially and adversely affect the Corporation's business operations.

The Corporation’s focus is the potassium sulphate market in North America. There can be no assurance that this market will continue to develop and, given the Corporation’s limited experience and operating history in this market, there is no assurance that the Corporation’s investment and efforts in this market will be successful, which may materially adversely affect the Corporation’s business, prospects, financial position, financial condition and/or results of operations.

Risks Related to the Corporation's Business

In addition to the other information disclosed herein, the following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities.

The Corporation has targeted the potassium sulphate fertilizer market in North America as a focus for its business. There can be no assurance that this market will continue to develop and, given the Corporation’s limited experience and operating history in this market, there is no assurance that the Corporation’s investment and efforts in this market will be successful, which may materially adversely affect the Corporation’s business, prospects, financial position, financial condition and/or results of operations.

Potash Ridge has negative operating cash flow and might not be able to continue as a going concern

While the Corporation's consolidated financial statements as at and for the period ended December 31, 2016 have been prepared on a going-concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations, there are material uncertainties relating to certain conditions and events that cast substantial doubt on the Corporation's ability to continue as a going-concern.

The Corporation has not yet achieved profitable operations. The Corporation is an early-stage exploration company with no source of operating cash flow, has not recorded any revenues from its operations to date, nor does it expect to generate any revenues from its operations for several years. The Corporation has had negative operating cash flow since its inception and expects to continue to have negative operating cash flow for the foreseeable future.

The Corporation earned a comprehensive loss for the year ended December 31, 2016 of $3,189,841 and reported an accumulated deficit of $12,527,997 as at December 31, 2016. As at December 31, 2016, the Corporation had $3,497,094 in cash which it believes may not be sufficient to finance its currently planned operating, exploration and evaluation, and development expenditures. The development of the Valleyfield Project and the exploration and development of the Blawn Mountain Project will require the commitment of substantial resources to conduct time-consuming development programs. The Corporation also expects to continue to incur losses until such time as the Blawn Mountain Project enters into commercial production and generates sufficient revenues to fund its continuing operations.

The Corporation's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. There can be no assurance once a decision is made with respect to future activities that the Corporation will be able to execute on its plans. The consolidated financial statements of the Corporation do not include any adjustments related to the carrying values and classification of assets and liabilities should the Corporation be unable to continue as a going concern.

There can be no assurance that the Corporation will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate and that significant additional losses will not occur in the near future. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and other factors, many of which are beyond the Corporation's control.

The Corporation will require additional capital in the future and no assurance can be given that such capital will be available at all or on terms acceptable to the Corporation

The Corporation will have further capital requirements to further develop the Valleyfield Project as well as to fund further exploration expenditures as it proceeds to expand exploration activities at the Blawn Mountain Project, continues to develop the Blawn Mountain Project, or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it.

The continued exploration and future development of the Valleyfield Project and the Blawn Mountain Project may therefore depend on the Corporation's ability to obtain additional required financing. In particular, any potential development of the Valleyfield Project and the Blawn Mountain Project requires substantial capital commitments, which the Corporation cannot currently quantify (other than by way of estimation) and does not currently have in place. The Corporation can provide no assurance that it will be able to obtain financing on favourable terms or at all. If financing is not available, it could result in a delay or indefinite postponement of development or production on the Valleyfield Project and the Blawn Mountain Project, or in a loss of Valleyfield Project and the Blawn Mountain Project ownership or earning opportunities by the Corporation. The Corporation currently has no source of funding for the financing of the capital needs of its business and future activities, other than by the issuance of additional securities of the Corporation. If the Corporation is unable to generate revenues or obtain additional financing, any investment in the Corporation may be lost. Where the Corporation issues securities in the future, such issuance will result in the then existing shareholders of the Corporation sustaining dilution to their relative proportion of the equity in the Corporation. The Corporation may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs.

Potash Ridge has a limited operating history and no history of mineral production

The Corporation has a very limited history of operations and is in the early stage of exploration and development. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. Potash Ridge

currently has no advanced exploration or development projects. The Blawn Mountain Project is an early-stage exploration project that has no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs or asset retirement obligations. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Potash Ridge has no experience with development-stage mining operations and Potash Ridge can provide no assurance that the necessary expertise will be available if and when it seeks to place the Blawn Mountain Project into development. Potash Ridge has no experience in placing mineral properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel. There can be no assurance that Potash Ridge will have available to it the necessary expertise when and if it places the Blawn Mountain Project into production.

Infrastructure, Capital and Operating Costs and Production Estimates

The Corporation's expected production schedules, infrastructure, capital and operating costs and engineering and construction estimates which are included in the AIF are included in the Pre-feasibility Study for the Blawn Mountain Project. The Pre-feasibility Study relies upon estimates based on assessments of current and future market conditions and available technical information concerning the Blawn Mountain Project. Accordingly, the results indicated by the Pre-feasibility Study are projections only and are inherently uncertain. In particular, actual costs may significantly exceed those estimated by the Pre-feasibility Study, and engineering and construction estimates set forth in the Pre-feasibility Study may prove materially inaccurate.

Infrastructure, capital and operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for the Corporation in the future may differ significantly from those anticipated by the Corporation's current estimates, and there can be no assurance that the Corporation's actual infrastructure, capital and operating costs will not be higher than currently anticipated.

Dependence on the Blawn Mountain Project

The only material mineral property interest of the Corporation is its interest in the Blawn Mountain Project. As a result, any adverse developments affecting the Blawn Mountain Project could have a material adverse effect upon the Corporation and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Corporation. While the Corporation may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Corporation 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 or that such properties will be available on terms acceptable to the Corporation or at all.

The Corporation will need to acquire from a third-party rights to explore for alumina in respect of a tract of land within the Blawn Mountain Project in order to develop the Blawn Mountain Project as currently planned by the Corporation. There can be no assurances that the Corporation will be able to acquire the rights on terms that are satisfactory to it or at all. See "*Description of The Blawn Mountain Project — Project Description and Location*".

Dependence on the Valleyfield Project

The only material manufacturing interest of the Corporation is its interest in the Valleyfield Project. As a result, any adverse developments affecting the Valleyfield Project could have a material adverse effect upon the Corporation and would materially and adversely affect the potential production, profitability, financial performance and results of operations of the Corporation. While the Corporation may seek to acquire additional manufacturing projects that are consistent with its business objectives, there can be no assurance that the Corporation will be able to identify suitable additional manufacturing projects or, if it does identify suitable manufacturing projects, that it will have sufficient financial resources to acquire such projects or that such projects will be available on terms acceptable to the Corporation or at all.

Uncertainty of estimated mineral resources and mineral reserves

The figures for mineral resources and mineral reserves contained herein are estimates only based on a number of assumptions in respect of the Blawn Mountain Project and, in particular, Areas 1 and 2. No assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral resources and mineral reserves could be mined or processed profitably. The estimation of mineral resources and mineral reserves is a subjective process and the accuracy of estimates is, in part, a function of the quantity and quality of available data, the accuracy of statistical computations and the assumptions and judgments made in interpreting engineering and geological information. Such figures are estimates, and until the mineral resources and mineral reserves are actually mined and processed, no assurance can be given that the indicated level of mineral resources and mineral reserves will be produced. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Corporation's control. Fluctuations in the price of potash or by-products may render mineral resources and mineral reserves containing lower grades of mineralization uneconomic. Market price fluctuations of potash may render the present mineral resources and mineral reserves unprofitable for periods of time.

Fluctuation in potash prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimates. If the Corporation's actual mineral resources and mineral reserves are less than its estimates, the Corporation's results of operations and financial condition may be materially impaired and there could be an adverse effect on the value of the Common Shares. A material change in quantity of mineral resources, mineral reserves or grades may also affect the economic viability of the Blawn Mountain Project. The Corporation's estimated mineral resources and mineral reserves should not be interpreted as assurances of economic viability or potential or of the profitability of any future operations.

The Corporation will employ a combination of technologies and processes

The Corporation will employ a combination of proven technologies to produce SOP at the Blawn Mountain Project. Between 1973 and 1976, the Alumet Company undertook pilot plant testing of a similar process with a view to producing alumina as the primary product from alunite and SOP as a by-product. The Corporation plans to carry out pilot-scale testing on select process equipment types and sizes with the objective of optimizing the process whereby SOP will be the primary product. Management of the Corporation is not aware of a similar combination of processes currently being used by any producer of SOP. There can be no assurances that the pilot-scale testing will result in the expected optimization of the process. Depending on the outcome of this testing, the Corporation may need to alter the proposed process which could result in unanticipated and potentially significant costs to the Corporation or a delay in the development of the Blawn Mountain Project.

The Corporation will employ Mannheim technology to produce SOP at the Valleyfield Project. Developed in Germany over a century ago, the Mannheim Process is one of the most commonly used SOP production processes in the world, primarily occurring in China and Europe. The process combines muriate of potash (potassium chloride) with sulphuric acid at high temperatures to produce SOP and by-product hydrochloric acid.

The Corporation requires approvals, licenses and permits in connection with its current exploration and future development activities that may be delayed or may not be obtained

Governmental approvals, licenses and permits are currently, and may in the future be, required in connection with the Valleyfield Project and the Blawn Mountain Project. To the extent such approvals, licenses and permits are delayed or not obtained, the Corporation may be delayed, curtailed or prohibited from proceeding with planned exploration, development or operation of the projects. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, and parties that were engaged in operations in the past, may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in exploration and development expenses, capital expenditures or production costs or abandonment or delays in development of new mining properties.

The Corporation requires the necessary water rights and water sources to support the proposed Blawn Mountain Project and those rights and sources may not be obtained

The Corporation requires water rights to make use of the waters of the State of Utah for the Blawn Mountain Project. In addition, the Corporation will need to develop ground water resources sufficient to satisfy the needs of the Blawn Mountain Project. To the extent such water rights and water sources are required and not obtained, the Corporation may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of the Blawn Mountain Project.

Governmental and regulatory requirements could adversely impact the development of the Corporation's projects

The mineral exploration activities (as well as the potential for eventual mining, processing and development activities) and manufacturing activities of the Corporation are subject to extensive laws and regulations governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, waste disposal, water use, land claims of local people, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Government approvals, approval of aboriginal people and permits are currently, and may in the future be, required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulators in the United States have the authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

The Corporation's mineral exploration and mining activities in the United States may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties payable or the costs related to the Corporation's activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, government imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Although the Corporation's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Furthermore, any shift in political attitudes, or amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof are beyond the control of the Corporation and could have a substantial adverse impact on the Corporation.

Title to the Corporation's mineral properties cannot be assured

The acquisition of the right to explore and/or exploit mineral properties is a detailed and time-consuming process. Although the Corporation is satisfied it has taken reasonable measures to acquire unencumbered rights to explore the

Blawn Mountain Project, no assurance can be given that such property interests are not subject to prior unregistered or unrecorded agreements or interests or to undetected or other claims or interests which could be material or adverse to the Corporation.

The Blawn Mountain Project is the Corporation's only significant mineral property. There is no guarantee that the Corporation will be able to maintain the Blawn Mountain Lease by meeting all obligations under the Blawn Mountain Lease. The Corporation's activities on the Blawn Mountain Project are limited to the terms and conditions contained in the Exploration and Option Agreement.

The potash prospecting permit applications previously filed on behalf of the Corporation for the Blawn Mountain Project do not allow any surface disturbing activities until such time as the prospecting permit applications have been approved. There is no guarantee that the prospecting permit applications will be approved. In order for a preference right lease to be issued on the basis of the exploration conducted under a prospecting permit, it must be determined that the lands are chiefly valuable for potash. There is no guarantee that a potash lease will ultimately be issued on the basis of the pending potash prospecting permit applications.

Infrastructure and logistic requirements have not been fully determined

Infrastructure and logistic requirements for the projects, which include roads, rail, port facilities, dams, dumps, stockpiles, leach pads, tailings disposal, power and pipelines, have not been fully determined and designed. The current condition of such infrastructure necessary to support the Blawn Mountain Project may not be adequate and there is no assurance that such infrastructure can be upgraded to meet the needs of the Blawn Mountain Project in a timely or cost-effective manner or at all.

Resource exploration and development is a speculative business and involves a high degree of risk

The marketability of natural resources which may be acquired or discovered by the Corporation will be affected by numerous factors beyond the control of the Corporation. 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 Corporation not receiving an adequate return on invested capital.

The extraction of minerals from a deposit may not be economically viable

Substantial expenditures are required to develop a mine. No assurance can be given that mineral reserves at the Blawn Mountain Project will be discovered, or that mineral resources will be upgraded to mineral reserves, in sufficient quantities or grades to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all. It is also possible that the actual capital cost, operating costs, other economic parameters and economic returns of any proposed mine may differ from those estimated and such differences could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

There can be no assurance that the Corporation will be able to commence and complete development of the Blawn Mountain Project on time, on budget or at all due to, among other things, and in addition to those factors described above, a decline in potash prices, changes in input prices such as natural gas; changes in the economics of the Blawn Mountain Project; delays in receiving required consents including obtaining permits and licenses; the delivery and installation of plant and equipment; cost overruns; governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of commodities and environmental protection; or that the Corporation's personnel, systems, procedures and controls will be adequate to support operations. Should any of these events occur, it would have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Commodity prices may affect the Corporation's value

The potential viability of the Corporation's operations and the corresponding value of the Common Shares will be significantly impacted by changes in potassium chloride, potassium sulphate, sulphuric acid, and hydrochloric acid prices. Commodities prices fluctuate widely and are affected by numerous factors beyond the Corporation's control. The market prices for potash are affected by supply and demand rates, and may also be affected by a variety of unpredictable international economic monetary and political considerations. Macroeconomic considerations include: expectations of future inflation rates, the strength of and confidence in the U.S. dollar, the currency in which the price of potash is generally quoted and other currencies, interest rates, global or regional economic events and competition from other types of fertilizers. These and other factors will have an impact on the viability of the projects, including the Corporation's ability to secure additional financing that will be necessary for continued activities.

The Corporation may have difficulty passing along raw material price increases

There is a risk that market prices of inputs required for the Corporation’s business, such as electricity and natural gas, may fluctuate, exposing the Corporation to market risk. In addition, if temporary shortages due to disruptions in supply caused by weather, transportation, production delays, government intervention or other factors require the Corporation to secure its raw materials or other inputs, such as natural gas, from other sources than its current suppliers, there can be no assurance that the Corporation will be able to do so on terms as favourable as its current terms or at all.

The Corporation may have difficulty recruiting and retaining key employees

Recruiting and retaining qualified personnel will be critical to the Corporation's success. The Corporation's future success will depend, in large part, on attracting and retaining persons skilled raising development and construction capital and in the acquisition, exploration and development of mining properties. The availability of persons with these skill sets is limited and competition to retain such individuals is intense. As its business activity grows, the Corporation will require additional key financial, administrative, geological and mining personnel as well as additional operations staff. There can be no assurance that the Corporation will be successful in attracting, training and retaining qualified personnel with the skills necessary to meet its business objectives relating to the Blawn Mountain Project or the Valleyfield Project. The Corporation does not have key-man insurance in effect for management, and has no current plans to purchase any such policies. If the Corporation is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its business, financial condition and results of operations.

Environmental risks and hazards

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on and management requirements for the generation, transportation, storage and disposal of solid and hazardous waste. Environmental regulation is evolving in a manner which may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Potash Ridge cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect Potash Ridge. The completion of historical environmental studies on the Blawn Mountain Project does not guarantee that further environmental studies will not be required or that the environmental impacts of the exploration and development of the Blawn Mountain Project will be the same as those noted in such historical studies.

The Corporation may become subject to litigation which may have a material adverse effect on its performance

Although the Corporation is not currently subject to any litigation, it may become involved in disputes with other parties in the future which may result in litigation, the outcome of which cannot be predicted with certainty. If the Corporation were unable to resolve such disputes favourably, the resulting litigation could adversely affect the Corporation's financial performance, cash flows and results of operations. As noted in further detail below, the Corporation is involved in an appeal proceedings arising out of the regulatory approval by the Utah State Engineer's Office of the water right for the Blawn Mountain Project, as well as the approval of another water right in the Wah Wah Valley held by the Central Iron County Water Conservancy District.

Construction schedule delays may adversely impact the financial position of the Corporation

Delays in construction for a variety of reasons including availability of equipment, personnel, engineering complexity, permitting delays, financing delays, adverse weather conditions or other unforeseen circumstances may result in commissioning and start up delays that would negatively impact the Corporation's financial performance.

The Corporation is dependent on various supplies and equipment to carry out its exploration activities. The shortage of supplies, equipment and parts could have a material adverse effect on its ability to carry out its exploration activities and therefore limit or increase the cost of exploration and related activities. An increase in demand for services and equipment could cause exploration costs to increase materially, could result in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability and could increase potential scheduling difficulties and costs due to the need to coordinate the availability of services or equipment. Any such material increase in costs could adversely affect the Corporation's financial condition.

Climate conditions may cause delays and cost over-runs and inhibit future production

Major weather events may result in delays in the development and construction of the Blawn Mountain Project, cost over-runs and may inhibit future production, any of which could have a material adverse effect on the Corporation's business, operations and financial results.

The Corporation does not maintain insurance against all possible risks

Although the Corporation maintains insurance against certain risks in amounts which management considers to be reasonable, its insurance may not cover all potential liabilities associated with its operations. The nature of liabilities for mining companies are such that liabilities may exceed policy limits, certain liabilities and hazards might not be insurable, or the Corporation might decide not to insure against certain liabilities because of high premiums or other reasons. Should such liabilities occur, the Corporation could incur significant costs that could have a material adverse effect upon its results of operations or otherwise affect its insurability and reputation in the market.

Certain directors and officers may have conflicts of interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development. To the extent that such other companies may participate in ventures in which the Corporation may participate, there exists the possibility for such directors and officers to be or come into a position of conflict.

Global financial conditions may adversely affect the Corporation's financial position

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk of economic shocks resulting from uncontrolled movements in the price of commodities, geopolitical instability or natural disasters. Governments may have limited resources to respond to future crises, and in some cases are burdened by considerable deficit creation or increasing sovereign default risk, including within the European Union. Interest rate increases implemented by central banks to contain inflation may further deteriorate businesses' ability to fund growth. These

factors could impact Potash Ridge's ability to obtain equity or debt financing in the future on favourable terms. In such an event, there could be a material adverse impact on Potash Ridge's operations and financial condition.

The Corporation has a foreign subsidiary

The Corporation conducts its mineral property exploration and evaluation operations through Utah Alunite, its United States subsidiary. Therefore, the Corporation is dependent on the cash flows of Utah Alunite to meet its obligations. The ability of Utah Alunite to make payments to the Corporation may be constrained by the following factors: (i) the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which Utah Alunite operates; and (ii) the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated.

Some of the Corporation's directors and experts are resident outside of Canada

Some of the Corporation's directors and experts named herein are resident outside of Canada, and a majority of their assets are located outside of Canada. As a result, it may be difficult for investors to effect service of process within Canada upon those directors or experts who are not residents of Canada, or to realize in foreign jurisdictions upon judgments obtained in Canada.

