POTASH RIDGE

POTASH RIDGE CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Potash Ridge Corporation (the "Corporation") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management, in discharging these responsibilities, maintains a system of internal controls designed to provide reasonable assurance that its assets are safeguarded, only valid and authorized transactions are executed and accurate and timely and comprehensive financial information is prepared. However, any system of internal controls over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities.

PricewaterhouseCoopers LLP, an independent firm of Chartered Professional Accountants, was appointed by the shareholders to examine the consolidated financial statements and provide an independent professional opinion. PricewaterhouseCoopers LLP has full and free access to the Board of Directors.

March 28, 2016

Independent Auditor's Report

To the Shareholders of
Potash Ridge Corporation

We have audited the accompanying consolidated financial statements of Potash Ridge Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of cash flows, and the consolidated statements of changes in shareholders' equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Potash Ridge Corporation and its subsidiaries as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in these consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about Potash Ridge Corporation's ability to continue as a going concern.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Potash Ridge Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2015	As at December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	**$ 410,877**	$ 1,026,771
Restricted cash (note 5)	**89,673**	592,085
Receivables	**24,308**	35,835
Other current assets	**72,208**	173,518
Total current assets	**597,066**	1,828,209
Non-current assets		
Exploration and evaluation assets (note 6)	**32,563,219**	26,465,738
Property, plant and equipment (note 7)	**20,178**	429,938
Restricted cash (note 5)	**-**	279,688
Other non-current assets (note 13)	**-**	29,209
Total non-current assets	**32,583,397**	27,204,573
Total assets	**$ 33,180,463**	$ 29,032,782
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,273,515**	$ 709,771
Other current liabilities (note 13)	**1,100,474**	421,537
Total current liabilities	**2,373,989**	1,131,308
Non-current liabilities		
Other non-current liabilities (note 13)	**226,976**	570,770
Total liabilities	**2,600,965**	1,702,078
Shareholders' equity		
Capital stock (note 8)	**33,828,074**	33,428,933
Contributed surplus (note 8)	**6,622,642**	6,416,018
Deficit	**(9,243,590)**	(12,341,807)
Accumulated other comprehensive loss	**(627,628)**	(172,440)
Total shareholders' equity	**30,579,498**	27,330,704
Total liabilities and shareholders' equity	**$ 33,180,463**	$ 29,032,782

Nature of operations and going concern (note 1)
Commitments and contingencies (note 14)

Approved on behalf of the Board:

"Guy Bentinck", Director

"Robert Gross", Director

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Potash Ridge Corporation
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Year ended December 31, 2015	Year ended December 31, 2014
Expenses		
Management, employee, director, general and administrative expenses (note 5)	**$ 1,634,883**	$ 3,088,257
Professional fees	**248,563**	889,083
Share-based compensation (note 9)	**44,340**	305,589
Depreciation	**105,291**	202,397
Prospecting	**-**	265
Total expenses	**(2,033,077)**	(4,485,591)
Other Items		
Interest income	**718**	15,785
Loss on disposal of property, plant and equipment	**(189,913)**	-
Foreign exchange gain	**5,320,489**	2,369,163
Income (loss) before income taxes	**3,098,217**	(2,100,643)
Income tax recovery	**-**	194,141
Net income (loss) for the year	**3,098,217**	(1,906,502)
Other comprehensive income (loss)		
Foreign currency translation adjustment	**(455,188)**	(138,871)
Comprehensive income (loss) for the year	**$ 2,643,029**	$ (2,045,373)
Basic net income (loss) per share	**$ 0.03**	$ (0.02)
Diluted net income (loss) per share	**$ 0.03**	$ (0.02)
Weighted average number of common shares outstanding - Basic	**88,695,333**	86,709,032
Weighted average number of common shares outstanding - Diluted	**89,475,695**	86,709,032