Future sales of Common Shares by existing shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Corporation's ability to raise capital through future sales of Common Shares.

If securities or industry analysts do not publish research or reports about the Corporation, if they change their recommendations regarding the Corporation adversely, or if the Corporation's operating results do not meet their expectations, the share price and trading volume could decline

The trading market for the Common Shares is influenced by the research and reports that industry or securities analysts publish about the Corporation. If one or more of these analysts cease coverage or fail to regularly publish reports, the Corporation could lose visibility in the financial markets, which in turn could cause the share price or trading volume to decline. Moreover, if one or more of the analysts downgrade the Corporation or its shares or if the Corporation's operating results do not meet their expectations, our share price could decline.

The Corporation has no record of paying dividends and does not expect to do so in the foreseeable future

The Corporation has not declared or paid any dividends since the date of its incorporation and does not currently anticipate that dividends will be declared in the short or medium term. Any determination to pay dividends in the future will be at the discretion of the Board of Directors and will depend upon, among other things, the Corporation's results of operations, financial condition, contractual restrictions, capital expenditure and working capital requirements, restrictions imposed by applicable law and other factors the Board of Directors deems relevant.

Risks Relating to the Potash Industry

Market Risks

In recent years the difference between global potash consumption and production increased which impacted both supply and price. Ramping up of potash production globally has resulted in reduced prices, a favourable condition for the Corporation, as potash is a raw material.

The leading potash producers estimate that the global potash market will be approximately 55 million tonnes. Only one major new supply of potash (BHP’s Jansen project) is expected to have the potential to disrupt the current supply/demand balance that has kept prices relatively low over the past two years.

As a result of excess supply in previous years, the price of potash declined. Providing pricing remains reasonable, management believes world-wide demand will continually but gradually trend upward in the coming years. Pricing will then strengthen with demand. International market demand and price negotiations will heavily influence the price the Corporation pays for potash. There can be no assurance that potash supply will be secured and able to meet the Corporation's needs. With any interruption or termination of supply the Corporation may not be able to find alternative sources of supply in a timely manner. Any failure by key suppliers to produce or deliver products as required could have a material adverse effect on the Corporation's business, prospects, financial position, financial condition and/or results of operations.

Risks and hazards inherent in the mining industry

Mining exploration, development and operations are highly speculative and are characterized by a number of significant inherent risks, which even a combination of careful evaluation, experience and knowledge may not eliminate and may result in the inability to develop a project. Some of these risks include but are not limited to environmental hazards, industrial accidents, labour disputes, unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, unanticipated ground or water conditions, cave-ins, flooding, rock bursts, fires, power outages and unfavourable operating conditions. There is no assurance that the foregoing risks will not occur and inhibit, delay or cease the development of the Blawn Mountain Project or other exploration or development activities, all of which would have a material and adverse impact on the Corporation's business, results of operations and financial condition.

Should any of these risks and hazards adversely affect the Corporation's future mining operations or exploration activities, it may cause an increase in the cost of operations to the point where it is no longer economically feasible to continue, it may require the Corporation to write down the carrying value of one or more mines or a property, it may cause delays or a stoppage in mineral exploration, development or production, it may result in damage to or destruction of mineral properties or processing facilities, and may result in personal injury or death or legal liability, all of which may have a material adverse effect on the Corporation's financial condition, results of operation, and future cash flows and could have an adverse effect on the value of the securities of the Corporation.

Competition in the mining industry may adversely affect the Corporation

The potash mining industry is intensely competitive. The Corporation competes with other local and global mining companies, many of which have greater resources and experience. Competition in the potash mining industry is primarily for properties which can be developed and can produce economically, the technical expertise to find, develop, and operate such properties, the labour to operate the properties and the capital for the purpose of funding such properties. Such competition may result in the Corporation being unable to acquire desired properties, to develop and integrate new technologies, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Corporation's inability to compete with other mining companies for these resources would have a material adverse effect on the Corporation's business and results of operations.

In the future, the Corporation may also compete with other mining companies in exporting and marketing its potash to foreign and domestic markets. The Corporation may also compete with other producers of sulphuric acid. Any inability to compete with established competitors for markets and in implementing advanced technologies would have a material adverse effect on the Corporation's business and results from operations.

Demand for potash tends to be cyclical in nature

Potash demand, as with demand for other commodities, tends to be cyclical in nature. During periods of increased demand, potash producers often engage in expansion and development projects to capitalize on favourable potash prices, leading to an increased supply for potash products. Such supply growth increases until supply exceeds demand, putting downward pressure on potash prices until the cycle repeats itself. Supply-demand imbalances may have a material adverse effect on the Corporation's business, financial performance and results of operations.

Potash demand is driven by a number of macroeconomic factors, including changes in global population, the availability of arable land, changes in diet and income growth. As the global population grows, demand for meat

(which requires grain and other animal feed) and crops increase, which in turn drives demand for potash that can help increase yields from arable land. Future population growth in countries that are major potash importers, such as China, Brazil and India, will therefore be important to continued future demand for potash. Although it is expected that the amount of arable land per capita may decrease as the global population grows, deforestation activities or the cultivation of non-arable land for farming may mitigate this decrease or even increase the amount of arable land per capita, thereby reducing the need for potash and other fertilizers to maximize crop yields from existing arable land. Increasing incomes and strong economic conditions drive demand for meat and increase the ability of farmers to purchase potash products. Because economic conditions are cyclical in nature, economic downturns, such as the recent global recession, could have a material adverse effect on demand for potash and the Corporation's business, financial condition and results of operations.

Weather patterns and natural disasters may affect future demand

Adverse weather conditions, such as natural disasters, crop disease, pests and other anomalies in regional weather conditions may have a significant and unpredictable impact on the demand for potash that may impact future revenue. Agricultural production, at the regional level, is highly seasonal and farmers have narrow windows of time in a given season to cultivate and harvest crops. Should adverse weather cause unfavourable growing conditions and decreased agricultural production during these seasonal windows, the Corporation's revenues could be materially impacted.

DESCRIPTION OF THE BLAWN MOUNTAIN PROJECT

Qualified Persons

Steven B. Kerr, CPG, P.Geo. and Jason N. Todd, QP, of Millcreek and Deepak Malhotra, QP, of Resource Development Inc. prepared for the Corporation the Updated Technical Report. The Updated Technical Report has been prepared in compliance with NI 43-101. Each of Steven B. Kerr, CPG, P.Geo., Jason Todd, QP, and Deepak Malhotra, QP, is a "**Qualified Person**" and independent of Potash Ridge within the meaning of NI 43-101. Portions of the text below are derived from or are a direct extract of the Updated Technical Report. Readers should consult the Updated Technical Report to obtain further information regarding the Blawn Mountain Project. The Updated Technical Report is available for review on the Corporation's profile on SEDAR at www.sedar.com.

Project Description and Location

The Blawn Mountain Project is located in the southern Wah Wah Mountains in a rural area of Beaver County, southwest Utah, approximately 290 km from Salt Lake City. The nearest town, Milford (population of approximately 1,500), is approximately 50 km northeast of the Blawn Mountain Project and Cedar City (population of approximately 29,000) is located in Iron County and is approximately 90 km southeast of the Blawn Mountain Project. The Blawn Mountain Project consists of 23.5 sections of land owned by SITLA covering approximately 15,403.7 acres (6,233.7 hectares). The Blawn Mountain Project is entirely comprised of Utah State-owned land managed by SITLA. The lands immediately around the Blawn Mountain Project are predominantly federal lands managed by the BLM along with additional SITLA managed lands.

Utah is located at the convergence of three distinct geological regions: the Rocky Mountains, the Great Basin and the Colorado Plateau. It covers an area of almost 220,000 km^2 and is known for its natural diversity with features ranging from arid deserts with sand dunes to thriving pine forests in mountain valleys. Utah is the 10th least densely populated State in the United States and approximately 80% of the State's 2.8 million residents live along the Wasatch Front, centering on Salt Lake City, leaving vast expanses nearly uninhabited.

Mining has always played a major role in Utah's economy. Minerals mined in the State include potash, copper, gold, silver, molybdenum, zinc, lead and beryllium. Fossil fuels including coal, petroleum and natural gas also play a major role in Utah's economy. A Fraser Institute survey of mining companies published in February 2012 ranked Utah in the top quartile of jurisdictions to do business. Utah ranked highly with respect to labour relations and regulations, political stability, infrastructure, mineral potential, fiscal regime, legal, compliance and socio-economic issues. A study by Forbes Magazine in November of 2011 ranked Utah as the best State for business in the United States. The study measured six categories: costs, labour supply, regulatory environment, current economic climate, growth prospects and quality of life.

In April 2011, the Corporation entered into the Exploration and Option Agreement with SITLA which provides the Corporation with the exclusive right to explore potash, metalliferous minerals and clay minerals on a tract of land covering 15,403.7 acres (6,233.7 hectares). The Exploration and Option Agreement was amended on June 4, 2012 to include certain adjoining lands that became available for leasing and on August 21, 2012 to address the water right application filed by Utah Alunite and SITLA. Pursuant to the Exploration and Option Agreement, the Corporation acquired the Lease Option to convert its exclusive exploration right into a mineral lease at any time during the Option Period provided that it first obtains SITLA's approval of a positive pre-feasibility study for the development of the Blawn Mountain Project and subject to the payment to SITLA of US$1,020,000. In May 2013, SITLA provided a letter to the Corporation stating that the Corporation's NI 43-101 technical report dated November 5, 2012 satisfied the positive pre-feasibility requirement and that the Corporation could proceed with exercising the Lease Option.

If and when production begins at the Blawn Mountain Project, the Corporation must pay SITLA a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value for metalliferous minerals mined thereon. The mineral lease also establishes annual rental and minimum royalty payments to be paid in advance by the Corporation. The annual rental payment is US$1 for each acre of land leased, subject to a minimum rental payment of US$500. The minimum royalty payment is US$4 per acre of land leased, increasing by US$1 per acre per year beginning with the sixth year of the lease. The annual rental and minimum royalty payments will be set-off against actual royalties payable for a given lease year.

In June 2015, the Corporation entered into the Modification of the Blawn Mountain Lease with SITLA. The Modification cured the event of default under the Blawn Mountain Lease that occurred on March 31, 2015. Under the terms of the Modification, SITLA agreed to forbear from exercising its rights and remedies resulting from Potash Ridge's failure to make lease and minimum royalty payments under the terms of the Blawn Mountain Lease. The forbearance period is from March 31, 2015 to April 1, 2017. On March 16, 2017, SITLA agreed to an extension of the forbearance period from April 1, 2017 to June 30, 2017. As part of the extension, the Corporation made a US$500,000 payment to SITLA on March 24, 2017.

Under the terms of the Modification, Potash Ridge is obligated to pay accrued and unpaid interest by March 31, 2016 or when it raises U.S.$1.5 million in new funds for the development of the Blawn Mountain Project, whichever arises first. Once Potash Ridge raises U.S.$3 million or more of new funds for the development of the Blawn Mountain Project, then all outstanding amounts the due under the term of the Lease plus accrued interest will become due.

The Modification further requires Potash Ridge to pay interest to SITLA on unpaid lease and minimum royalties payments, which will accrue annually at a rate of SITLA's published prime rate plus two percent (currently equivalent to 5.25%) or 6.0%, whichever is greater, with the first interest payment due on March 31, 2016.

Potash Ridge will continue to be required to meet all other obligations under the terms of the Blawn Mountain Lease.

There are four main zones of exploration and development identified by the Corporation within the Blawn Mountain Project. Area 1 is located along a northeast trending ridgeline in the northwest portion of the Blawn Mountain Project. Area 2 is located on another ridgeline, parallel to Area 1, extending from the centre of the Blawn Mountain Project towards the northeast corner. Area 3 is located in the southwest corner of the Blawn Mountain Project. The fourth zone, Area 4, is located east of Area 3 and south of Area 2.

Potash Ridge has the exclusive right to explore the Blawn Mountain Project for potash pursuant to the Exploration and Option Agreement. On January 7, 2013, the Corporation entered into new exploration leases with SITLA and acquired the exclusive right to explore an additional 480 acres (194 hectares) of land adjacent to the Blawn Mountain Project for metalliferous minerals and water. An additional five full sections of land were added through the acquisition of a SITLA lease, effective June 1, 2013, to expand the amount of non-mineral-bearing property that would allow for siting of process tailings and potential alumina stockpiling. There is an existing 155 acre tract located within Area 2 included in the Exploration and Option Agreement that represents the central portion of Area 2 (approximately 25%) and is the subject of an existing mining claim of a third-party. This third-party claim does not include the right to explore for potash but does include the right to explore for certain other minerals such as alumina. The Corporation is evaluating its options to acquire these third-party rights.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Blawn Mountain Project is accessible by secondary roads maintained by Beaver County and located near highway and rail transportation. State Highway 21 passes 19 km to the north of the Blawn Mountain Project, connecting Milford, Utah with Ely, Nevada to the northwest. State highways SR-21 and SR-130 pass about 48 km east of the property connecting Milford, Utah to Cedar City, Utah to the south. Interstate 15 is located approximately 100 km to the east-southeast accessed via SR-21 and SR-130. The Union Pacific Railroad route connecting Salt Lake City, Utah to Las Vegas, Nevada passes approximately 32 km to the east of the Blawn Mountain Project. Two energy corridors pass to the east of the Blawn Mountain Project both of which trend roughly north-south. The first, located 35 km east of the Blawn Mountain Project, contains the Utah Nevada (UNEV) Gas Pipeline, the Intermountain Power Project electric transmission line, and the federally designated, multimodal West-wide Energy Corridor. The second, located

approximately 40 km east of the Blawn Mountain Project, contains the Kern River gas pipeline. The West-wide Energy Corridor follows State Highway 21, 19 km north of the Blawn Mountain Project.

The Corporation will utilize an existing county-maintained road to access the Blawn Mountain Project. In its current condition, the road is not adequate or wide enough to accommodate the type and amount of vehicles needed to support the Blawn Mountain Project. The land adjacent to the road is managed by the BLM and impacts to this land required for expansion require a ROW grant from the BLM. Beaver County submitted an application for a ROW across BLM lands in July 2012 on the basis that improvement of the road will enhance economic development for future uses in their county as well as adjacent counties. The ROW grant was issued to the county in June 2013. Preliminary construction activities started on the road in the summer of 2013 with major construction slated to start in spring 2014. The Corporation will work with Beaver County to develop a road use agreement to allow use of the road to support the Blawn Mountain Project.

Topographically, the Blawn Mountain Project is situated in a typical Basin and Range setting. The ranges, consisting of north-south trending mountains, are generally steep and rugged with mountaintop elevations up to 2,407.9 m above sea level. The ranges are separated by fault graben basins with deeply incised drainages. Pine Valley lies to the west of the Wah Wah Range and Wah Wah Valley lies to the east. The Blawn Mountain Project deposits occupy three of the smaller ridges in the southern Wah Wah Range. The mineral tracts include substantial low relief areas that have potential to support mine and plant facilities.

The Blawn Mountain area is semi-arid with hot, dry sunny summers of low humidity and cold winters. The average mean temperatures at Milford based on 30 years of observation range from −3.5°C in January to 23.5°C in July. Extremes range from a record low of −37°C to a record high of 41°C. Maximum temperatures in summer frequently exceed 32°C. Cold spells in winter with temperatures below −18°C occur from time to time but seldom last for more than a few days. Temperatures at the Blawn Mountain Project would be cooler throughout the year than at Milford because Blawn Mountain is at higher elevation. Average annual precipitation at Milford is 213 mm with the wettest month being March and the driest month being July. Snow does not generally persist in the valleys but can blanket the mountains through the winter season.

The Blawn Mountain Project is located in the pinyon-juniper community as defined by the BLM. This flora community is characterized by occurrence of Utah Juniper, single-leaf and double-leaf Pinyon Pine. Occasional patches of Mountain Mahogany, Gamble Oak, Ponderosa Pine, and Aspen occur at higher elevations with greater rain fall amounts. The valleys of the area have been extensively chained to remove Juniper and Pinyon and improve grass growth for grazing. Vegetation in the valleys is mixed shrub-grass community characterized by seven shrubs: Big Sagebrush, Black Sagebrush, Big Rabbitbrush, Small Rabbitbrush, Greasewood, Winterfat and Matchweed. Galleta, Indian Ricegrass and Cheatgrass are the most common grasses across the Blawn Mountain Project. A survey of the Blawn Mountain Project completed in 2013 did not identify any federally protected threatened or endangered species or potential habitat.

The Blawn Mountain Project is located at the headwaters of two drainages. One flows to the Wah Wah Valley and one flows to the Escalante drainage. Surface water flows are ephemeral and runoff events from the project site are short lived. Generally these drainages ultimately discharge to salt lakes or playas without an outlet other than evaporation. Discharges to the south from the project area flow into the Escalante Valley. Most of these flows infiltrate into the groundwater system. However, only a small percentage of flows from larger duration storms reach the main drainage channel of the valley. The Escalante Valley flows northward toward Sevier Lake. Limited surface water is available for water rights in the valley. Flows into the Wah Wah Valley are collected first in the Wah Wah Valley Hardpan, which occupies the lower (northern) end of the Wah Wah Valley, and then if there are excess flows, the discharge flows north to Sevier Lake. A few shallow stock ponds along the flanks of the Wah Wah Valley have water rights to capture periodic runoff.

The Blawn Mountain Project area has no perennial streams, indicating that near-surface groundwater in the project area is limited. The Corporation commissioned a spring and seep survey in the spring of 2013 to assess the occurrence of water sources in the project area. This study covered about 50 square kilometres and assessed surface and groundwater flows. A total of 50 spring and seep sites were identified. Many of these sites did not have flowing water, but were either damp spots, salt stains/accumulations on the surface, or phreatophytic vegetation areas. A limited number of water sources were identified which physically had water with flows ranging from 0 to 0.09 litres per

second. Water to support mining and processing will need to be produced from groundwater in the adjacent areas or from deeper sources on site. The Corporation has been pursuing sufficient water rights for the Project based upon the estimated water requirements (493-740 hectare metres) from preliminary design information. An application to appropriate the necessary water rights was filed with the Utah State Engineer's Office by Utah Alunite and SITLA on August 21, 2012 based upon estimated water requirements of the Project. The application was approved on June 9, 2014 as a fixed-time application, allowing for use of water within the Wah Wah Valley for a 30-year period, with a right to extend the term if the project still requires the water right. The approval has been appealed by the Central Iron County Water Conservancy District, the holder of a recently approved water right within the Wah Wah Valley drainage. UAC and SITLA (as well as other parties) have filed an appeal of the Conservancy District's water right approval. Both appeals are currently pending.

Construction of a mining operation and processing plant at the Blawn Mountain Project would require local resources of contractors, construction materials, employees, housing for employees and energy resources. The Milford area offers construction material such as sand and gravel from several sources, crushed limestone from the Graymont Limited lime plant in the Cricket Mountains to the north of Milford, crushed stone from a railroad ballast quarry just north of Milford and Portland cement from the Ashgrove Cement Company plant at Leamington approximately 145 km away. The nearby towns of Delta, Milford, Fillmore, Cedar City and Beaver could provide mine and plant workers and furnish housing for the Corporation's employees. There are two nearby electrical corridors and there is sufficient electricity being supplied within the region from coal, geothermal and wind power plants.

History of the Project

In 1970, Earth Sciences began to explore for alunite in Blawn Mountain including on the tracts of land contained within the Blawn Mountain Project. Earth Sciences referred to its project as the NG alunite property. The primary objective of Earth Sciences was to develop its NG alunite property as a domestic source of alumina. In 1970, Earth Sciences entered into a joint venture arrangement with Southwire Company and National Steel to open an alunite mine as a source of alumina to supply the National Steel/Southwire jointly owned aluminum plant in Kentucky. The joint venture of Earth Sciences, National Steel and Southwire was called the Alumet Company.

During Earth Sciences' ownership of the NG alunite property, the land and minerals in the Blawn Mountain area were managed by the BLM. In January 2001, control of large parcels of land and minerals, including the Blawn Mountain Project, were granted by the federal government to the State to provide a source of revenue from the management of surface use or mineral development. These "State sections" and other lands obtained through additional grants or exchanges from the federal government are managed by SITLA.

Earth Sciences records indicate a total of 320 drill holes were completed on the NG alunite property. 287 holes were completed at Area 1, 18 holes at Area 2, 12 holes at Area 3 and three holes at Area 4.

Earth Sciences used air-track percussion drilling and conventional rotary drilling in its exploration efforts. Air-track drilling was primarily used as a prospecting tool to test the ground where there were poor bedrock exposures. Rotary drilling was used to define subsurface geology and collect samples for analysis.

A mine plan for the first 25 years of projected operation at the NG alunite property was prepared in 1975. The location of the deposits on ridges and continuous mineral resources allowed for relatively simple quarry-type mining operations. The focus of the mine plan was the northern part of Area 1, where the bulk of drilling occurred.

From 1972 to 1976, Hazen conducted metallurgical work in respect of the NG alunite property. Bench testing took place in 1972 and, between 1973 and 1976, around 11 tonnes per day of alunite from Area 1 was processed at a pilot plant based in Golden, Colorado. The pilot plant incorporated alunite roasting technology acquired from the Soviet Union based on a pre-existing commercially operated alunite processing plant in Azerbaijan.

In 1975, Alumet Company completed a feasibility study for an alunite processing complex that was to be situated near Area 1. The feasibility study contemplated that the pit run alunite would be crushed near the pit and transported by conveyor belt to the processing plant. At the processing plant, the alunite was to be dehydrated and reduced with hot gases to drive off SO_2 for conversion to sulphuric acid. At the time, there was no ready market for sulphuric acid in

the region; accordingly, this feasibility study incorporated the construction of a phosphate mine in Idaho where phosphate rock was to be combined with the sulphuric acid to produce phosphatic fertilizers. The alunite would then be water leached to dissolve out SOP and the leach residue and treated by a modified Bayer Process to produce alumina.

Environmental studies in respect of the NG alunite property were carried out by the Alumet Company and an Environmental Impact Statement was submitted in 1974. The BLM published a final environmental statement on August 26, 1977 (the "**ES Environmental Statement**"). The ES Environmental Statement addressed an alunite mine and processing plant complex that would produce approximately 453,600 tonnes of alumina and up to 335,650 tonnes of SOP. Approximately 3.6 million tonnes per year of alunite was to be utilized. There was to be a 240-acre (97.1 hectares) open pit alunite mine, a 175-acre (70.8 hectares) waste rock pile, a power plant, a tailings pond, a 32.2 km railroad spur, a 14.5 km access highway, a water well field and other support components. The socioeconomic and air quality impacts on nearby communities were also examined and comments sought and received from a variety of federal and local agencies. The ES Environmental Statement led to the issuance of potassium leases in February 1983 by the BLM.

By the early 1980s, however, the project had lost momentum, as a collapse in alumina prices and economic conditions made financing the project difficult. Earth Sciences acquired 100% of the project in 1986, however, it did not have sufficient capital to further advance the project and the leases were eventually relinquished in 1998.

Mineral Resources Estimates

Current Resource Estimates

Only Area 1 and Area 2 have sufficient geologic and analytical data to support resource estimation at this time. Areas 3 and 4 are defined by a limited number of historical holes, respectively, along with surface mapping. Areas 3 and 4 are recognized as future exploration targets.

Millcreek has estimated resources from three dimensional geological block models ("**3DGBMs**") constructed in MineSight®, a software package developed by Hexagon Mining Inc. The estimate was prepared in compliance with NI 43-101 requirements for the definition of Mineral Resources. The 3DGBMs are based on the assays and lithologies of the current drilling database and on a series of 30 interpreted geological cross sections constructed through Area 1 and 29 cross sections constructed through Area 2.

A total of 142 exploration drill holes including 75 twin and infill holes in Area 1 and 67 infill holes in Area 2 have been completed as of the effective date of November 6, 2013. There was poor correlation observed with the twin drilling program conducted by the Corporation. A decision was made by the Corporation in 2013 to no longer use the historical data and that more reliable estimates would be achieved using only the recent drilling data. Holes not included in the geologic model include all pre-2011 historical holes completed by Earth Sciences. There are insufficient records for these air track holes to be used in the geologic model. Remaining historic holes were excluded from the geologic model due to lack of sufficient documentation relating to assay testing standards.

A number of criteria were established for determination of resources:

1. A statistical review of analytical results through the construction of a series of correlograms determined that there was no appreciable preferred orientation of grades for K_2O and Al_2O_3. Down-hole variograms were also prepared and showed that there were no significant nugget effects or directionality to the data that would require more robust kriging approaches.

2. Analytical results were based on composites developed over 3 m intervals in each hole.

3. Four lithologic domains are represented in the geologic block models: Alunite, Clay, Dolomite and Silica.

4. The geologic block model for Area 1 has the overall dimensions of 1,798.3 m west to east, 1,188.7 m north to south and 426.7 m elevation range. The geologic block model for Area 2 has overall dimensions of 2,682.2 m west to east, 3,645.4 m north to south and 518.2 m elevation range. All units are in Utah State Plane — South coordinates, NAD27.

5. A standard cubic block size of 6.1 m, X-dimension, by 6.1 m, Y-dimension, by 6.1 m, Z-dimension, was used in both the Area 1 and Area 2 block models.

6. First pass data search radii for K_2O estimation were 106.7 m and Al_2O_3 were 76.2 m for both models. Second pass data search radii for K_2O and Al_2O_3 were 609.6 m for both models. The larger search radii for the Area 2 model was used to account for the more widely spaced drilling.

7. Topographic data for the Area 1 block model is sourced from a US Geological Survey digital terrain model. The digital terrain model has a 10 m resolution. Topographic data for the Area 2 block model is sourced from a Utah Automated Geographic Reference Center digital elevation model. The digital elevation model has a 5 m resolution.

8. Resource classification is based on set distances from drillhole sample intervals in 3D space. These distances were based on semi-variogram analysis of K_2O sample data as shown in the following table:

Classification Criteria			
	Measured	**Indicated**	**Inferred**
K_2O	< 45.7 m	< 106.7 m	< 609.6 m

9. The assumed density of alunite and waste was established at 2.464 tonnes / m^3 as derived from estimates used previously by Earth Sciences (1974). Norwest believes that this bulk density factor is reasonable for this deposit type.

10. The boundaries of the deposit were defined by the applied radii of influence of drill holes or interpreted structural controls such as known bounding fault systems and alteration limits. These limits have been updated to reflect the relationship between SO_4 grade data and alunite mineralization. The recent drill hole data has indicated the presence of high K_2O grades in feldspar-rich rhyolitic country rock and that there is an association between SO_4 and alunite mineralization. To better define the boundary between country rock and alunite mineralized zones drill hole sample intervals with greater than 0.8% SO_4 were used to separate alunite mineralization from surrounding country rock.

11. Both visual and calculated validation of model block values to posted drill assay values show strong correlation.

Resource classification is based on the CIM Standards on Mineral Resources and Reserves, a set of definitions and guidelines established by the Canadian Institute of Mining and Metallurgy and Petroleum. The following table shows the classified resource estimate for Areas 1 and 2 using a 1.00% cut-off grade:

NI 43-101 Compliant Resources								
	Measured and Indicated Resources				**Inferred Resources**			
Area	**Resource Tons (000's)**	**Alunite Grade**	**SOP Tons (000's)**	**SOP Grade[(1)]**	**Resource Tons (000's)**	**Alunite Grade**	**SOP Tons (000's)**	**SOP Grade[(1)]**
1	164,843	41.7%	10,216	14.9%	2,255	39.6%	132	14.8%
2	398,339	35.2%	21,895	15.6%	134,770	35.9%	7,233	14.9%
Areas 1 & 2	**563,182**	**37.1%**	**32,111**	**15.4%**	**137,025**	**36.0%**	**7,365**	**14.9%**

Note:
(1) Calculated SOP content of alunite mineral.

In Area 1, at a 1% K_2O cutoff grade, there is a combined measured plus indicated resource of 165 million tons (149.5 million tonnes) of material carrying an average grade of 3.35% K_2O and 15.41% Al_2O_3. The calculated potassium sulfate grade (K_2SO_4) at a 1% K_2O cut-off grade is 6.20%. This cut-off grade maximizes the tons while providing a quantity of K_2SO_4 deemed suitable by current processing studies. Increasing the cut-off to 3% K_2O reduces the combined tons of material to 106 million tons (96.4 million tonnes). Average grade at a 3% K_2O cut-off is 3.94% K_2O and 16.50% Al_2O_3 with a calculated equivalent grade of 7.29% K_2SO_4. Approximately 43% of the identified resources are classified as measured, 56% as indicated resource and 1% as inferred resource.

In Area 2, at a 1% cut-off grade, there is a combined measured plus indicated resource of 398 million tons (361.4 million tonnes) of material carrying an average grade of 2.97% K_2O and 12.99% Al_2O_3. The calculated potassium sulfate grade (K_2SO_4) at a 1% K_2O cut-off grade is 5.50%. This cut-off grade maximizes the tons while providing a quantity of K_2SO_4 deemed suitable by current processing studies. Increasing the cut-off grade to 3% K_2O reduces the combined tons of material to 181 million tons (163.7 million tonnes). Average grade at a 3% K_2O cut-off is 3.65% K_2O and 14.25% Al_2O_3 with a calculated equivalent grade of 6.76% K_2SO_4. Approximately 20% of the identified resources are classified as measured, 55% as indicated resource and 25% as inferred resource.

The resources outlined above reflect a material change in Area 1 and Area 2 from the resources estimated in the Preliminary Economic Assessment. The measured plus indicated resources at 1% K_2O cut-off grade have increased by 8.5 million tons (7.7 million tonnes) for Area 1 and decreased by 66.0 million tons (59.9 million tonnes) for Area 2 when compared to the estimates in the Preliminary Economic Assessment. The inferred resources at 1% K_2O cut-off grade have increased by 1.9 million tons (1.7 million tonnes) for Area 1 and decreased by 116.0 million tonnes (105.2 million tonnes) for Area 2 when compared to estimates in the Preliminary Economic Assessment. The material change is attributed to the inclusion of additional infill drill hole data, the decision to use only data from drilling activities conducted by the Corporation in the geologic models to maintain a common and verifiable assay reporting standard and improvements in separating alunite mineralization from surrounding country rock using sulfate grade data.

Mineral Reserve Estimates

Millcreek used the instrument document, the Canadian Institute of Mining, Metallurgy and Petroleum's CIM Standards on Mineral Resources and Reserves prepared by the CIM Standing Committee on Reserve Definitions, 2014, as the basis for the classification, estimation and reporting of potash resources and reserves for the Blawn Mountain property.

Based on the geological model produced by Norwest, resource areas were developed for the alunite deposit. Various surface mine plans were then developed in order to meet certain criteria related to Project economics, grade, target

production rates, etc. Of the various mine plans created, a base mining case/mine plan was selected as the basis of the reserve estimate.

The mine plan was developed by first applying various criteria in selecting the method and approach to mining, including:

1. Annual production rate (ROM ore) to be constrained by processing capacities.

2. Ore cut-off grades of approximately 3.75% K_2O (Area 1) and 3.50% K_2O (Area 2) were utilized during the mining phase (Years 2017 through 2041) of the project, and a declining grade ranging from approximately 3.5% K_2O to 2.75% K_2O during the stockpile reclaiming phase (Years 2041 through 2057) of the project.

3. Maximize economic use of the resource.

Taking into consideration the above, mine plans were developed that use standard surface mining "truck-shovel" techniques to mine the deposit. During the mining phase, the ROM ore production rate will be approximately 3.4 million tons per year, meeting the ore grade cut-off criteria. During mining, ore encountered that falls below the cut-off criteria listed above (down to roughly 2.75%K_2O) will be stockpiled and processed later during the stockpile reclaiming phase of the project. Under these criteria the reserve base will provide for an approximate LOM of 46 years.

Mine development was scheduled using MineSight® software to generate a LOM schedule of waste and ore volumes. Applying equipment productivities to these volumes, equipment hours and fleet sizes were estimated, which in turn formed the basis of workforce demands and schedules leading ultimately to estimates of capital and operating costs. Taking into account commodity pricing and market conditions, ore processing capital and operating costs and mining capital and operating costs a cash flow of revenues and direct and indirect costs was developed. This ultimately led to an estimate of project economics and value. The mine plan, at a prefeasibility level of assurance, was found to be of positive economic value and forms the basis of mineral reserves reported here. Mineral reserves, by category, are summarized in the following table:

	Reserve Category		
	Proven Tons (000's)	**Probable Tons (000's)**	**Total**
Alunite Ore (ROM Tons)	**59,782**	**93,548**	**153,330**
Ore (average K2O (%) grade)			3.90
Ore (average K2SO4 (%) grade)			7.22
SOP Tons	4,135	6,468	10.603
Sulfuric Acid Tons @ 98% Purity	9,410	14,725	24,135

Project Economics

The Updated Pre-Feasibility Study has been prepared for the Blawn Mountain Project. Production volume is planned at an average of 230,000 tons (208,000 tonnes) of SOP per year for the expected 46 year life of the Project, ranging from 132,400 tons (120,000 tonnes) to 277,000 tons (251,000 tonnes).

During the first 10 years of full production is expected to be higher, with an average production volume of 255,000 tons (231,000 tonnes) of SOP per year due to the processing of higher grade ore during this period.

As a result of the SOP production process, an average of 524,000 tons (475,000 tonnes) of sulphuric acid are expected to be produced annually. This will require an annual average of 3.4 million tons (3.1 million tonnes) of alunite which is constant at 10.6 million tons (9.6 million tonnes) after a short ramp up period. Over the 40 year life of mine of the Project, it is expected that 10.6 million tons (9.6 million tonnes) of SOP and 24.1 million tons (21.9 million tonnes) of sulphuric acid could be produced. Production volumes are shown below.

The Updated Pre-Feasibility Study envisions a two year construction period for the Project. Pre-production cash outflows are expected to total US$458.2 million over this period. Cash flows after payback are expected to average US$81 million per year for a total expected net cash flow of US$3.3 billion over the life of the Project.

Assuming a long term average price of US$675 per ton for SOP and US$115 per ton of sulphuric acid, the Pre-Feasibility Study indicates a net present value at a 10% discount rate of US$482 million (after tax). This estimate includes the expected capital costs to construct a sulphuric acid plant. The internal rate of return for the Project is expected to be 20.1% and payback is expected to occur seven years after the commencement of the two year construction phase. The expected total cash cost per unit is expected to be US$216 per ton of SOP and sulphuric acid produced.

The accuracy of resource and reserve estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgement. Given the data available at the time this report was prepared, the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis available subsequent to the date of the estimates may necessitate revision. These revisions may be material. There is no guarantee that all or any part of the estimated resources or reserves will be recoverable.

Infrastructure, Capital and Operating Costs

Infrastructure

As the Blawn Mountain Project is a greenfield project, it will require the development of new infrastructure to conduct mining and processing operations.

The Blawn Mountain Project will be accessed via existing county roads Revenue Basin and Willow Springs off of SR- 21. These existing roads lie on land administered by both the BLM and SITLA. Beaver County has obtained a ROW grant from the BLM to upgrade these existing roads in order to accommodate traffic associated with the Project. In addition to these road upgrades, an existing county road, referred to as a bypass road, will be relocated west of project area to provide a bypass for motorists and recreational users. The road upgrade project is divided into segments. The northern portion of the roadway travels through public lands administered by BLM while the southern portion travels through state owned lands administered by SITLA. The bypass road is within the SITLA lease area currently held by the Corporation.

Two options have been examined to supply electrical power to the site. The first option is on-site generation which will comprise four gas turbine-generators. The second option is to install a new 138kV transmission line from Rocky Mountain Power's Three Peaks Substation near Cedar City, Utah. Either of these options will satisfy the electric demand of the project.

A substantial amount of natural gas is required for the project. Gas will be required for several different areas of the processing facility, providing general heating needs to the facility and as previously mentioned may be used to generate on-site power. The Corporation has held discussions with Questar and Kern River to examine which supplier will meet their needs. The natural gas line will be owned and operated by the utility company.

Mine support buildings were designed to support a year-round mining operation, and are specifically designed for intended purposes. The mine buildings include: truck shop, warehouse, reagent warehouse, administrative building, fuel depot, explosives storage, equipment ready-line and guard shack.

Storm water controls will be located downstream of all surface disturbances. These controls will consist of diversion ditches, sediment ponds, outlet control structures, and a combination tailings pile/runoff containment structure and a settlement pond. The sediment ponds and diversion ditches will collect and clarify water from the periphery of the site. The drainage from the plant and facilities area will drain to the area of the tailings pile/collection pond, where it will be collected and clarified.

As ore is processed, tailings are produced requiring storage. Tailings associated with ore processing will be pumped from the processing plant to the tailings storage area. Based on the assumed gradation of this material, it is anticipated the tailings will be coarse grained sand that will be freely draining. Over the life of the Project, approximately 140 million cubic metres of tailings will be produced. Tailings will likely be deposited in a pile/beach that will drain to a collection pond which will include an earthen dam.

Processing ore from the Blawn Mountain Project results in two saleable products, SOP and sulfuric acid. Several different product transportation options were considered in the development of the Pre-Feasibility Study; including over the road trucking, a sulfuric acid pipeline and rail haulage. Several economic trade-off studies were performed comparing the various transportation options and ultimately, economics favored the on-site rail option. This option was utilized in the economic analysis.

Financial and Sensitivity Analysis

The internal rate of return for the Project is expected to be 20.1%. Expected after tax net present values for the Project at discount rates of 8%, 10%, and 12% are shown in the following table:

Net Present Value Results			
Discount Rate	**8%**	**10%**	**12%**
After Tax Net Present Values	US728 million	US$482 million	US$315 million

The table below shows the expected sensitivity of the Project's economics to changes in selling price, direct operating costs and capital costs. Also included are changes in SOP price, acid price and natural gas price. Acid revenues represent 32% of total revenue and natural gas represents 35% of total operating costs and 50% of processing costs.