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Potash Ridge Corporation
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2015	Year ended December 31, 2014
Operating activities		
Net income (loss) for the year	**$ 3,098,217**	$ (1,906,502)
Items not involving cash:		
Depreciation	**105,291**	202,397
Share-based compensation	**44,340**	305,589
Foreign exchange gain	**(5,240,627)**	(2,209,371)
Income tax recovery	**-**	(194,141)
Loss on disposal of property, plant and equipment	**189,913**	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	**11,527**	(6,856)
Decrease in other current assets	**101,310**	66,972
Decrease (increase) in operating restricted cash	**782,100**	(93,459)
Decrease in other non-current assets working capital	**29,209**	15,797
Increase (decrease) in accounts payable and accrued liabilities	**510,442**	(882,309)
Net cash used in operating activities	**(368,278)**	(4,701,883)
Investing activities		
Acquisition of property, plant and equipment	**(12,178)**	(35,184)
Proceeds from sale of property, plant and equipment	**150,604**	-
Exploration and evaluation expenditures	**(861,010)**	(2,342,348)
Net cash used in investing activities	**(722,584)**	(2,377,532)
Financing activities		
Issuance of common share and warrant units (note 8(b))	**600,000**	-
Cost of issuance of common share and warrant units (note 8(b))	**(50,620)**	-
Net cash provided by financing activities	**549,380**	-
Net change in cash and cash equivalents for the period	**(541,482)**	(6,935,786)
Effect of foreign exchange rate changes on cash and cash equivalents	**(74,412)**	74,331
Cash and cash equivalents, beginning of year	**1,026,771**	8,031,855
Cash and cash equivalents, end of year	**$ 410,877**	$ 1,170,400

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Potash Ridge Corporation
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Voting Shares	Number of Non-voting Shares	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2013	**81,653,778**	**5,055,254**	**$ 33,428,933**	**$ 6,271,378**	**$ (10,435,305)**	**$ (33,569)**	**$ 29,231,437**
Share-based compensation (note 9)	-	-	-	338,781	-	-	338,781
Effect on foreign currency translation	-	-	-	-	-	(138,871)	(138,871)
Income tax recovery on expired warrants		-	-	(194,141)	-	-	(194,141)
Net loss for the year	-	-	-	-	(1,906,502)	-	(1,906,502)
Balance, December 31, 2014	**81,653,778**	**5,055,254**	**$ 33,428,933**	**$ 6,416,018**	**$ (12,341,807)**	**$ (172,440)**	**$ 27,330,704**
Shares issued for Valleyfield Project (note 7(i))	200,000	-	8,000	-	-	-	8,000
Private placement (note 8(b)(i))	20,000,000	-	600,000	-	-	-	600,000
Warrants (note 8(b)(i))	-	-	(140,000)	140,000	-	-	-
Cost of issue - Cash	-	-	(50,620)	-	-	-	(50,620)
Cost of issue - finder warrants (note 8(b)(i))	-	-	(18,239)	18,239	-	-	-
Share-based compensation (note 9)	-	-	-	48,385	-	-	48,385
Effect on foreign currency translation	-	-	-	-	-	(455,188)	(455,188)
Net income for the year	-	-	-	-	3,098,217	-	3,098,217
Balance, December 31, 2015	**101,853,778**	**5,055,254**	**$ 33,828,074**	**$ 6,622,642**	**$ (9,243,590)**	**$ (627,628)**	**$ 30,579,498**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

Potash Ridge Corporation (the “Corporation” or "Potash Ridge") is a corporation operating under the Ontario Business Corporation Act. Its registered office is located in Toronto, Canada at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5. The Common Shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “PRK” and on OTCQX under the symbol "POTRF".

The principal activity of the Corporation is to develop projects focused on the production of sulphate of potash (“SOP”). Located in Valleyfield, Quebec, the Valleyfield Project intends to utilize well-known Mannheim technology to produce SOP at management's initial estimated rate of 40,000 tonnes per annum. The development of the Blawn Mountain Project in Utah involves the exploration, development and production of mineral resources and is currently focused on the exploration of alunite in order to produce SOP, co-product sulphuric acid and, potentially, alumina. The Blawn Mountain Project comprises 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 15,404 acres (6,233 hectares) of land located in Beaver County, Utah.

The Corporation is an exploration and development stage entity and has not yet achieved profitable operations. It is subject to risks and challenges similar to companies in a comparable stage of development. These risks include, but are not limited to, the challenges of securing adequate capital to fund its activities, operational risks inherent in the mining and fertilizer industries, and global economic and commodity price volatility. The underlying value of the Blawn Mountain Project and the Valleyfield Project, and the recoverability of the related capitalized costs are entirely dependent on the Corporation’s ability to successfully develop the Blawn Mountain and Valleyfield Projects by, among other things, securing necessary permits, obtaining the required financing to complete the development and construction, and upon future profitable production from, or the proceeds from the disposition of its mineral properties or projects.