Sensitivity Analysis			
Discount Rate	**8%**	**10%**	**12%**
Base Case	US$728 million	US$482 million	US$315 million
10% Increase in Revenue	US$884 million	US$603 million	US$412 million
10% Decrease in Revenue	US$563 million	US$353 million	US$212 million
10% Increase in SOP Selling Price	US$860 million	US$584 million	US$397 million
10% Decrease in SOP Selling Price	US$595 million	US$378 million	US$232 million
10% Increase in Acid Price	US$781 million	US$523 million	US$0.8348 million
10% Decrease in Acid Price	US$676 million	US$441 million	US$283 million
10% Increase in Operating Costs	US$650 million	US$421 million	US$266 million
10% Decrease in Operating Costs	US$805 million	US$542 million	US$364 million
10% Increase in Natural Gas Price	US$710 million	US$468 million	US$304 million
10% Decrease in Natural Gas Price	US$747 million	US$496 million	US$327 million
10% Increase in Capital Costs	US$685 million	US$441 million	US$275 million
10% Decrease in Capital Costs	US$771 million	US$523 million	US$355 million

Capital Costs

The Corporation estimates that it will incur capital costs of approximately US$458.2 million to develop, construct and bring the Blawn Mountain Project into commercial production. Sustaining capital expenditure is estimated to amount to an additional US61.6 million spread over the 46 year mine life, inclusive of a contingency. Capital costs for both the processing plant and mine are summarized in the following table:

	Total Project Capital Estimate (in millions of US$)					
	Year -3	**Year -2**	**Year -1**	**Total Construction and Development Capital**	**Sustaining Capital**	**Total Life of Project Capital**
Project Infrastructure	$0.0	$1.3	$15.2	$16.4	$2.1	$18.5
Processing Plant & Product Handling	$0.0	$109.1	$133.4	$242.5	$47.2	$289.7
Indirect costs	$12.1	$33.5	$64.6	$110.2	$0.0	$110.2
Contingency	$3.0	$36.0	$50.1	$89.1	$12.3	$102.4
Total	**$15.2**	**$179.8**	**$263.2**	**$458.2**	**$61.6**	**$519.8**

Contingencies of 25% were added to the costs for various areas of the process plant depending on the design and basis for the cost estimates

The table and chart above do not include capital costs for the access road, the rail spur and loop, the gas pipeline, the acid plant, the water supply and treatment facility and the mining operations. These items are assumed to be either provided by a third party or financed through government programs. In either case, a provision has been made in the operating costs to account for these items. The Corporation has received indicative estimates from various parties with respect to the majority of these support assets. These capital costs will not be incurred by the Corporation. The following table shows the capital cost of each item used to formulate the basis for the operating costs.

Third Party Project Capital (in millions of US$)	
	Third Party Equipment and Infrastructure
Access Road	$10.2
Power Transmission Line	$28.5
Natural Gas Transmission Line	$40.0
Acid Plant	$125.0
Water Supply and Treatment System	$24.4
Initial Mine Capital	$14.6
Total	**$242.9**

The following table summarizes the estimated capital costs for the Project by area:

Cost Breakdown by Area (in millions of US$)	
Description	**Total Cost**
Direct Cost Summary	
Primary Crushing	$4.6
Dry Grinding and Classification	$14.6
Calcination and Roasting	$113.4
Acid Plant (Third Party Build, Own, Operate)	$0.0
Calcine Leaching and Solid/Liquid Separation	$17.5
Crystallization and SOP Product Solid/Liquid Separation	$20.2
Product Drying and Compaction	$15.9
Steam Plant, Substation & Backup Power Generation	$17.7
Plant Administration Complex and Warehouse	$4.0
Product Loadout & Storage	$17.9
Auxiliary Services — Electrical, Steam Distribution, Site Prep, etc.	$16.8
Total Direct Costs	**$242.5**
Indirect Cost Summary	
Engineering Procurement and Construction Management Cost	$38.8
Field Expenses	$24.2
Contractors O&P	$12.1
Tax and Sales Tax	$11.5
Total Indirect Cost	**$86.7**
Total Installed Project Cost (Excluding Contingency)	**$329.2**

Operating Costs

Average annual operating costs for the processing and mining operation are shown in the following table.

Average Annual Plant and Mine Direct Operating Costs		
Direct Plant and Mine Cash Operating Cost	**Annual Average Cost (US$)/Ton SOP**	**Life of Plant Annual Average (000's)**
SOP Tons Sold		230
Sulfuric Acid Tons Sold		524
Mining (Contract Mine Operator Cost)	$45	$10,449
Processing		
Labour	$57	$13,131
Crushing and Grinding	$22	$4,997
Drying & Calcination	$124	$28,513
Acid Plant (Third-Party)	$42	$9,690
Leaching & Crystallization	$12	$2,755
Drying and Compaction	$2	$415
Steam Plant	$23	$5,381
Water Supply (Third-Party Operator Cost)	$6	$1,487
Other		
Tailings, Pumping, etc.	$8	$1,862
Access Road & Power Line (Third-Party)	$5	$1,162
Product Handling & Transportation (Third-Party)	$41	$9,499
Credit for Value of Acid	($251)	($57,842)
Total Direct Operating Cost (Mining and Processing)	$137	$31,498

Cash Production Costs

Additional cash production costs include site general and administrative expenses, property taxes, third party infrastructure and utility costs, corporate overhead and royalties. Site general and administrative expenses were developed based on similar operations. Royalties are based on the lease agreement which provides for a royalty of 5% and 4% of selling price for SOP and sulfuric acid respectively. Property taxes are based on current regulations from Beaver County, Utah. Total cash production costs are shown in the table below.

Total Cash Production Summary		
Total Cash Production Costs	**Annual Average Cost (US$)/Ton SOP**	**Life of Plant Annual Average (in 000's)**
SOP Tons Sold		230
Sulphuric Acid Tons Sold		524
Direct Plant and Mine Cash Production Cost	$89	$89,212
Credit for Value of Acid	($251)	($57,842)
Subtotal	**$137**	**$31,498**
Royalties	$44	$10,178
Site G&A	$20	$4,508
Property Taxes	$15	$3,347
Total Cash Production Cost	**$216**	**$49,603**

Markets and Contracts

The primary product, SOP produced from the Blawn Mountain Project will be marketed domestically and globally. The co-product sulfuric acid will be marketed to existing US phosphate producers, copper and gold miners, as well as mines under development in the region.

As the most commonly used alternative to MOP when the presence of chloride ions is undesirable, SOP sells at a premium over MOP. The SOP market in western United States is being served by a single producer leading to a supply constrained market. As a result, the high value crop growers in these markets pay a larger premium for SOP over MOP than premiums realized in other markets. For the period 2001 – 2010, SOP has commanded an average premium of 47% over MOP, ranging from 38% to 61%. In recent months, this premium has been as high as 98% in in the US.

Specialty crops best suited for SOP application account for approximately 40% of total crop revenues. SOP consumption in the US is approximately 350,000 tonnes per annum, with over 50% of this demand coming from California. California is the number one state in cash farm receipts, growing 58% of US-grown non-citrus fruits, nuts and vegetables and 100% of US almond production (the second highest commodity in value after milk). The Corporation believes the US market can absorb 485,000 additional tonnes of SOP per annum.

The Corporation intends to focus its marketing efforts on the economic value of SOP to growers of Premium Value Crops. California will be a key market given its large agricultural base of premium crops. Florida will be another key target. Currently, 100,000 tonnes per annum of SOP is imported into Florida from Europe and Chile, which can also be displaced given the transportation advantage over shipping from Europe. Outside of the US, China and Brazil with their growing populations and growing need for food are other key markets of focus.

The existing US Mountain West market for sulfuric acid in the Project region is 5.1 million tonnes per annum. In addition, there are new and planned mine developments and existing mine expansions having the potential to significantly increase this amount. These developments are combined with potential supply disruptions to existing sulfuric acid production in the region. The following table summarizes average selling prices at the plant gate.

Pricing Summary (in US$)	
Pricing	**Unit**
Average SOP Selling Price – FOB Rail at Plant	$649/ton
Average Sulfuric Acid Selling Price – FOB Rail at Plant	$135/ton

Environmental, Social and Community

Environmental baseline conditions are being assessed for the following resources to assess permitting and regulatory requirements and to support permit applications: air quality; archeological resources; wildlife habitat including threatened, endangered and sensitive species; vegetation including threatened, endangered and sensitive species; soils; surface and groundwater; and wetlands and waters of the U.S.

A project of this scale represents a significant economic impact to Beaver County and the town of Milford and also to a lesser extent to adjacent Iron County. Representatives of Beaver County have expressed strong support for the project. Infrastructure and public services in Beaver County and to some degree Iron County will require upgrading and expansion to support the expanded population required for the project. The Utah "School and Institutional Trust Lands Management Act" requires SITLA to manage trust lands to optimize trust land revenues and increase the value of trust land holdings consistent with the balancing of short and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains; and mandates the return of not less than fair market value for the use, sale, or exchange of school and institutional trust assets. The Blawn Mountain Project will assist SITLA in meeting these objectives.

Taxes

Income taxes applicable to the Project include both U.S. Federal and State of Utah corporate taxes and were applied at 35% and 5%\, respectively, and applied these rates to estimated taxable income from the Project. For purposes of the Pre-Feasibility Study, tax depreciation was calculated based on U.S. Federal tax regulations and percentage depletion was also taken as a deduction in computing taxable income.

Regulatory Environment

Mining and processing operations in the United States must comply with all applicable federal and state regulations. Utah has primacy over major environmental laws applicable to the project including mining, air and water permitting. Mining operations must obtain proper permits and approvals and submit proper reclamation surety prior to mine start-up per the R647 state regulations. The Blawn Mountain Project will require permits and approvals from Utah Division of Oil, Gas and Mining ("**UDOGM**").

When BLM lands (minerals or surface) are impacted, BLM approvals are required per the Federal Land Policy and Management Act. Federal actions requiring permits or approvals trigger compliance with the National Environmental Policy Act ("**NEPA**"). The level of scrutiny a project receives is based upon the BLM's discretion, the significance of impacts to the environment, and/or the public's interest or involvement. The mine and processing plant are located on SITLA controlled mineral and surface land and is not expected to require a federal action.

Wetlands and waters of the U.S. ("**WoUS**"), defined under the Clean Water Act, are regulated by the U.S. Army Corps of Engineers ("**ACOE**") regardless of land ownership. Based on current mine design and baseline surveys (delineation study), it appears that there are no wetlands, WoUS, or other ACOE jurisdictional waters which will be impacted by the Blawn Mountain Project so an ACOE permit should not be required.

The Endangered Species Act of 1973 was passed by Congress in order to protect and recover endangered species and their habitat. Site specific surveys completed for the Blawn Mountain Project area did not identify any threatened, endangered, or candidate species or potential habitat.

Beaver County's ordinances require mining operations to obtain a Conditional Use Permit ("**CUP**") prior to construction. The Corporation has been in close coordination with Beaver County and county officials have responded with strong support for the project. In addition to the CUP, the Corporation will be required to obtain other ancillary permits and approvals from the county in accordance with the county's ordinances.

Permits and Authorizations

The following table identifies the major permits and approvals that the Corporation needs to be obtained prior to the construction and start-up of the mine and processing plant. The permits listed are not meant to be all-inclusive and cover only the major permits required for the mine and processing plant. In addition, various ROWs across state lands will need to be obtained from SITLA in order to construct the water pipeline, and to upgrade existing roads. The Corporation has been actively working with SITLA and obtaining these ROWs is expected to be very straightforward.

Any delays in obtaining the permits and authorizations discussed below could result in significant delays to the development of the Project. See "Risk Factors".

Major Required Permits	
Major Permits or Approvals	**Issuing Agency**
Exploration Permit	Utah Division of Oil, Gas and Mining
Large Mine Operation Approval	Utah Division of Oil, Gas and Mining
Water Appropriations	Utah Office of State Engineer
Groundwater Permits	Utah Division of Water Quality
Air Quality Permit	Utah Division of Air Quality
General Multi-Sector Industrial Storm Water Permit	Utah Division of Water Quality
Army Corps of Engineers Jurisdictional Waters Concurrence	US Army Corps of Engineers
County Conditional Use Permit and Other Permits	Beaver County
Water Treatment Plant	Utah Division of Drinking Water
Waste Water Treatment Plant	Utah Division of Water Quality

Exploration Permits

Exploration activities of minerals require an approval from UDOGM. Exploration activities within the lease area are being completed under exploration permits E/001/0171 and E/001/0182. The holder of these permits is UAC.

Approval for Large Mine Operation

The Notice of Intent to Commence Large Mining Operations must contain a complete description of the existing environmental resources and impacts. Environmental baseline studies necessary to support the application are complete. The Notice of Intent includes a description of mining methods, a comprehensive reclamation plan, and identifies the financial security acceptable to UDOGM to cover the costs of reclamation to be completed by an independent third-party as required under R647 administrative rules. Execution of the acceptable financial security instrument will be required in advance of commencing mine activities.

Approval of a Notice of Intent to commence Large Mine Operations in Utah can occur within 6-9 months of an application submittal. The Notice of Intent was submitted to UDOGM in late 2013. Approval was obtained in August 2014.

Water Appropriations

Waters are available adjacent to the project area for which the state is willing to issue rights, or appropriate, water for activities that will put the water to a beneficial use. Based on the criteria the state uses to issue water rights, a defensible appropriations application for water within the Wah Wah Valley was filed with the State Engineer's Office. The State Engineer is currently reviewing the application. A site visit with State Engineer representatives and other affected parties was completed in summer 2013 to discuss issues associated with the pending application. A hearing was held in Q4 2013. The water rights were obtained in May 2014. In February, 2015 Utah Alunite Corporation transferred the water right to SITLA, while maintaining the right to access all the water under the water right for the duration of Blawn Mountain Project SITLA mineral lease.

Groundwater Discharge Permit

A groundwater discharge permit application will require the completion of sufficient groundwater investigations in order to evaluate potential impacts to nearby waters, and if necessary provide sufficient mitigation. Ten groundwater monitoring wells were drilled to help characterize the hydrogeologic conditions of the lease area; eight encountered water. These eight wells were completed and equipped for routine monitoring. The hydrogeologic interpretation of data from these wells will be included in the groundwater permit application for the project.

Subsequent to approval of the groundwater discharge application by the UDWQ, it may also be necessary to file a construction permit with UDWQ to validate the engineering and designs for the source of any potential impacts. This would include engineering designs for the tailings facility or other operations that may potentially impact groundwater.

Groundwater discharge permit applications typically are processed in approximately 6-9 months. The approval was obtained in July 2014. Approvals for construction applications typically take a much shorter time and can be approved in as few as three months, and are submitted after completion of engineered design.

Air Quality Permit

In September 2012, a meteorological monitoring station was installed near the project area and a particulate monitoring station and meteorological station was installed closer to Milford, Utah. Both monitoring stations started recording data in October 2012. The one year data collection requirement was completed September 30, 2013.

Preliminary modeling will be completed to assess the impact of the project to ambient air quality. Once modeling is completed to demonstrate that the project can meet the applicable air quality standards, the application can be prepared and submitted for agency review. The review process can take between 9-12 months.

One year after the start of operations the Corporation will apply for an Operating Permit, also referred to as a Title V Permit. This permit grants the source permission to continue to operate while self-reporting on performance.

General Multi-Sector Industrial Storm Water Permit

A storm water pollution prevention plan ("**SWPPP**") must be prepared as outlined in the general industrial permit prior to receiving permit coverage. The drainage control plan developed as part of the mining and reclamation plan will be used to develop the SWPPP. The SWPPP must be fully developed and permit coverage granted prior to breaking ground at the site. A SWPPP application was submitted for permit coverage during Q2 2014 and was subsequently approved.

Army Corps of Engineer's Jurisdictional Waters

Site surveys have been completed for the entire lease area, the water pipeline route and access roads. Current mining operations will avoid all currently identified potential jurisdictional waters. Therefore, no permits or approvals from the ACOE are expected to be required. The delineation survey report was submitted to the ACOE for their review and concurrence in fall 2013.A site visit of the area occurred in November 2013. The Corporation was notified that the ACOE concurred with the Corporation’s findings that no jurisdictional waters or wetlands will be impacted by the

Project. The Corporation received final confirmation from ACOE and a letter stating that a "Department of the Army Permit is not required for the Project in March 2014.

County Conditional Use Permit and Other Permits

PRC has been proactive in maintaining good communication with the local community. To date, county officials as well as local ranchers have expressed strong support for the project, and have expressed high interest in seeing the project succeed. With this level of support for the project, the CUP should be issued without significant challenges. Anticipated time for approval would be 2-4 months once all the supporting studies have been completed. The application is anticipated to be submitted to the county in Q1 2014 with an anticipated approval the end of Q2 2014.

Water Treatment Plant Permit

Water will be treated onsite to provide potable drinking water to staff. Engineering plans and specifications for all public drinking water projects must be approved by the Division of Drinking Water prior to construction. Plans and specifications will be prepared by a Utah-licensed professional engineer. The Corporation will prepare and submit the application in mid-2015 with an anticipated permit approval in 2Q 2016.

Wastewater Treatment Plant Permit

The Blawn Mountain Project will have a septic tank and an absorption leach field to handle sanitary waste. Disposal of sanitary waste will require a wastewater treatment facility permit by the UDWQ. The Corporation will prepare and submit the permit application to UDWQ in mid-2015 with an anticipated permit approval at the end of Q1 2016.

Geological Setting

Regional Geology

The Blawn Mountain Project is located in the southern Wah Wah Mountains, of the eastern Basin and Range province, in an area characterized by a thick Paleozoic sedimentary section that was (i) thrust faulted during the Sevier orogeny, (ii) buried under a thick layer of regionally distributed Oligocene volcanic rocks and locally derived volcanic rocks, (iii) extended to the west by the Basin and Range event, (iv) altered by H2S rich hydrothermal alteration related to a postulated shallow laccolithic intrusive which domed and altered the overlying calc-alkaline volcanic rock, and (v) affected by continual erosion of the ranges contributing to colluvial and alluvial deposition in the valleys. The Blawn Mountain Project is located along the Blue Ribbon lineament within the Pioche mineral belt, a tectonic, structural, and igneous zone that contains a large number of metallic mineral mining districts with almost two dozen associated alunite veins and replacement deposits.

Regional rock strata underlying the Wah Wah and Blawn Mountain areas are Proterozoic to Cenozoic Era in geologic age. Rock strata consist of varying types of volcanic tuffs, rhyolites, mafic flows, basalts, quartzites, limestones, dolomites, sandstones and shales. Also present are brecciated zones associated with volcanic and faulting activity.

During the Late Cretaceous Sevier orogeny the Blawn Mountain Project region was subjected to thrust faulting and folding. Major thrust faults are the Wah Wah, Teton, Dry Canyon and Blue Mountain. The Wah Wah thrust emplaced upper Proterozoic and overlying Cambrian strata over Ordovician to Pennsylvanian strata. The Teton thrust emplaced Ordovician and Silurian strata over Silurian and Devonian carbonates and the Dry Canyon thrust emplaced Silurian and Devonian carbonates over Pennsylvanian and Mississippian strata. The Blue Mountain thrust emplaced Cambrian and younger age carbonates over Jurassic strata.

Regionally there are four sets of normal faults that relate to Basin and Range block faulting. These faults generally trend west-northwest, northeast, northwest and north-south. The Blawn Wash area is a graben bounded by west-northwest and northeast faults and the bounding volcanic ridges that host the alunite mineralization. Within the Project are several minor normal faults that offset the alunite deposit.

Property Geology

The Wah Wah Range is partly composed of a thick section of marine, Paleozoic and Triassic quartzites and carbonates deposited in the miogeocline of the western continental shelf. This area was covered by ocean until the Jurassic Period when it was uplifted during the Sonoma orogeny. The first major deformation of this area was during the Cretaceous/Tertiary Sevier orogeny which thrusted older basement rocks over younger rocks along both the Wah Wah and Blue Mountain thrusts contributing to the folding of the sediments associated with the upper thrust plate (Ordovician to Pennsylvania Age strata).

Regional volcanism deposited a thick layer of calc-alkaline volcanic rocks across the area presently occupied by the southern Wah Wah Mountains. The Basin and Range extensional event created much of the current topography of the area by stretching the region about 64 km westward; creating mountains with intervening valleys separated by range-bounding, normal faults that rotate at depth into a regional décollement. Local bimodal (calc-alkaline and basaltic) volcanism also occurred in the southern Wah Wah Mountains, associated with Basin and Range extension which began about 26 million years ago.

Exploration

Since acquiring the exploration right in respect of the Project in 2011, Potash Ridge initiated a validation drilling program on Area 1 primarily to validate the previous exploration efforts of Earth Sciences. Under the guidance of North American Exploration Company ("**NAE**"), a combination of 19 core holes and 16 reverse circulation holes were completed on Area 1 between October 2011 and February 2012. During Norwest's first site visit in February 2012, additional recommendations were made to the validation drilling program that included the two final reverse circulation holes and some adjustments to the sample preparation procedures. All 35 drill holes were twinned to locations of previous drill holes completed by Earth Sciences.

A second drilling program was initiated by the Corporation in July of 2012. The drilling program included 17 additional holes on Area 1, 50 holes on Area 2, two holes on Area 4, and 21 holes on the ridgeline extending southwest of Area 1 now referred to as the Southwest Extension. A total of 90 drill holes were completed including 74 reverse circulation holes, eight HQ core holes, and eight PQ core holes. PQ core holes were completed to collect material for metallurgical testing. A total of 9,880m were completed in the reverse circulation and core drilling program. In addition to the exploration drilling, PRC completed 10 groundwater monitor wells in valley fill material to begin baseline characterization of near-surface hydrology. The 10 monitor wells represent a total drilling footage of 732m.

A third reverse circulation drilling program was conducted in January and February of 2013. The program included two holes on Area 1 and 17 holes on Area 2 for a combined total of 2,535m. The primary purpose of the drilling was to further increase geologic assurance for resource assessment.

Mineralization

Alunite mineralization is found on four ridges which occur within Potash Ridge's exploration tracts. Acid sulfate alteration associated with a shallow, possibly laccolithic intrusion altered the silicic-alkalic rhyolite porphyries, flows and tuffs belonging to the Miocene Blawn Formation and the Oligocene Needles Range Group. Alteration tends to be in linear bodies reflecting the role of normal faults in controlling the mineralization. Alteration is zoned away from the point of hydrothermal fluid upwelling. The mineralized ridges are erosional remnants of a once larger altered area.

The Silica Cap is a zone of intense silicification believed to be the near-surface manifestation of the hydrothermal channelways. The silica is typically buff, dense, and massive but may be quite porous and vuggy locally and resemble a siliceous sinter. On the surface the Quartz-Alunite alteration zones are composed of white to cream to buff to gray to pink, generally fine grained, punky to dense, intermixed alunite and silica with only minor amounts of other impurities, mainly iron. Alunite also occurs locally as coarse (>12.7 mm), lathy, typically pink crystals in veins. Kaolinite becomes increasingly important, at the expense of alunite, in the Quartz-Alunite zone near the boundary with the Hematite-Clay zones and also where the Quartz- Alunite zones are cut by faults. Dickite (a high-temperature member of the kaolinite group) is reported in the Quartz-Alunite zone.

The extremely erosion resistant Silica Cap forms the tops of peaks and the underlying highly erosion resistant Quartz-Alunite facies forms the steepest parts of the ridges. In cross section the alteration zones have two basic forms, a nested-cone geometry and a relatively flat-lying form. The cone-shaped (narrow end at the base) zones are interpreted as the primary area of strong hydrothermal upwelling and the adjoining flat-bottomed zones are recognized as permeability-controlled areas above the paleo-ground-water table where steam-heated H2S is oxidized to H2SO4. Only the central portion Area 1 at the Blawn Mountain Project is clearly a funnel- shaped zone. The other flat bottomed alunite zones are strongly controlled by higher porosity and permeability of the host volcanic rocks, while the hydrothermal cones are largely independent of these factors. The control of permeability on the degree of alteration intensity is most important near the margins of Quartz-Alunite altered zones. Alteration is pervasive and unaffected by variations in the permeability of the host rocks. The alteration zones tend to be thicker in cone-shaped areas than in flat-lying areas. It is possible that there were more cone-shaped feeder zones but they were eroded or are buried under valley fill.

While there is no known formal industrial mineral ore deposit model for alunite, the local alunite deposit has been described as hydrothermal alteration of calc-alkaline volcanic rocks.

Drilling

Historic Drilling

Earth Sciences records indicate a total of 320 drill holes were completed on the NG alunite property. 287 holes were completed at Area 1, 18 holes at Area 2, 12 holes at Area 3 and three holes at Area 4. Six of the drill holes located in Area 2 are located within a 155ac tract where surface rights are jointly shared between SITLA and a third-party. Additionally, the rights to metallic resources for this tract are owned by a third party, with Potash Ridge controlling the rights to potash and other minerals.

Earth Sciences used air track percussion drilling and conventional rotary drilling in its exploration efforts. Air track drilling was primarily used as a prospecting tool to test the ground where there were poor bedrock exposures. Rotary drilling was used to define subsurface geology and collect samples for analysis.

There are numerous drill site locations where multiple holes were drilled. This was due to:

- Air track drilling being first used at several sites where there were poor surface exposures to identify sites to be followed with rotary drilling.
- Adverse drilling conditions were encountered at several sites that required abandoning a drill hole, moving over a few feet on the drill pad and making another attempt.
- Several locations where holes were re-entered or drilled a second time to collect additional information.

Earth Sciences completed its drilling in three stages as described below.

4. Reconnaissance drilling in 1971, completing 10 holes for a total of 807.7 m. Three holes were completed at Area 1, four holes at Area 2 and three holes at Area 3.

5. Exploration drilling in 1972 completing an additional 42 drill holes. 16 holes were completed at Area 1 for a total of 1,352.7 m, 14 holes were completed at Area 2 for a total of 878.3 m, nine holes were completed at Area 3 for a total of 789.4 m and three holes were completed on a fourth area outside the current Potash Ridge lease for a total of 225.6 m.

6. Development drilling in 1973 and 1974 on Area 1. Drilling was roughly aligned to a 300 (NW-SE) by 500 (NE-SW) grid pattern oriented to the ridgeline. A total of 268 air track and rotary holes were completed for a total of 14,102.2 m. Earth Sciences did not maintain complete records for most of the air track drill holes and some of the abandoned holes. Complete records were only maintained for holes with assays.

Confirmation Drilling

Potash Ridge completed a validation drilling program on Area 1 between October 2011 and February 2012. All drill sites were twinned to locations of previous drill holes completed by Earth Sciences and were oriented to provide adequate spatial representation of the deposit. 19 of the Potash Ridge holes were drilled using wire-line coring methods, continuously collecting HQ (63.5 mm diameter) core. A total 2,062 m of drilling was accomplished through core drilling with an average recovery of 91 percent. The remaining 15 drill holes were completed using reverse-circulation drilling equipped with either a down-hole hammer or deep-hole bit. A total of 2,454 m were completed with RC drilling. Norwest concluded that the Corporation's validation drilling program had adequately tested the Area 1 deposit, both spatially and in the number of twinned drilling locations.

NAE managed logistics, logging, and sampling for the Potash Ridge drilling program. Two different drilling contractors were used in the reverse-circulation drilling. The first drilling contractor completed seven reverse-circulation holes for a total of 1,283.2 m. None of the samples from these seven holes have been used or incorporated by Potash Ridge in their evaluation of the Blawn Mountain Project. The second drilling contractor completed eight holes for a total of 1,170.4 m. Samples and data from these holes are being used by Potash Ridge in their evaluation of the deposit.

Potash Ridge completed a second substantial drilling program at Blawn Mountain in the summer of 2012. Drilling was accomplished using RC, wire-line coring for HQ and PQ core, and conventional rotary methods. The program included a total of 90 holes in Areas 1, 2, and 4 plus 10 groundwater monitor wells. The second drilling program accomplished several goals:

- Further delineate resources on Area 1 with nine RC holes and five HQ core holes.
- Explore and define potential alunite resources on Area 2 with 44 RC holes and three HQ core holes.
- Explore and define potential alunite resources on the ridge extending southwest from Area 1 with 19 RC holes and 2 HQ core holes. This area is referred to as the Southwest Extension.
- Complete five PQ core holes on Area 1 and three PQ core holes on Area 2. Core from the PQ holes was used to develop bulk metallurgical samples.
- Perform resource reconnaissance in Area 4.
- Complete 10 widely-spaced rotary holes in the alluvial/colluvial areas surrounding the alunite deposits to collect samples for overburden testing and observe groundwater conditions. All 10 rotary holes were subsequently converted to monitor wells to observe and sample groundwater conditions.

A third drilling program totaling 21 holes at 18 locations was completed by the Corporation in January and February of 2013. Two RC holes were completed on Area 1 and 16 RC holes were completed on Area 2. All drilling was to improve resource delineation and geologic assurance. Six of the drill holes on Area 2 were drilled as angle holes, specifically targeting potential resources that could not be accessed with roads and vertical holes. Difficult drilling conditions required abandoning and restarting drill holes at three of the angle hole sites. A total of 146.4m of drilling was completed on Area 1 and 2,388m on Area 2.

A fourth drilling program was conducted in the spring/summer of 2013 in the southern end of the Wah Wah valley. Three test bores were drilled for a total of 1,018m. This evaluation was to assess depth to bedrock and to assist in determining the presence of groundwater. In the fall of 2013, two of the bore holes were completed as observation wells to assist in assessing the potential to develop a well field in the area.

Sampling and Analysis

From 1969 through 1974, Earth Sciences collected samples from rotary drilling on 3 m intervals. Earth Sciences also collected extensive outcrop and trench samples. For drilled samples, the material penetrated (alunite, clay, dolomite, non-alunite) was reported in 3 m increments along with analytical results. In some drill holes, lab analysis was only performed on samples at every 9.1 to 15.2 m or on composite samples from four 3 m intervals. For surface samples, the alumina analysis of the sample was typically plotted by location on a resource plate.

Earth Sciences determined both the elemental and mineralogical content of a large number of samples. Some of the mineralogy was done by X-ray diffraction. The most critical analytical number for Earth Sciences was the Al_2O_3 content of the alunite and was determined by three methods simultaneously:

- Indirectly by measuring the SO_3 content through a LECO furnace determination of the sulfur content;
- By determining the soluble Al_2O_3 content, presumably by wet chemical methods; and
- By indirectly determining the Na and K content.

Earth Sciences also measured K_2O and Na_2O by an unspecified method. Earth Sciences documentation provides results achieved by different techniques and different analytical laboratories. Laboratories listed were Earth Sciences, Alumet Company, Hazen, Skyline Labs and National Southwire Aluminum Corporation. Though Earth Sciences did evaluate their internal analytical testing with outside labs and the results are available in the historical documents Potash Ridge has obtained, there is little information relating to actual sample procedures or quality control methods.

Sampling Method and Approach

Potash Ridge's validation drilling program logistics, logging and initial sample preparation has been managed by NAE following recommendations made by Norwest. NAE maintained chain of custody for all samples from the time of collection at the drill sites through initial sample preparation to delivery of samples at the ALS Minerals facility in Winnemucca, Nevada where they underwent further preparation for analysis. For Potash Ridge's validation drilling program, NAE collected samples on 3 m intervals for core holes and on 1.5 m intervals for reverse circulation holes. Geologic logs have been maintained for all drill holes and include descriptions for lithology, alteration and recovery. In addition, core logs provide detail on fractures and orientations. Following logging, core was transported to a preparation facility set up by NAE where the core was cut longitudinally into half and quarter-core sections. Core samples submitted for analyses are comprised of 10-foot (3 m) quarter-core sections. Each sample weighs approximately 4.5 to 5 kg. The remaining half and quarter-core sections are stored in traditional waxed cardboard core boxes, in a secure storage facility in Milford. For reverse circulation drilling, samples were collected on 1.5 m intervals. Cuttings coming up through the central return discharge hose, passed through a cyclone and then through a Jones splitter. The splitter was set to a 50/50 split with one split being retained. Samples were collected continuously at 1.5 m intervals. Each 1.5 m sample weighed approximately 8 to 11 kg.

For the second and third drilling programs, adjustments were made to the RC sampling. Sample intervals were changed from 1.5 m intervals to 3 m intervals based on analysis of analytical variability observed in the validation drilling. Because all RC drilling in the second and third drilling programs were completed using foam injection, adjustments were made to collect between 8 to 11 kg of material directly from the rotary splitter, eliminating use of the Jones splitter.

Security of Samples

Slim core and reverse circulation samples from Potash Ridge's validation and infill drilling programs were shipped directly by NAE personnel to the ALS Minerals sample preparation facility in Winnemucca, Nevada. To date NAE has delivered 944 slim core samples and 4,541 RC samples from the three drilling programs. This includes 335 blind duplicate and 150 reference samples to evaluate analytical precision.

At the ALS Minerals sample preparation facility samples are prepared through the following steps:

- Samples were initially weighed and entered into the ALS Minerals tracking system.
- Samples were completely crushed to 70% < 2 mm.
- Samples were then passed through a riffle splitter to create 1000 g representative samples.
- The 1000 g samples were then pulverized to 85% < 75µm.
- Prepared samples were then forwarded onto the ALS Minerals laboratory in Vancouver, B.C. for geochemical analysis.

All reject material following splitting was saved and returned to Potash Ridge for potential future testing.

Potash Ridge selected two analytical packages to use on all samples from the validation drilling program. The first package is a whole rock analysis for major oxides using Ion Couple Plasma- Atomic Emission Spectroscopy ("**ICP-AES**") following a lithium metaborate fusion. Under this procedure determinations are made for SiO_2, Al_2O_3, Fe_2O_3, CaO, MgO, K_2O, Cr_2O_3, TiO_2, MnO, P_2O_5, SrO, BaO and loss on ignition. Reporting levels are to 0.01%. The second analytical package is an ICP-AES package for major, minor and trace elements using a four acid digestion. Determinations in the second analytical package include Al, Ca, Fe, K, Mg, Na, S and Ti reported to 0.01% levels and Ag, As, Ba, Be, Bi, Cd, Co, Cr, Cu, Ga, La, Mn, Mo, Ni, P, Pb, Sb, Sc, Sr, Th, Tl, U, V, W and Zn all reported in ppm concentrations.

For the second drilling program completed between July and October of 2012, the ICP-AES whole rock analytical package completed was used on all samples from the HQ core drilling and the RC drilling. The HQ core samples were also tested for minor and trace elements using the four-acid ICP-AES procedure. Both analytical packages were determined by ALS Minerals. ALS Minerals also prepared duplicate pulps of the HQ core samples that were subsequently sent to DCM Science in Denver, CO for mineral analysis using XRD.

For the third drilling program completed in January and February of 2013, the ICP-AES whole rock analytical package was used on all samples. In addition, sulfate determination by carbonate leach and gravimetric analysis was completed on all of the drilling samples plus a selected group of pulp samples from the previous two drilling programs.

Geotechnical logging and testing have been completed on two holes from Area 1, PDHC-1-09 and PDHC-1-11. Geotechnical work was completed by Seegmiller International located in Salt Lake City, Utah. Geotechnical tests completed on samples from the two core holes include: Point Load Testing (axial and diametric), Uniaxial Compression, Elastic Modulus, Direct Shear, and Bulk Density.

Five PQ core holes were completed during the second drilling program on Area 1 and three more were completed on Area 2. The PQ holes were drilled to collect representative material for metallurgical testing and explained in further detail in Section 13 of this report.

Data Verification

For purposes of preparing the Updated Technical Report, Mr. Kerr, the Geology QP, conducted numerous site visits to the Blawn Mountain property in support of the drilling and alunite resource characterization. Mr. Kerr first performed a site visit on February 9, 2012 and has made several site visits to the property since that time. Mr. Kerr's last trip to the property was on September 9, 2016. The site visits have confirmed the location and access routes of previous and current exploration activities. During the first site visit the Corporation's validation drilling program was still in progress with both the core and RC rigs operating. Mr. Kerr was able to observe drilling, logging and sampling procedures at the drill sites. Mr. Kerr also visited and observed the core cutting procedures and sample storage facilities being employed by NAE in Milford. At the time of the first site visit, none of the drill samples had yet been shipped to ALS Minerals for sample preparation and analysis. At the request of Mr. Kerr, blind duplicate samples of core were added into the sample sequence as one step of quality control.

During subsequent site visits the Geology QP has been able to observe and confirm both alunite and non-alunite lithologies, alterations, geologic contacts, and observe several of the major structures that bound the alunite deposits. Throughout the second and third drilling programs an on-site QA/QC manager was provided to ensure that logging, data collection and sampling procedures are being followed in a consistent manner and maintaining a chain of custody.

A search of the SITLA online database confirms the mining leases the Corporation has with the State of Utah for the Blawn Mountain Project. The Corporation has valid mineral control through the Exploration/Option Agreement and the two mineral leases for a combined total of 15,403.72ac.

The drill program carried out by the Corporation in 2011 and 2012 for Area 1 was designed to validate the previous drilling data collected by Earth Sciences between 1969 and 1974. The Corporation’s drill hole locations were twinned to Earth Sciences drill holes.

The Geology QP has examined and compared the K_2O and Al_2O_3 values from 27 of the Corporation's drill holes with their respective twin Earth Sciences drill holes. The comparison covers 639 assay intervals or 1,947.7 m of drilling. On an interval per interval basis there is poor correlation for K_2O and Al_2O_3 concentrations between the two sets of data. However, composite intervals for each hole show that the Corporation's drill holes have concentrations that range from 9 to 19.2% higher than the Earth Sciences data. Poor correlation between the two sets of data can be attributed to different drilling methods and most likely different analytical techniques. Earth Sciences used conventional rotary drilling methods. Rotary samples tend to be prone to dilution and wall-rock contamination compared to core and reverse circulation drilling. Though it is not specified in the Earth Sciences documents, K_2O was most likely determined by traditional spectrometry such as atomic absorption or flame photometry versus the ICP-AES analyses completed by ALS Minerals.