The Corporation earned a comprehensive income for the year ended December 31, 2015 of $2,643,029 (year ended December 31, 2014 - a comprehensive loss of $2,045,373), and has reported an accumulated deficit of $9,243,590 as at December 31, 2015 (December 31, 2014 - $12,341,807). The Corporation’s sole source of funding has been the issuance of equity securities for cash. As at December 31, 2015, the Corporation had $410,877 in cash and cash equivalents (December 31, 2014 - $1,026,771) to settle current liabilities of $2,373,989 (December 31, 2014 - $1,131,308). The Corporation intends to use its existing cash resources prudently on basic project management and essential, non-discretionary, general corporate and operating expenditures while further capital is sought. The Corporation has implemented cost reduction actions to further reduce its expenditures in 2015. The Corporation is seeking to raise additional capital through equity issuances or other available means in order to continue funding its operating, exploration and evaluation activities, and eventual development of its Valleyfield Project and Blawn Mountain Project. Although the Corporation has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in future fundraisings.

These circumstances, along with other risks relevant to exploration companies, such as continuing losses and cash outflows from operations, result in material uncertainty which lends significant doubt as to the ability of the Corporation to settle current obligations and meet commitments as they become due and, accordingly, the appropriateness ultimately of the use of the accounting principles applicable to a going concern.

These consolidated financial statements have been prepared under the assumption that the Corporation will continue as a going concern. The going concern basis of presentation assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. Different bases of measurement may be appropriate when a company is not expected to continue operations for the foreseeable future.

1. Nature of operations and going concern (continued)

These consolidated financial statements do not give effect to adjustments to the carrying values of assets, liabilities and the reported expenses and classifications that would be necessary should the Corporation be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Corporation on March 28, 2016.

2. Basis of preparation and significant accounting policies

a) Statement of compliance

The Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board as outlined in Part 1 of the Chartered Professional Accountants of Canada Handbook - Accounting.

b) Basis of preparation

The consolidated financial statements have been prepared using the historical cost convention, modified by the revaluation of any financial assets and financial liabilities at fair value through profit and loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its wholly-owned subsidiaries Utah Alunite Corporation ("UAC") and Valleyfield Fertilizer Corporation ("Valleyfield"). Consolidation is required when the Corporation is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

d) Foreign currencies

The individual financial records of each group entity are kept in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency, as determined by management, of the Corporation and of Valleyfield is Canadian dollars and the functional currency of UAC is U.S. dollars. For the purpose of the consolidated financial statements, the results and financial position are reported in Canadian dollars.

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated at the rates of exchange prevailing on the underlying transaction dates. Exchange differences are recognized in profit and loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

2. Basis of preparation and significant accounting policies (continued)

e) Share based compensation

The Corporation has a stock option plan that allows the Corporation's employees, directors and consultants to acquire common shares in the Corporation. The fair value of options granted is recognized as a share based compensation expense with a corresponding increase in contributed surplus. The fair value of option grants to employees who are primarily dedicated to the exploration and evaluation of mining properties are capitalized with a corresponding increase in contributed surplus. The fair value of options is measured using the Black-Scholes option pricing model and estimated forfeitures as at the grant date and is recognized over the vesting period. At each financial reporting date, the compensation expense is adjusted to reflect any changes to the Corporation's estimate of the number of awards that are expected to vest. Upon exercise of a share option, the consideration received is credited to share capital along with the amounts previously recognized in other reserves.

The Corporation also recognizes share based compensation awards made in the current period through employment contracts. The estimated fair values of these awards are recognized over the service and vesting periods. At each financial reporting date, the compensation expense is adjusted to reflect updated fair value estimates for the awards, to the extent the awards have not been officially granted yet.

f) Income taxes

The Corporation uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases ("temporary differences") and loss carry-forwards.

Such deferred tax assets and liabilities are not recognized if the temporary differences arise from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. The effect on future tax assets and liabilities of a change in tax rates is generally recognized in income in the period that includes the date of enactment or substantive enactment. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss. In the case of a business combination, the tax effect is included in the accounting for the business combination.

g) Cash and cash equivalents

Cash and cash equivalents are comprised of cash at banks and on hand, and highly liquid money market instruments with an original maturity of three months or less.