Although there was no targeted twin-hole drilling for Area 2, the Geology QP has compiled comparative average grade data for K_2O and Al_2O_3 values from historic versus current drill holes collared less than 30.5 m apart. These comparisons suggest that the current versus historic K_2O and Al_2O_3 grade data is similar for Area 2 despite different drilling methods (rotary versus reverse circulation) discussed earlier and most likely different analytical techniques.

A set of 12 sample pulps was forwarded to Activation Laboratories Limited ("**Actlabs**") for comparative analysis for the Area 1 twin hole program. For this set of 12 samples there are two sets of analyses from ALS Minerals, original and duplicates, plus the one set of analyses from Actlabs. Actlabs analyses compare very closely to ALS Minerals for the 12 samples. Correlation between the two sets of analyses for K_2O and Al_2O_3 exceeds 98%.

A comparison was made during the Corporation's validation drilling program in Area 1 to evaluate analytical results between core and reverse circulation drilling. Two reverse circulation holes were twinned to two of the core holes. Between the two twinned locations there are 103.6 m of analyses to compare between the two types of drilling. There is a 75% correlation for K_2O between matched sets data between the core and reverse circulation data. Al_2O_3 has a lower correlation of 50%. Core samples generally return slightly higher grades for K_2O and Al_2O_3 than drill cuttings for the respective intervals.

Beginning with the second phase of drilling in 2012, the Corporation began submitting two reference samples into the stream of samples being submitted to ALS Minerals. Both reference samples were prepared from bulk sample material previously collected for metallurgical testing. Original testing of the two reference samples and preparation of pulps for submittal in the drilling program was completed by ACT Labs in Ontario, Canada.

Reference and duplicate samples show a strong continuity in the dataset without any significant anomalies. The Geology QP believes sufficient steps have been taken to validate the analytical data. The authors are of the opinion that the data used in this report adequately depicts the geology and mineral content. The data is sufficient for resource estimation.

The Geology QP is satisfied with the procedures established by NAE in data collection and sampling. The duplicate samples and comparative analyses returned favourable results that would indicate reliable analyses from ALS Minerals for the validation drilling program. While the ALS results show higher concentrations than previously indicated in the Earth Sciences drilling data, the ALS Minerals analyses confirm the presence of mineralization and indicate grades determined from the Earth Sciences drilling data are conservative estimations.

Mining Methods

Mining operations at Blawn Mountain will be conventional open-pit, using truck and shovel mining methods, to extract ore and waste material from two mining areas, Area 1 and Area 2. The mining areas and subsequent mine-plans were developed using Lerch Grossman pit shells that optimized ore grades and their impacts to overall project economics. The mine optimization and planning work utilized the geologic model developed to account for updated geologic exploration and modeling, additional metallurgical testing and various trade-off studies performed during the economic analysis.

General Mining Method

Mining operations will use a conventional open-pit, truck and shovel mining approach. This is a typical and standard approach for many surface mining applications and takes advantage of the flexibility of the mining equipment. For Blawn Mountain, Area 1 and Area 2 will be developed in phases that will allow for optimizing the ore grades encountered in the deposit, while providing flexibility to the operation.

Before mining operations commence, salvageable plant growth material (PGM), also referred to as topsoil, will be removed and placed in temporary storage areas. Minimal waste material will be encountered during operations. The average strip ratio (yd3/ton ore) is 0.25:1. The majority of the waste material encountered in Areas 1 and 2 will be placed in out-of-pit waste dumps adjacent to the mining areas. Some of the waste material will be used to construct haul roads needed to access Areas 1 and 2.

The production schedule and mining sequence was utilized to develop an equipment fleet that would adequately meet the needs of the mining operation. Table 1.9 presents the type, size and maximum quantity of major mining equipment required to achieve the mine-plan. This equipment was selected because it provides flexibility to support the phased mining approach simultaneously working in Areas 1 & 2. The economics supporting the PFS assumes contract mining with the contractor providing the equipment.

Major Mining Equipment

Primary Equipment		
Front End Loader	16yd3	2
End-Dump Truck	100t	12
Support Equipment		
Water Truck	12,000gal	1
Grader	297Hp	2
Dozer	580Hp	5
Drill	45,000lb	1

The major mining equipment will be supported by a fleet of smaller support equipment, including pumps, light plants, lube and fuel trucks, service trucks, pick-up trucks, etc.

Minimal waste material is encountered during operations. The average strip ratio (yd^3/ton ore) for the base mining case is 0.25:1. The majority of the waste material encountered in Area 1 and Area 2 will be placed in out-of-pit waste dumps adjacent to the mining areas. Some of the waste material will be used to construct haul roads needed to access Area 1 and Area 2.

Mining Case

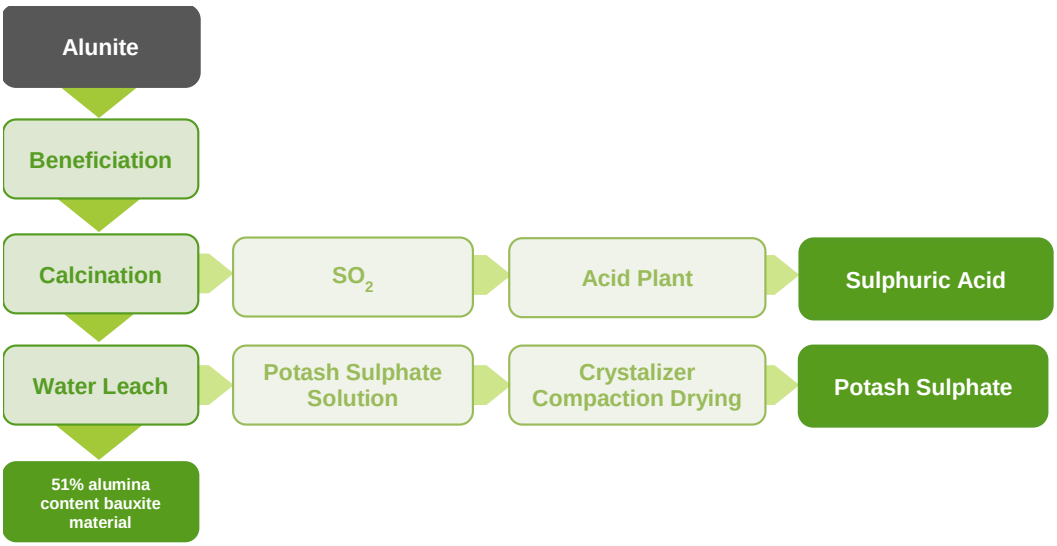
The mining case for the Updated Pre-Feasibility Study uses a 3.75% K_2O ore grade cut-off for Area 1 and a 3.50% K_2O cut-off for Area 2. These cut-off grades were utilized in the development of the pit shells for Area 1 and 2. The production schedule is driven by the capacity if the processing plant which established the ROM ore production schedule for direct plant feed at approximately 3.4 million tons per year. Additionally, this mining case recognized a leach recovery of 90%, 2% moisture and the SOP product was adjusted to account for 92.5% K_2SO_4. This case also assumes that a significant portion of low grade ore would be stockpiled during active mining operations. These

stockpiles will later be reclaimed and processed. Two low grade ore stockpiles will be developed, one for Area 1 and one for Area 2, respectively. Ore that is less than 2.75% K_2O is considered waste material and will be placed in the waste dumps. The Area 1 stockpile will contain ore ranging in grade from 2.75% K_2O to 3.75% K_2O and the ore in the Area 2 stockpile will range from 2.75% K_2O to 3.50% K_2O. As this material is placed in the stockpiles, it will be segregated in such a way that, as it is being reclaimed in later years of the project, the higher grades will be fed to the plant first.

Active mining begins in Year 1 and extends through Year 28. Mining operations cease in Year 28 but SOP will still be produced for an additional 18 years by reclaiming the low-grade ore stockpiles. The overall project life is 46 years. Construction activities begin in Year 1 which includes construction of the stockpile pad area, Area 1 haul road and development of the initial mining phase in Area 1.Year 1 is a production ramp-up period and full production is realized in Year 2.

Mineral Processing

If and when the Corporation begins production, the following combination of processes will be employed in the production of SOP, sulphuric acid and a leach residue that may be used by a refinery as bauxite material to produce smelter grade alumina. The individual unit processes used in the production of SOP and sulphuric acid are commonly used in other mineral processing facilities.



The ROM ore will be processed as envisioned, by crushing, reduction roasting, extracting SOP by leaching the calcine with water, solid/liquid separation, evaporation of brine, crystallization as well as drying and packaging of SOP product for markets. Provisions have been made in the process plant to conserve energy and water through treatment and reuse of effluents and disposal of residues in an environmentally sound manner.

Process design criteria for the major unit operations in the proposed integrated process plant complex are summarized below:

- ROM ore production rate is 3.4Mtpy at 2% moisture;
- Plant operation schedule is 330 days per year, 24 hours per day;
- The nominal throughput capacity of the process plant is 425 tons per hour (tph);
- Particle size of the grinding is P80 = 1000µm to the calciner;
- Roasting temperature at 1022oF (550oC) and not to exceed 1112oF (600oC);
- Roaster off-gases are routed as feed to a 2,090 tons per day (tpd)sulfuric acid plant;

- Water leaching of calcine: 35% solids; 176oF; 60 minutes residence time; and 90% SOP extraction;
- Alumina/silicate leach residues conveyed at 90% solids to the tailings facility.

Metallurgical Testing

Bench-scale comminution, beneficiation, flotation, calcination, leaching, crystallization, and solid/liquid separation tests were performed on composites of drill core and rotary drill cuttings from the exploration drilling program. A large bulk sample collected from Test Pit No. 5 was processed through a pilot plant at the HRI facilities in Golden, Colorado. The testing program was successful and design criteria were established for design of the full scale process facilities.

The test programs included the following tests:

- Ore characterization
- Particle size analysis
- Head sample chemical analysis
- Comminution testwork including JK Drop-weight tests, SMC tests, and Bond crushing, rod and ball mill work indices and abrasion indices
- Calcination
- Water leach testing
- Evaporation and crystallization
- Solid-liquid separation
- Alumina processing.

Recommendations

Mineral Processing and Metallurgical Testing

Additional metallurgical test work and trade-off studies required for optimized flow sheet development and process plant design include the following:

- Undertake metallurgical test work to investigate the potential for creating a high quality alumina product form the leach residue through physical separation, reverse flotation or some combination of these other processes.
- Perform mineralogical studies using such technology as QEMSCAN, an automated mineralogy and petrography system to identify and delineate texture, grain sizes, and mineralogical associations in the ore from different parts of the mine, calcine from the roasters, and leach residue, which have a direct bearing on product grade and recovery.
- Conduct tests on dry ROM ore samples to verify the choice of crushing and grinding equipment for producing feed at P_{80} 1000 µm for the calciner/roaster circuit and develop quantitative data on liberation of alunite as a function of grain size screen fractions from different areas of the mine.
- Evaluate the results of slurry rheology, sedimentation, and filtration tests to establish type and dosage of flocculant, if required, and to select thickeners and filtration equipment to reduce the moisture content of the feed to the pyroprocessing steps.
- Perform calcinating/roasting tests to determine the operating parameters and trade-off studies to assist in equipment selection, determination of energy requirements and composition of SO_2-bearing off-gases for recovery of sulfuric acid as by-product.

- Identify the phases (potassium sulfate, crystalline alumina, and residual alunite) in the respective calcines produced at a range of temperatures by XRD and microscopic examination.
- Perform agitated tank water-leach studies to determine operating parameters such as pulp density, residence time, temperature, intensity of agitation, as well as to identify the phases (potassium sulfate, crystalline alumina, and residual alunite) in the water-leach residues of calcines produced at a range of temperatures by XRD and microscopic examination.
- Conduct pilot plant tests on evaporation and crystallization of SOP product from the brine to determine the operating parameters and trade-off studies to assist in equipment selection, product quality, bleed requirements for impurity control, size of crystals formed, and compaction of product and handling requirements.

Recovery Methods

The Updated Pre-Feasibility Study has identified an extensive list of comments and recommendations for the optimization of recovery methods for Areas 100 through 800. It should not be considered a complete list, but as a partial list of comments and recommendations to be considered should a feasibility study be undertaken.

Continued Exploration and Resource Delineation

Exploration has identified measured and indicated resources beyond what has been allocated to Area 1 and Area 2. There are also other target areas within the Blawn Mountain Project that have potential of hosting additional alunite mineralization. As the project advances towards development, exploration should continue to evaluate resource potential of other targets within the project area including the following four targets:

- Extending resource limits southeastward from the central portion of Area 2 with additional drilling. The geologic model and field observations suggest mineralization may extend farther to the southeast than currently defined and may positively impact development of Area 2.
- Two rhyolitic eruptive centers occur west-southwest of Area 2 that are coincident with a lineament that projects into the main zone of mineralization in Area 1. Though historic mapping does not identify this lineament as a fault, the geometry of the two deposits suggests the lineament may be a source conduit for sulfide fluids and hydrothermal alteration. Outcrops on the two volcanic domes exhibit alunite veining. This area should be tested with drilling. The proximity of this target could have a positive impact toward development of Area 2.
- ESI exploration efforts identified alunite mineralization on two areas referred to as Area 3 and 4. Limited drilling was carried out by ESI on both areas and the Corporation completed two holes on Area 4. Once the project is in production, an ongoing exploration program should be developed to investigate alunite mineralization on Area 3.
- A prominent fault projects northeastward from the north side of Area 1 out across the alluvial valley. The fault separates a small ridge from Area 1 proper, and three small hills protrude through the alluvial fill along the fault. The fault marks the contact between Devonian carbonate rocks and Miocene volcanic rocks that host the alunite mineralization. Jasperoid development (silicification) has also been observed along the contact. Outcrop sampling and alteration mapping leading to drill testing along the fault should be planned to identify potential new alunite resources.

Environmental

As the project advances towards development, additional information will be required to assist in permitting activities. To evaluate these needs within the project area the following information should be collected:

- Evaluate tailings geochemistry to determine the need for a liner under the tailings area;
- Determine the seepage rate of the material under the tailings area; and

- Evaluate the chemistry of the tailings materials by testing water released from the tailings to ensure they are non-toxic and non-hazardous.

Water

The source of water is an important component of this project. Studies to date have indicated the presence of water within the Wah Wah Valley. Test bores have verified the water surface at the depths anticipated. Work by ESI in the 1970's showed that the aquifer was able to produce water at the rates needed. The ability of the aquifer under SITLA ground, in the southern portion of the Wah Wah Valley, to produce water at the rate needed for the project needs to be verified.

Mining

Geotechnical investigations of the roads, pads, pit walls, waste rock piles, tailings materials, and collection and settlement pond embankments need to be conducted.

Infrastructure

The following studies should be considered as part of developing this project in future efforts. These reports will assist in providing better definition of the project scope and designs.

- Geotechnical - for foundation for the processing plant and other facilities including any rail lines
- Product storage requirements, capacity, liner requirements size distribution of SOP
- Reclaim system – options to meet product requirements

SOP Residual Material

Metallurgical testing to date has confirmed that the alumina contained in the residue from the leaching process is soluble in high temperature caustic solutions; Bayer Process conditions; and may also be acceptable as a raw material feed for low temperature refineries. The Corporation is also in discussions with other North American parties interested in the alumina for various industrial applications, including us in the production of proppants used in oil and gas fracing, an ingredient in concrete and other industrial applications. Further testing is being carried out to determine whether the product meets the required specifications for these various potential applications.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares and 50,000,000 Non-Voting Shares of which 126,441,138 Common Shares and no Non-Voting Shares were issued and outstanding as at December 31, 2016.

Common Shares

Holders of Common Shares are entitled to receive notice of and attend and be heard at all meetings of the shareholders of the Corporation and to vote at all such meetings with each holder of Common Shares being entitled to one vote per Common Share held at all such meetings. The Board may at any time or from time to time declare dividends to the holders of Common Shares and Non-Voting Shares in such amounts as the directors at such time or times determine, out of moneys of the Corporation properly applicable to the payment of dividends. The Common Shares and Non-Voting Shares rank equally as to dividends on a share for share basis and all dividends declared in any fiscal year of the Corporation must be declared in equal amounts per share and at the same time on all Common Shares and Non-Voting Shares then outstanding, without preference or distinction.

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares and the holders of the Non-Voting Shares shall participate rateably, share and share alike, without any further

preference or distinction. Neither the Common Shares nor the Non-Voting Shares can be subdivided, consolidated, reclassified or otherwise changed unless the other class is changed in the same manner.

Non-Voting Shares

Holders of the Non-Voting Shares are entitled to participate equally with holders of the Common Shares with respect to the payment of dividends and the distribution of assets of the Corporation on the liquidation, dissolution or winding up of the Corporation. Neither the Common Shares nor the Non-Voting Shares can be subdivided, consolidated, reclassified or otherwise changed unless the other class is changed in the same manner.

The holders of Non-Voting Shares are entitled to receive notice of and to attend and be heard at all meetings of the shareholders of the Corporation and are entitled to receive all notices of meetings, information circulars and other written information from the Corporation that the holders of Common Shares are entitled to receive from the Corporation but not to vote at such meetings, unless otherwise required by law. Further, the holders of the Non-Voting Shares are not permitted to vote separately as a class upon a proposal to amend the articles of the Corporation to: (i) increase or decrease any maximum number of authorized Non-Voting Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Non-Voting Shares; (ii) effect an exchange, reclassification or cancellation of the Non-Voting Shares or (iii) create a new class or series of shares equal or superior to the Non-Voting Shares.

The Non-Voting Shares will automatically convert into Common Shares on a one-for one basis upon the occurrence of any of the following events: (i) upon any sale, transfer, disposition, assignment or similar transaction involving the direct or indirect transfer of ownership of or control over (a "**Transfer**") any Non-Voting Shares to a person that is not an Affiliate (as such term is defined in the Securities Act (Ontario)) of such holder of Non-Voting Shares; (ii) immediately on the fifth anniversary of the issuance of such Non-Voting Share; (iii) upon any Transfer of Common Shares, other than to an Affiliate, by a holder of Non-Voting Shares, a corresponding number of such holder's Non-Voting Shares shall be converted into Common Shares, provided that, in the case of SRP, a lesser number of Non-Voting Shares will be converted into Common Shares such that, after giving effect to such conversion of Non-Voting Shares and Transfer of Common Shares, SRP will not be a "control person" (as defined in the Securities Act (Ontario)); and (iv) each outstanding Non-Voting Share shall be deemed to be automatically converted into a Common Share in connection with the consummation of a merger, reorganization, amalgamation, business combination or similar transaction involving the Corporation, approved by the holders of Common Shares in accordance with applicable laws.

Each holder of Non-Voting Shares has the right to convert all or any of the holder's Non-Voting Shares into Common Shares on a one-for-one basis in the following circumstances: (i) at any time, provided that in the case of SRP, after giving effect to such conversion, SRP will not be a "control person" of the Corporation; or (ii) during the applicable conversion period upon the making of an Exclusionary Offer.

For the purposes of the foregoing, "**Exclusionary Offer**" means an offer to acquire Common Shares that: (i) must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Common Shares are listed, be made to all or substantially all the holders of Common Shares who are in any province of Canada to which the requirement applies and (ii) is not made concurrently with an offer to purchase Non-Voting Shares that is identical to the offer to purchase Common Shares in terms of price per share and percentage of outstanding shares to be taken up exclusive of shares owned immediately prior to the offer by the offeror, and in all other material respects, and that has no condition attached thereto other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Common Shares.

DIVIDEND POLICY

The Corporation has not declared or paid any dividends to its shareholders and does not expect to pay dividends in the foreseeable future. Any decision to pay dividends in the future will be made at the discretion of the Board of Directors after taking into account the Corporation's financial condition, financing requirements and other factors that the Board may deem relevant.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the symbol "PRK". The following table sets forth the information relating to the trading of the Common Shares on the TSX for the months indicated.

Month	High ($)	Low ($)	Volume
January 2016	$0.10	$0.06	6,312,966
February 2016	$0.09	$0.06	1,769,500
March 2016	$0.23	$0.06	28,557,908
April 2016	$0.34	$0.14	33,617,287
May 2016	$0.50	$0.26	26,766,603
June 2016	$0.41	$0.27	17,143,510
July 2016	$0.27	$0.20	13,487,493
August 2016	$0.32	$0.22	14,888,564
September 2016	$0.34	$0.22	15,197,076
October 2016	$0.38	$0.32	15,563,334
November 2016	$0.35	$0.28	10,096,611
December 2016	$0.32	$0.24	7,121,960

PRIOR SALES

The following table summarizes details of the stock options, Non-Voting Shares and warrants issued by the Corporation during the most recently completed financial year.

Date of Issuance	Security	Price per Security or Exercise Price as Applicable ($)	Number of Securities
April 15, 2016	Warrants	$0.30	5,833,335
April 20, 2016	Warrants	$0.30	666,667
May 11, 2016	Options	$0.33	750,000
May 25, 2016	Warrants	$0.50	2,800,000
August 11, 2016	Options	$0.40	1,325,000

The warrants issued in 2016 expire three years from the date of issuance.

The options expire 10 years from the date of issuance.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the name, province or state and country of residence, position with Potash Ridge, principal occupation and number or voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised by each person who is a director and/or an officer of the Corporation as at the date hereof.

Name and Residence and Position with the Corporation	Date of Appointment	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned, Directly or Indirectly, or Over which Control or Direction is Exercised[5]
Guy Bentinck[3][6] Ontario, Canada *President, Chief Executive Officer and Director*	July 15, 2011	President and Chief Executive Officer of the Corporation	1,030,000 (0.81%)
Ross Phillips[6] Ontario, Canada *Vice-President, Development*	December 5, 2011	Vice-President and Chief Operating Officer of the Corporation	33,334 (0.03%)
Jay Hussey Ontario, Canada *Vice-President, Corporate Finance*	August 27, 2015	Vice-President, Corporate Finance of the Corporation	542,000 (0.43%)
Petra Decher Ontario, Canada *Chief Financial Officer and Secretary*	March 21, 2016	Chief Financial Officer and Secretary of the Corporation	- (0.00%)
Stephen Harapiak[1][2][3][4] Ontario, Canada *Director*	April 10, 2012	Retired	68,000 (0.05%)
Robert C. Gross[1][2][4] Utah, United States *Director*	April 10, 2012	President of Robert C. Gross Associates	2,500 (0.00%)
Chris. Reid[1] Alberta, Canada *Director*	April 15, 2016	President and Chief Executive Officer of Petrodorado Energy Ltd.	550,000 (0.43%)

Notes:

(1) Member of the Audit Committee. Robert C. Gross is the Chairman of the Audit Committee.

(2) Member of the Governance, Compensation and Nominating Committee. Robert C. Gross is the Chairman of the Governance, Compensation and Nominating Committee.

(3) Member of the Technical, Environmental and Safety Committee. Stephen Harapiak is the Chairman of the Technical, Environmental and Safety Committee.

(4) These directors are independent.

(5) As of the date hereof, in addition to the Common Sshares held, the directors and officers hold the following convertible securities: Guy Bentinck holds 4,150,000 options and 165,000 warrants, Ross Phillips holds 1,775,000 options and 16,667 warrants, Jay Hussey holds 450,000 options and 171,000 warrants, Stephen Harapiak holds 800,000 options and 24,000 warrants, Robert Gross holds 800,000 options and Chris Reid holds 150,000 options and 175,000 warrants.

(6) Guy Bentinck, and Ross Phillips also serve as directors of Utah Alunite. The officers of Utah Alunite are as follows: Guy Bentinck is the President and Chief Executive Officer and Ross Phillips is the Vice-President, Development, Chief Financial Officer, and Secretary.

As of the date hereof, the directors and officers of the Corporation, as a group, will beneficially own, directly or indirectly, or exercise control or direction over 2,225,824 Common Shares, representing approximately 1.75% of the Common Shares outstanding.

The following is biographical information relating to each of the directors and officers of the Corporation. The directors of the Corporation shall be elected at each annual general meeting of the shareholders of the Corporation held to elect directors and shall serve until a successor is elected or appointed or until resignation is received by the Corporation, subject to the provision of the Corporation's articles, by-laws and the OBCA. The term of office of the officers expires at the discretion of the Board of Directors.

Guy Bentinck — President, Chief Executive Officer and Director

Mr. Bentinck has more than 20 years' experience working in the resources and mining sectors.

Mr. Bentinck previously worked for Sherritt International Corporation, where he held a number of senior executive positions. Between March 2004 and November 2007, he served as Sherritt's Senior Vice President and Chief Financial Officer. During this period, he played a major role in executing Sherritt's value-creation strategy through organic growth, strategic acquisitions and balance sheet management. From 2007 to 2010, Mr. Bentinck served as Senior Vice President, Capital Projects, of Sherritt where he led a team that oversaw Sherritt's major projects, comprising a portfolio of early-stage development and construction projects ranging between $200 million and $4 billion. Mr. Bentinck is a Chartered Accountant and holds a Masters in Accounting from the University of Aberdeen, Scotland. Mr. Bentinck also currently serves as a director of Manabi S.A., a Brazilian holding company, and serves as a director of APR Energy, an international power generation company located in the United States and as a director, Chief Financial Officer and Corporate Secretary of Fairfax Africa Holdings Corporation, a TSX-listed investment company with the objective of investing in African businesses.

Ross Phillips — Vice-President and Chief Operating Officer

Mr. Phillips has 10 years of experience in the resource and energy sectors, much of which has involved working on large-scale capital projects. From 2009 to 2011, Mr. Phillips was Senior Manager, Financial Analytics and later Director of Business Development at Capital Power Corporation, one of Canada's largest power generation companies. Prior to that time, from 2003 to 2009, Mr. Phillips held various senior roles at Sherritt International Corporation, a diversified resource company that produces thermal coal nickel, cobalt oil and electricity. Mr. Phillips is a member of the board of directors of First Cobalt Corp., a TSX-V listed company. Mr. Phillips has a Master of Arts in Resource Economics and a Master of Business Administration from the University of Alberta and is a Chartered Financial Analyst and Certified Management Accountant.

Jay Hussey — Vice-President, Corporate Finance

Mr. Hussey has been Vice President, Corporate Finance and Secretary of Potash Ridge since August 2015. Previously and continuing today, he is the President of Valleyfield Fertilizer Corporation, now a wholly-owned company by Potash Ridge. From 2005 until 2013, Mr. Hussey was Vice President, Corporate Finance and Secretary of Migao Corporation, a TSX listed, leading specialty potash fertilizer company based in China. Since August 2005, Mr. Hussey has been the President of MorganBridge Communications, a consulting company providing companies with corporate finance, business development and communications services in North America and Asia. Prior thereto, from 1995 Mr. Hussey was Vice President at The Equicom Group, Canada's largest investor relations firm.

Petra Decher – Chief Financial Officer and Corporate Secretary

Ms. Decher is an experienced finance executive with over fifteen years in the resource industry. From 2009 to 2016, Ms. Decher was the Vice President, Finance and Assistant Secretary for Franco-Nevada Corporation, a leading royalty and streaming company. From 2005 to 2009, Ms. Decher was President and Chief Financial Officer for Geoinformatics Exploration Inc., an exploration company focused on projects in British Columbia, Nevada, Mexico and Australia. Ms. Decher is a member of the board of directors of Integra Gold Corp. and Red Pine Exploration Inc., both TSX-V listed companies. Ms. Decher is a Chartered Professional Accountant and has a Diploma of Accountancy form McGill University and Bachelor of Commerce from Concordia University.

Stephen Harapiak — Chairman of the Technical, Environmental and Safety Committee and Director

Stephen Harapiak has significant experience in mining and processing operations, engineering, project management, and construction. He served as the President and Chief Operating Officer of Victory Nickel Inc. from 2008 to 2015. From 1982 to 1985, he served as President and Chief Executive Officer of Potash Corporation of Saskatchewan Inc. and has held senior executive positions at several other major Canadian public companies, including Noranda Inc. (from 1979 to 1981), Hudbay Minerals Inc. (from 1972 to 1979) and Denison Mines Ltd. (from 1977 to 1979). From 2008 to 2010, Mr. Harapiak served on the board of directors of Khan Resources Inc. Mr. Harapiak has also led major engineering and construction projects worldwide, including in Canada, the United States, South America, the Former Soviet Union and Africa.

Mr. Harapiak was the president of the Canadian Institute of Mining, Metallurgy and Petroleum from 1985 to 1986 and has served on various industry, government and educational advisory boards including Khan Resources Inc. and SanGold Corporation. He was also a consultant for the International Finance Corporation, a member of the World Bank Group, from 2002 to 2007. Mr. Harapiak is a Mechanical Engineering graduate from the University of Manitoba.

Robert C. Gross — Chairman of the Board, Chairman of the Governance, Compensation and Nominating Committee and Director

Robert Gross has served on the boards of directors and as a senior executive for several large financial institutions and is nationally recognized in the United States as an expert and educator in corporate governance matters, including board composition and structure, board and executive compensation, risk oversight, strategy and planning and board procedures. In 2009 and 2010, he served as an adjunct faculty member at Westminster College, where he taught effective corporate governance and leadership practice and dispute resolution at the Bill and Vieve Gore School of Business. He was the Chairman and President of the First Interstate Bank from 1991 to 1996 and President and Chief Executive Officer of the Blue Healthcare Bank from 2006 to 2008.

Mr. Gross was Chief of Staff to Utah Governor Michael Leavitt from 1997 to 1998 and worked as a senior attorney and practice group chair at Jones Waldo Holbrook & McDonough, PC, in Salt Lake City from 2005 to 2006. From 1996 to February 2002, he served as the executive director of Utah's Department of Workforce Services and led the consolidation of six state agencies into a single national agency, consisting of over 2,500 employees. Under the appointment of the White House, Mr. Gross served in Iraq as a senior government advisor from January to July 2004, providing technical, policy and governance advice to the interim Iraqi government. In 2008, Mr. Gross established Robert C. Gross Associates, a board and leadership advisory firm. Mr. Gross received a Bachelor of Science undergraduate degree from Utah State University in 1972, a Juris Doctorate with distinction from Ohio Northern

University in 1979 and an honors graduate degree in 1988 from the Pacific Coast Banking School at the University of Washington.

Chris Reid – Chairman of the Audit Committee

Mr. Reid is the President and Chief Executive Office of Petrodorado Energy Ltd. ("Petrodorado"), a petroleum and natural gas exploration and development company, since February 2015. Prior to that Mr. Reid was the Chief Financial Officer of Petrodorado from January 2012 to February 2015, and prior thereto, the controller of Petrodorado. From September 2005 to July 2011, Mr. Reid was a manager with KPMG LLP. Mr. Reid is a member of the board of directors of Integrated Energy Storage Corp. and First Cobalt Corp., both TSX-V listed companies.

Corporate Cease Trade Orders and Bankruptcies

To the Corporation's knowledge, none of the directors or executive officers of the Corporation is, or has been, within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was the subject of a cease trade or similar order, or an order that denied such company access to any statutory exemptions under Canadian securities legislation, which order was: (i) in effect for a period of more than 30 consecutive days, and (ii) issued either (a) when the director or executive officer was acting in the capacity as a director, chief executive officer or chief financial officer, or (b) after such person ceased to be in such capacity, but which resulted from an event that occurred while they were acting in such capacity.

To the Corporation's knowledge, none of the directors or executive officers of the Corporation is, or has been, within the ten years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in such capacity or within one year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

Penalties and Sanctions

To the Corporation's knowledge, none of the directors or executive officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the Corporation's knowledge, none of the directors or executive officers of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, nor a personal holding company of any such persons has, within the ten years before the date of this AIF, been bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Conflicts of Interest

To the best of the Corporation's knowledge, there are no existing potential conflicts of interest among the Corporation or its subsidiaries and the directors or officers of the Corporation or its subsidiaries as a result of their outside business interests as at the date of this AIF. Certain of the directors and officers serve as directors and officers of other public resource companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Corporation.

The Corporation's directors and officers are required by law to act honestly and in good faith with a view to the best interests of the Corporation. Subject to any limitations in the Corporation's constating documents, no agreement or

transaction would be void or voidable only because it was made between the Corporation and one or more of its directors or by reason that such director was present at the meeting of directors that approved such agreement or transaction or that the vote or consent of the director is counted for the approval of such agreement or transaction. Subject to any limitations or provisions to the contrary in the Corporation's constating documents, in order for an agreement or transaction between the Corporation and one or more of its directors to be valid, the relevant director or directors must disclose in good faith his or their interests in such agreement or transaction to the other directors not having a conflict of interest (or a sufficient number of directors to carry the resolution without counting the votes of the interested director(s)) and such other directors must vote in favour of the agreement or transaction. If all of the directors have a conflict of interest, the agreement or transaction must be authorized, approved or ratified by a resolution of shareholders in order to achieve statutory validity. An agreement or transaction between a director and the Corporation will be valid unless it can be shown that, at the time the agreement or transaction was authorized, it was unfairly prejudicial to one or more shareholders or the creditors of the Corporation. In appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

The directors and officers of the Corporation have been advised of their obligations to act at all times in good faith with a view to the best interests of the Corporation and to disclose any conflicts to the Corporation if and when they arise.

AUDIT COMMITTEE DISCLOSURE

Audit Committee Charter

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointments and reporting to the Corporation's Board of Directors. A copy of the Charter of the Audit Committee is attached to this AIF as Appendix "A".

Composition of the Audit Committee

The Audit Committee is structured to comply with National Instrument 52-110 — Audit Committees ("**NI 52-110**"). The Audit Committee is comprised of Chris Reid (Chairman of the Audit Committee), Robert C. Gross and Stephen Harapiak. Each member of the Audit Committee is financially literate within the meaning of NI 52-110. In addition, each member is independent within the meaning of NI 52-110.

Relevant Education and Experience

See the summaries of experience and education under "*Directors and Executive Officers*" for each of the members of the Audit Committee.

Reliance on Certain Exemptions

The Corporation is not relying on any exemptions with respect to the composition of its Audit Committee in accordance with NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee Charter sets out procedures regarding the provision of non-audit services by the Corporation's independent registered chartered accountants. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted non-audit and non-audit related services.

External Auditor Service Fees (By Category)

The following chart summarizes the aggregate fees billed by the external auditor of the Corporation for professional services rendered to the Corporation for the year ended December 31, 2016 for audit and non-audit related services:

	Audit Fees	Audit Related Fees	Tax Fees	Other Fees
2016	$60,000	-	$9,000	-
2015	$45,000	-	$6,000	-

MATERIAL CONTRACTS

Except as set forth below, the Corporation did not enter into any material contracts within the last financial year and no material contracts entered into prior to the last financial year remain in effect:

1. Lind Agreement discussed above under *"General Development of the Business" – Equity Financings – Lind Partners Financing"*;

2. Exploration and Option Agreement discussed above under *"General Development of the Business – Blawn Mountain Project"*; and

3. Blawn Mountain Mining Lease discussed above under *"General Development of the Business – Blawn Mountain Project"*.

Copies of the material contracts set out above are available under the Corporation's SEDAR profile at www.sedar.com.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

With exception of the water right appeal proceedings described above, the Corporation is not subject to any legal proceedings material to the Corporation to which the Corporation or any of its subsidiaries is a party or of which any of the Corporation's properties is the subject matter and no such proceedings are known to the Corporation to be contemplated. As noted, the Corporation (through UAC) is currently responding to an appeal by the Central Iron County Water Conservancy District of the Utah State Engineer's approval of the SITLA water right for the Blawn Mountain Project, as well as pursuing an appeal of the Conservancy District's water right approval.

During the most recently completed financial year, the Corporation has not had any penalties or sanctions imposed on it by, or entered into any settlement agreements with, a court or a securities regulator relating to securities laws.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the interests of certain directors or executive officers of the Corporation or any person who beneficially owns, controls or directs, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares as described herein, none of the foregoing persons, nor any associate or affiliate of any of them, has or had a direct or indirect material interest in any transaction since completion of the Corporation's last completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The Corporation has retained Olympia Transfer Services Inc. in Toronto, Ontario to act as registrar and transfer agent for the Common Shares.

INTERESTS OF EXPERTS

The scientific and technical information herein regarding the Blawn Mountain Project is derived from the Technical Report prepared by Millcreek by Steven B. Kerr, Jason N. Todd and Deepak Malhorta. Neither Millcreek nor Steven B. Kerr, Jason N. Todd, and Deepak Malhorta own any securities of the Corporation.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

PricewaterhouseCoopers LLP, Licensed Public Accountants, is the auditor of the Corporation and has performed the audit in respect of the Corporation's annual consolidated financial statements as at and for the year ended December 31, 2016. PricewaterhouseCoopers LLP, Licensed Public Accountants are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Additional information regarding directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is provided in the Corporation's notice of meeting and management information circular for the annual and special meeting of shareholders held on June 1, 2016. Additional information is provided in the Corporation’s annual consolidated financial statements and management discussion and analysis for the year ended December 31, 2016.

GLOSSARY OF TERMS

"**3DGBM**" means three dimensional geological block model.

"**ACOE**" means the United States Army Corps of Engineers.

"**Actlabs**" means Activation Laboratories Limited.

"**AIF**" means this annual information form of the Corporation, dated March 28, 2016.

"**alunite**" means a hydrated aluminum potassium sulfate mineral, with the chemical formation $KAl_3(SO_4)_2(OH)_6$, found in volcanic rocks subject to alteration by solutions containing sulphuric acid.

"**alumina**" or "**aluminum oxide**" means an amphoteric oxide with the chemical formula Al_2O_3. Its most significant use is in the production of aluminum metal, although it is also used as an abrasive owing to its hardness and as a refractory material owing to its high melting point.

"**April 2016 Units**" means the 11,666,663 units issued by the Corporation on April 15, 2016 and April 20, 2016 pursuant to two tranches of a non-brokered private placement for gross proceeds of $1,750,000.

"**April 2016 Warrant**" mean the one half of one Common Share purchase warrant compromised within each April 2016 Unit.