2. Basis of preparation and significant accounting policies (continued)

h) Short term deposits

Short term deposits with original terms to maturity of greater than 90 days, but less than one year are recorded as short term deposits. Interest income, if applicable, on these short-term deposits is recorded as earned over the term of the deposit.

i) Common shares (share capital) and subscriber warrants

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. Subscriber warrants are classified within contributed surplus. Where common shares and subscriber warrants are offered together (as a “unit”) the Corporation allocates the consideration received per unit, net of any issuance costs, to the common shares and subscriber warrants based on their relative fair values. The fair value of warrants is measured using a Black-Scholes option pricing model.

j) Equity financing and listing costs

Costs directly identifiable with the raising of capital are charged against the related capital account. Costs related to securities not yet but likely to be issued are presented as a prepaid asset until the issuance of the securities, to which the costs relate, at which time the costs are charged against the related capital account or charged to earnings if the securities are not issued. Costs which are incurred as part of an actual or proposed listing of existing shares are expensed as incurred.

k) Exploration and evaluation expenditures

Exploration and evaluation expenditures related to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, technical feasibility studies for extracting alunite and other costs directly attributable to exploration and development projects are capitalized. Mineral rights for exploration and evaluation are carried at cost less any accumulated impairment losses.

Where the Corporation is incurring costs to prospect or where it is preparing for or applying for prospecting rights, the Corporation expenses those costs as incurred.

l) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The Corporation provides depreciation of its property plant and equipment at the following annual rates:

Office equipment	Straight line 3-5 years
Computer equipment	Straight line 3 years
Motor vehicles	Straight line 5 years
Leasehold improvements	Term of the lease
Valleyfield Project	No depreciation until completed and ready for intended use

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2. Basis of preparation and significant accounting policies (continued)

m) Impairment of long-lived assets

At each reporting period, the Corporation assesses changes to facts and circumstances and determines if there is an indication that the carrying amount of an asset may exceed its recoverable amount.

Where an indicator of impairment exists, a formal estimate of the recoverable amount of the asset is made.

The recoverable amount is the higher of the fair value less costs to sell and value in use:

- Fair value less costs to sell is the amount obtainable from the sale of the asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties less costs of disposal.

- Value in use is determined as the present value of the estimated future pre-tax cash flows expected to arise from the continued use of the asset or cash generating unit in its present form and its eventual disposal, discounted using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use calculations do not take into account future development.

If the carrying amount of the asset or cash-generating unit exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in the income statement. Previously recognized impairment losses are assessed each reporting period for any indications that the losses have decreased or no longer exist. Such an impairment loss is reversed, in full or in part, if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment losses had been recognized in previous years.

n) Income/(loss) per share

The Corporation presents basic and diluted income/(loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted income/(loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

o) Financial assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ("EIR") method less any impairment.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2. Basis of preparation and significant accounting policies (continued)

p) Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’. Refer to note 16 for analysis of categories of financial liabilities.

Other financial liabilities, including borrowings, are measured at amortized cost using the effective interest method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The Corporation derecognizes financial liabilities when the obligations are discharged, cancelled or expired.

q) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the agreement at the inception date.

Operating leases
Leases that do not transfer substantially all the risks and rewards incidental to ownership to the Corporation as a lessee are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statements of earnings on a straight-line basis over the lease term.

r) Future accounting standards and pronouncements

IFRS 9, Financial Instruments

This standard is the first step in the process to replace IAS 39, Financial Instruments: Recognition & Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets. IFRS 9 establishes two primary measurement categories for financial assets: (i) amortized cost, and (ii) fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting. IFRS 9 has an effective date of January 1, 2018, with early adoption permitted. The Corporation continues to monitor and assess the impact of this standard.

IFRS 16, Leases

IFRS 16, issued in January 2016, replaces IAS 17, Leases. IFRS 16 results in most leases being reported on the balance sheet for lessees, eliminating the distinction between a finance lease and an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for companies that also adopt IFRS 15. The Company is currently assessing the impact of this standard.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Corporation's accounting policies, which are described in note 2 above, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting estimates and judgments

The Corporation applied judgment in the determination of the types of expenses that are capitalized as exploration and evaluation assets as described in the accounting policy in note 2(k).

The Corporation undertakes a review at each reporting period to evaluate whether any indications of potential impairment may exist relating to exploration and evaluation assets, as well as property plant and equipment. Potential changes in facts or circumstances considered for further impairment analysis may include:

- whether the period for which the Corporation has the right to operate has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further activities to advance the project is neither budgeted nor planned;
- exploration and evaluation activities to date have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue the project's advancement; or
- sufficient data exists to indicate that, although a development of the project is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale of the project.

Where any such indicator of potential impairment is identified, a formal estimate of the recoverable amount of the asset is made.

The Corporation estimates the fair value of convertible securities such as warrants and options using the Black-Scholes option-pricing model which requires significant estimation around assumptions and inputs such as expected term to maturity, expected volatility and expected forfeiture rates. See accounting policies in note 2(e) and 2(i) as well as notes 8 and 9 for further details of significant assumptions applied to these areas of estimation.

4. Cash and cash equivalents

Cash and cash equivalents consisted of $403,603 (December 31, 2014 - $76,345) in Canadian dollar denominated current accounts, and $7,274 (December 31, 2014 - $950,426) in U.S. dollar denominated current accounts.

5. Restricted cash

The Corporation has set aside $89,673 (December 31, 2014 - $871,773) comprising reclamation surety bonds and collateral requirements. The funds relating to the reclamation surety bonds are to be released upon the Corporation meeting all of its commitments to SITLA relating to its on-site Project activities and have therefore been classified as current or non-current assets on the consolidated statements of financial position according to management's estimated timing of completing such commitments.

During the year ended December 31, 2015, the Corporation reduced its reclamation bonds and collateral requirement by an aggregate amount of $274,983.

In June 2015, UAC notified the landlord that it would no longer be occupying the office space. In response the landlord called on the Letter of Credit. The US$315,000 ($396,834) was charged to general and administrative expense during the year ended December 31, 2015.

(Expressed in Canadian Dollars Except As Otherwise Indicated)

6. Exploration and evaluation assets

The following is a summary of exploration and evaluation expenditures related to the Corporation's Blawn Mountain Project that have been capitalized.

	As at December 31, 2015	As at December 31, 2014
Blawn Mountain Project		
Drilling	**$ 6,871,662**	$ 5,759,285
Pre-feasibility study	**6,416,996**	5,378,870
Professional and labour	**5,355,163**	4,365,469
Employee salary and benefits	**5,255,741**	3,741,548
Preliminary economic assessment	**3,775,670**	3,164,850
Mineral leases	**2,506,363**	1,935,136
Employee share based compensation (non-cash)	**1,050,414**	1,046,369
Transportation	**414,420**	342,098
Equipment rentals	**244,939**	205,313
Feasibility study	**243,562**	192,113
Data acquisition	**214,765**	157,794
Field expenditures	**140,171**	117,494
Other	**73,353**	59,399
Total exploration and evaluation assets	**$ 32,563,219**	$ 26,465,738

(Expressed in Canadian Dollars Except As Otherwise Indicated)

7. Property, plant and equipment

	Office Equipment	Computer Equipment	Motor Vehicles	Leasehold Improvement	Valleyfield Project (i)	Total
Cost						
As at December 31, 2013	$ 258,508	$ 302,416	$ -	$ 214,381	$ -	$ 775,305
Additions	-	-	35,184	-	-	35,184
Disposals	-	(347)	-	-	-	(347)
Foreign exchange	9,397	10,713	5,632	-	-	25,742
As at December 31, 2014	267,905	312,782	40,816	214,381	-	835,884
Additions	-	-	-	-	20,178	20,178
Disposals	(252,315)	(294,396)	(35,184)	(214,381)	-	(796,276)
Foreign exchange	(15,590)	(18,386)	(5,632)	-	-	(39,608)
As at December 31, 2015	**$ -**	**$ -**	**$ -**	**$ -**	**$ 20,178**	**$ 20,178**
Accumulated depreciation						
As at December 31, 2013	$ 47,348	$ 92,484	$ -	$ 57,015	$ -	$ 196,847
Depreciation expense	52,505	101,185	5,831	42,876	-	202,397
Foreign exchange	2,027	4,383	292	-	-	6,702
As at December 31, 2014	101,880	198,052	6,123	99,891	-	405,946
Depreciation	19,867	38,558	3,915	42,951	-	105,291
Disposals	(127,561)	(247,492)	(11,191)	(142,842)	-	(529,086)
Foreign exchange	5,814	10,882	1,153	-	-	17,849
As at December 31, 2015	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Carrying amount						
As at December 31, 2014	$ 166,025	$ 114,730	$ 34,693	$ 114,490	$ -	$ 429,938
As at December 31, 2015	**$ -**	**$ -**	**$ -**	**$ -**	**$ 20,178**	**$ 20,178**

(i) On August 11, 2015, the Corporation entered into an agreement to purchase all the issued and outstanding shares of the Valleyfield Fertilizer Corporation (“Valleyfield”). This transaction has been recorded for accounting purposes as an asset acquisition as Valleyfield's only asset is the Valleyfield Project located in Valleyfield, Quebec.

As purchase consideration, the Corporation issued 200,000 common shares at a price of $0.04 per share valued at $8,000. Costs associated with the acquisition totalled $12,178 and include legal and regulatory fees. In addition, there is a gross overriding royalty to the seller or his designate of:

i) 1% on revenue from the Quebec Facility; and

ii) 0.5% on revenue from any other site developed by the Corporation or its affiliates in North America utilizing Mannheim technology to produce sulphate of potash.

Under the terms of the Valleyfield purchase agreement, as well as the consulting agreement with the seller, the seller's semi-monthly gross consulting fees will not accrue or become payable by the Corporation until the Corporation raises sufficient capital to advance the Valleyfield Project. To date this has not occured.

(Expressed in Canadian Dollars Except As Otherwise Indicated)

7. Property, plant and equipment (continued)

The seller has agreed to be engaged as a consultant to Potash Ridge and continue to work on the development of the Valleyfield Project, as well as other potential Mannheim opportunities already identified.

The Valleyfield Project has been recorded under property, plant and equipment and will not be depreciated until construction is completed and the asset is ready for its intended use.

8. Issued capital

a. Authorized

The Corporation is authorized to issue an unlimited number of common shares ("Common Shares") and 50,000,000 non-voting shares.

b. Summary of securities issued:

Common shares

	Number of Voting Shares Issued	Number of Non-Voting Shares Issued (ii)	Share Capital
Balance, December 31, 2013 and December 31, 2014	**81,653,778**	**5,055,254**	**$ 33,428,933**
Shares issued for Valleyfield Project (note 6(i))	**200,000**	-	8,000
Private placement (i)	**20,000,000**	-	600,000
Warrants	-	-	(140,000)
Cost of issue - cash	-	-	(50,620)
Cost of issue - finder warrants (i)	-	-	(18,239)
Balance, December 31, 2015	**101,853,778**	**5,055,254**	**$ 33,828,074**

(i) On November 27, 2015, the Corporation closed a non-brokered private placement of 20,000,000 units (the "Units") at a price of $0.03 per Unit, for gross proceeds of $600,000 (the "Private Placement"). Each Unit is comprised of one common share in the capital of the Corporation (a "Common Share") 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.

In connection with the Private Placement, the Corporation has agreed to pay fees to certain individuals that include cash commissions totaling $39,083 and the issuance of 1,302,750 finder warrants. Each finder 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.

These warrants and finder warrants were assigned values of $140,000 and $18,239, respectively using the Black-Scholes valuation model. The key assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

Exercise price	$0.08
Risk-free interest rate	0.63%
Annualized expected volatility	100%
Expected life of warrants	2 years
Value per warrant	$0.014

(ii) On March 16, 2016, Sprott Resource Corporation, the holder of the 5,055,254 Non-Voting Shares, exercised their right to convert the Non-Voting Shares into Voting Shares. Consequently, as of March 16, 2016, the Corporation has 106,909,032 common shares issued and outstanding. On March 21, 2016, Sprott Resource Corporation sold its 21,200,000 voting common shares on the open market.

(Expressed in Canadian Dollars Except As Otherwise Indicated)

8. Issued capital (continued)

Convertible Securities

	Number of Subscriber Warrants	Number of Broker Options	Number of Incentive Options	Number of Finder Warrants	Number of Non-Voting Warrants	Contributed Surplus
Balance