"**Area 1**" means the first of four exploration zones identified by Potash Ridge within the Blawn Mountain Project.

"**Area 2**" means the second of four exploration zones identified by Potash Ridge within the Blawn Mountain Project.

"**Area 3**" means the third of four exploration zones identified by Potash Ridge within the Blawn Mountain Project.

"**Area 4**" means the fourth of four exploration zones identified by Potash Ridge within the Blawn Mountain Project.

"**assay**" means, in economic geology, to analyze the proportions of metal in a rock or overburden sample, or to test an ore or mineral for composition, purity, weight or other properties of commercial interest.

"**bauxite**" means a sedimentary rock that is an aluminum ore.

"**Bayer Process**" means the principal industrial means of processing bauxite material to produce alumina.

"**Blawn Mountain Lease**" means the mineral lease granted to Utah Alunite over the Blawn Mountain Property upon exercise of the Lease Option.

"**Blawn Mountain Project**" or the "**Project**" means the SOP project to be developed by Potash Ridge on the Blawn Mountain Property located in Southwest Utah.

"**BLM**" means the United States Department of the Interior, Bureau of Land Management.

"**Board of Directors**" or "**Board**" means the board of directors of the Corporation.

"**Common Shares**" means common shares in the capital of the Corporation.

"**Corporation**" means Potash Ridge Corporation.

"**CUP**" means a Conditional Use Permit.

"**cut-off grade**" means the lowest grade of mineralized material that qualifies as ore in a given deposit, or rock of the lowest assay included in an ore estimate.

"**Deferred Payment**" means the additional US$100,000 that was to be paid to the Vendors pursuant to the terms of the Utah Alunite Acquisition Agreements.

"**deposit**" means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical and economic factors have been resolved.

"**Earth Sciences**" means Earth Sciences Inc.

"**ES Environmental Statement**" means the final environmental statement relating to the NG alunite project published by the BLM on August 26, 1977.

"**Exploration and Option Agreement**" means the exploration and option agreement dated April 1, 2011, as amended on June 4, 2012 and August 21, 2012, between Utah Alunite and SITLA.

"**First Convertible Security**" means the issuance of an initial convertible security with a face value of U.S.$3,168,000 pursuant to the terms of the Lind Agreement.

"**grade**" means the amount of valuable metal in each tonne of ore, expressed as grams per tonne (g/t) for precious metals and as percent (%) for base metals.

"**GRP**" means gross regional product.

"Hazen" means Hazen Research, Inc.

"HCL" means hydrochloric acid.

"**host**" means a rock or mineral that is older than rocks or minerals introduced into it.

"**ICP-AES**" means Ion Couple Plasma — Atomic Emission Spectroscopy.

"**Inferred mineral resource**" means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"**Initial Term**" means the ten year initial term of the Blawn Mountain Lease.

"**Jones-Hamilton**" means Jones-Hamilton Co.

"**K_2O**" is the chemical formula for potassium oxide.

"**KCl**" is the chemical formula for potassium chloride, commonly known as muriate of potash.

"**Lease Option**" means Potash Ridge's option under the Exploration and Option Agreement to convert its exclusive exploration right on the Blawn Mountain Project into the Blawn Mountain Lease at any time during the Option Period.

"**Lind**" means a New York based asset management firm managed by The Lind Partners.

"**Lind Agreement**" means the convertible security funding agreement dated December 16, 2016 between Lind and the Corporation.

"**LOM**" means life of mine.

"**May 2016 Units**" means the 5,600,000 units issued by the Corporation on May 20, 2016 and May 25, 2016 pursuant to two tranches of a non-brokered private placement for gross proceeds of $1,400,000.

"**May 2016 Warrant**" mean the one half of one Common Share purchase warrant compromised within each May 2016 Unit.

"**Member**" means a distinct portion of a particular geological formation.

"**Migao**" means Migao Corporation.

"**Millcreek**" means Millcreek Mining Group.

"**mineralization**" means the concentration of metals and their chemical compounds within a body of rock.

"**Mineral Resource**" means a concentration or occurrence of material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

"**Modification**" means the modification of the Blawn Mountain Lease whereby SITLA agreed to forbear from exercising its rights and remedies resulting from the Corporation's failure to make lease and minimum royalty payments under the terms of the Blawn Mountain Lease.

"**MOP**" means muriate of potash.

"**MOU**" means a memorandum of understanding whereby Watco will undertake the development, financing and operation of a short-line railroad connecting the Blawn Mountain Project to the Union Pacific railroad main line near Milford, Utah, and a loading facility for tis SOP, sulphuric acid and alumina rich material saleable products.

"**NAE**" means North American Exploration Company.

"**National Steel**" means National Steel Corporation.

"**NEPA**" means the National Environmental Policy Act.

"**NI 43-101**" means National Instrument 43-101 — *Standards of Disclosure for Mineral Projects.*

"**NI 52-110**" means National Instrument 52-110 — *Audit Committees.*

"**Non-Voting Shares**" means the non-voting shares in the capital of the Corporation.

"**Norwest**" means Norwest Corporation.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Option Period**" means the period April 1, 2011 through to March 31, 2014 where Utah Alunite **[has the exclusive right to explore the Blawn Mountain Property for potash, metalliferous minerals and clay minerals]**.

"**potash**" means any one of several compounds containing potassium, especially soluble compounds such as potassium oxide, potassium chloride and potassium sulfate.

"**Potash Ridge**" means Potash Ridge Corporation.

"**potassium chloride**" means the colourless crystalline solid or powder that is widely used in fertilizers, commonly known as muriate of potash.

"**Pre-feasibility Study**" means that portion of the Technical Report which contains the results of a pre-feasibility study issued in November 2013 by Norwest.

"**Preliminary Economic Assessment**" means that portion of the technical report dated November 5, 2012 entitled "*Preliminary Economic Assessment — Blawn Mountain Project, Beaver County, Utah*" which would constitute a preliminary economic assessment which is a study, other than a pre-feasibility study or feasibility study, that includes an economic analysis of the potential viability of Mineral Resources.

"**RC**" means reverse circulation.

"**ROM**" means run-of-mine.

"**ROW**" means a right-of-way.

"**Second Convertible Security**" means the issuance of a second convertible security pursuant to the terms of the Lind Agreement.

"**Second Tranche**" means the mutual agreement made under the Lind Agreement whereby Lind will fund up to another U.S.$6,200,000.

"**Serecon**" means Serecon Management Consulting Inc.

"**SITLA**" means the State of Utah School and Institutional Trust Lands Administration.

"**Southwire**" means Southwire Company.

"**SRP**" means Sprott Resource Partnership.

"**sulfate of potash**" or "**SOP**" means potassium sulphate (K_2SO_4).

"**SWPPP**" means storm water pollution prevention plan.

"**Technical Report**" means the technical report dated December 2, 2013 entitled "*Resources and Reserves of the Blawn Mountain Project, Beaver County, Utah*" prepared by Norwest.

"**Tetra Tech**" means Tetra Tech Inc.

"**Transfer**" means the sale, transfer, disposition, assignment or similar transaction involving the direct or indirect transfer of ownership of or control over any Non-Voting Shares or Common Shares, as applicable.

"**TSX**" means the Toronto Stock Exchange.

"**UDAQ**" means the Utah Division of Air Quality.

"**UDOGM**" means the Utah Division of Oil, Gas and Mining.

"**Units**" means the 20,000,000 units issued by the Corporation on November 27, 2015 pursuant to a non-brokered private placement for gross proceeds of $600,000.

"**Updated Pre-Feasibility Study**" means that portion of the Updated Technical Report which contains the results of a pre-feasibility study issued in January 2017 by Millcreek.

"**Updated Technical Report**" means an updated technical report dated effective January 10, 2017 entitled "*Techincal Report, The Blawn Mountain Project, Updated Prefeasibility Report, Beaver County, Utah*" prepared by Millcreek.

"**Utah Alunite**" means Utah Alunite Corporation, a wholly owned subsidiary of Potash Ridge and, as the context requires, Utah Alunite, LLC prior to its amalgamation with Utah Alunite Corporation.

"**Utah Alunite Acquisition Agreements**" means the purchase and sale agreements dated April 18, 2011 whereby the Corporation acquired all of the interests in Utah Alunite, LLC from its founding members.

"**Valleyfield Project**" means the development of a SOP manufacturing facility in Valleyfield, Quebec.

"**Vendors**" means the founding members of Utah Alunite, LLC.

"**VWAP**" means volume-weighted average price.

"**Warrant**" mean the one half of one Common Share purchase warrant compromised within each Unit.

"**Watco**" means Watco Companies LLC.

"**WoUS**" means the wetlands and waters of the U.S.

APPENDIX A

POTASH RIDGE CORPORATION

CHARTER OF THE AUDIT COMMITTEE

GENERAL

1. PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

1.1 Purpose

The primary purpose of the Committee is to ensure Board oversight of:

(a) the integrity of the Corporation's financial statements;

(b) the Corporation's compliance with legal and regulatory requirements;

(c) the External Auditor's qualifications and independence; and

(d) the performance of the Corporation's internal audit function and the External Auditor.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

(a) "Board" means the Board of Directors of the Corporation;

(b) "Chair" means the chair of the Committee;

(c) "Committee" means the audit committee of the Board;

(d) "Corporation" means Potash Ridge Corporation;

(e) "Director" means a member of the Board;

(f) "External Auditor" means the Corporation's independent auditor; and

(g) "OBCA" means the *Business Corporations Act* (Ontario).

2.2 Interpretation

The provisions of this Charter are subject to the provisions of the Corporation's by-laws and to the applicable provisions of the OBCA, National Instrument 52-110 — *Audit Committees* and any other applicable legislation.

CONSTITUTION AND FUNCTIONING OF THE COMMITTEE

3. ESTABLISHMENT AND COMPOSITION OF THE COMMITTEE

3.1 Establishment of the Audit Committee

The Committee is hereby continued with the constitution, function and responsibilities herein set forth.

3.2 Appointment and Removal of Members of the Committee

(a) Board Appoints Members. The members of the Committee shall be appointed by the Board, having considered the recommendation of the Governance, Compensation and Nominating Committee of the Board.

(b) Annual Appointments. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

(c) Vacancies. The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.

(d) Removal of Member. Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Independence of Members

Each member of the Committee shall be independent for the purposes of all applicable regulatory and stock exchange requirements.

3.5 Financial Literacy

(a) Financial Literacy Requirement. Each member of the Committee shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee.

(b) Definition of Financial Literacy. "Financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3.6 Qualifications

The Board will appoint to the Committee at least one Director who has accounting or financial expertise.

3.7 Board Approval Required

No member of the Committee shall serve on more than three public company audit committees without the approval of the Board.

4. COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee who are unrelated directors (or, if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. COMMITTEE MEETINGS

5.1 Quorum

A quorum of the Committee shall be two members.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least quarterly.

5.4 *In Camera* Meetings

As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee approves the quarterly financial statements, the Committee shall meet separately with each of:

(a) management;

(b) the External Auditor; and

(c) the internal auditor, if applicable.

5.5 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.6 Invitees

The Committee may invite Directors, officers and employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee. The External Auditor shall receive notice of each meeting of the Committee and shall be entitled to attend any such meeting at the Corporation's expense.

5.7 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

6. AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee shall have the authority to engage independent counsel and other advisors as the Committee may deem appropriate in its sole discretion and to set the compensation for any advisors employed by the audit committee. The Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

6.2 Funding

The Committee shall have the authority to authorize the payment of:

(a) compensation to any external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. Form 52-110F1, Section 9 requires disclosure of fees by category paid to the External Auditor.

(b) compensation for any advisors employed by the audit committee; and

(c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6.3 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

6.4 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

6.5 Compensation

The Committee has the authority to communicate directly with External Auditors and the Internal Auditors.

7. REMUNERATION OF COMMITTEE MEMBERS

7.1 Remuneration of Committee Members

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

7.2 Directors' Fees

No member of the Committee may earn fees from the Corporation or any of its subsidiaries other than directors' fees (which fees may include cash and/or shares or options or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive). For greater certainty, no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation.

SPECIFIC DUTIES AND RESPONSIBILITIES

8. INTEGRITY OF FINANCIAL STATEMENTS

8.1 Review and Approval of Financial Information

(a) Annual Financial Statements. The Committee shall review and discuss with management and the External Auditor the Corporation's audited annual financial statements and related MD&A together with the report of the External Auditor thereon and, if appropriate, recommend to the Board that it approve the audited annual financial statements.

(b) Interim Financial Statements. The Committee shall review and discuss with management and the External Auditor and, if appropriate, approve the Corporation's interim unaudited financial statements and related MD&A.

(c) Material Public Financial Disclosure. The Committee shall discuss with management and the External Auditor:

(i) the types of information to be disclosed and the type of presentation to be made in connection with earnings press releases;

(ii) financial information and earnings guidance (if any) provided to analysts and rating agencies; and

(iii) press releases containing financial information (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information).

(d) Procedures for Review. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements (other than financial statements, MD&A and earnings press releases, which are dealt with elsewhere in this Charter) and shall periodically assess the adequacy of those procedures.

(e) General. The Committee shall review and discuss with management and the External Auditor:

(i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles;

(ii) major issues as to the adequacy of the Corporation's internal controls over financial reporting and any special audit steps adopted in light of material control deficiencies;

(iii) analyses prepared by management and/or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;

(iv) the effect on the financial statements of the Corporation of regulatory and accounting initiatives, as well as off-balance sheet transactions structures, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;

(v) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;

(vi) any financial information or financial statements in prospectuses and other offering documents;

(vii) the management certifications of the financial statements as required under applicable securities laws in Canada or otherwise;

(viii) any other relevant reports or financial information submitted by the Corporation to any securities regulator or the public; and

(ix) pension plan financial statements, if any.

9. EXTERNAL AUDITOR

9.1 External Auditor

(a) Authority with Respect to External Auditor. As a representative of the Corporation's shareholders, the Committee shall be directly responsible for the appointment, compensation and oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. In the discharge of this responsibility, the Committee shall:

(i) have sole responsibility for recommending to the Board the firm to be proposed to the Corporation's shareholders for appointment as External Auditor for the above-described purposes as well as the responsibility for recommending such External Auditor's compensation and determining at any time whether the Board should recommend to the Corporation's shareholders whether the incumbent External Auditor should be removed from office;

(ii) review the terms of the External Auditor's engagement, discuss the audit fees with the External Auditor and be solely responsible for approving such audit fees; and

(iii) require the External Auditor to confirm in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.

(b) Independence. The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process the Committee shall:

(i) assure the regular rotation of the lead audit partner as required by law and consider whether, in order to ensure continuing independence of the External Auditor, the Corporation should rotate periodically the audit firm that serves as External Auditor;

(ii) require the External Auditor to submit on a periodic basis to the Committee a formal written statement delineating all relationships between the External Auditor and the Corporation and that the Committee is responsible for actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and for recommending that the Board take appropriate action in response to the External Auditor's report to satisfy itself of the External Auditor's independence;

(iii) unless the Committee adopts pre-approval policies and procedures, approve any non-audit services provided by the External Auditor and may delegate such approval authority to one

or more of its independent members who shall report promptly to the Committee concerning their exercise of such delegated authority; and

(iv) review and approve the policy setting out the restrictions on the Corporation hiring partners, employees and former partners and employees of the Corporation's current or former External Auditor.

(c) Issues Between External Auditor and Management. The Committee shall:

(i) review any problems experienced by the External Auditor in conducting the audit, including any restrictions on the scope of the External Auditor's activities or an access to requested information;

(ii) review any significant disagreements with management and, to the extent possible, resolve any disagreements between management and the External Auditor; and

(iii) review with the External Auditor:

(A) any accounting adjustments that were proposed by the External Auditor, but were not made by management;

(B) any communications between the audit team and audit firm's national office respecting auditing or accounting issues presented by the engagement;

(C) any management or internal control letter issued, or proposed to be issued by the External Auditor to the Corporation; and

(D) the responsibilities, budget and staffing of the Corporation's internal audit function.

(d) Non-Audit Services. The Chairman of the Committee may pre-approve non-audit services to a maximum of $50,000 provided by the External Auditor or the external auditor of a subsidiary of the Corporation to the Corporation (including its subsidiaries) provided that such non-audit services so approved are communicated to the full audit committee at its first scheduled meeting following such pre-approval.

(e) Evaluation of External Auditor. The Committee shall evaluate the External Auditor each year and present its conclusions to the Board. In connection with this evaluation, the Committee shall:

(i) obtain and review a report by the External Auditor describing:

(A) the External Auditor's internal quality-control procedures;

(B) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor's firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor's firm, and any steps taken to deal with any such issues; and

(C) all relationships between the External Auditor and the Corporation (for the purposes of assessing the External Auditor's independence);

(ii) review and evaluate the performance of the lead partner of the External Auditor; and

(iii) obtain the opinions of management and of the persons responsible for the Corporation's internal audit function with respect to the performance of the External Auditor.

(f) Review of Management's Evaluation and Response. The Committee shall:

(i) review management's evaluation of the External Auditor's audit performance;

(ii) review the External Auditor's recommendations, and review management's response to and subsequent follow-up on any identified weaknesses;

(iii) receive regular reports from management and receive comments from the External Auditor, if any, on:

(A) the Corporation's principal financial risks;

(B) the systems implemented to monitor those risks; and

(C) the strategies (including hedging strategies) in place to manage those risks; and

(iv) recommend to the Board whether any new material strategies presented by management should be considered appropriate and approved.

10. INTERNAL CONTROL AND AUDIT FUNCTION

10.1 Internal Control and Audit

In connection with the Corporation's internal audit function, if any, the Committee shall:

(a) review the terms of reference of the internal auditor and meet with the internal auditor as the Committee may consider appropriate to discuss any concerns or issues;

(b) in consultation with the External Auditor and the internal audit group, review the adequacy of the Corporation's internal control structure and procedures designed to ensure compliance with laws and regulations and any special audit steps adopted in light of material deficiencies and controls;

(c) review management's response to significant internal control recommendations of the internal audit group and the External Auditor;

(d) review (i) the internal control report prepared by management, including management's assessment of the effectiveness of the Corporation's internal control the structure and procedures for financial reporting and (ii) the External Auditor's attestation, and report, on the assessment made by management;

(e) review the adequacy of insurance coverage maintained by the Corporation;

(f) instruct the External Auditor to prepare an annual evaluation of the Corporation's internal audit group and reviewing the results of that evaluation; and

(g) periodically review with the internal auditor any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

11. OTHER

11.1 Risk Assessment and Risk Management

The Committee shall discuss the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

11.2 Related Party Transactions

The Committee shall review and approve all material related party transactions in which the Corporation is involved or which the Corporation proposes to enter into.

11.3 Expense Accounts

The Committee shall review and make recommendations with respect to:

(a) expense accounts, on an annual basis, submitted by the Chair and President; and

(b) expense account policy, and rules relating to the standardization of the reporting on expense accounts.

11.4 Whistle Blowing

The Committee shall put in place procedures for:

(a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

(b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

12. ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by the Board and overseen by the Governance, Compensation and Nominating Committee for assessing the performance of the Committee.

13. CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate.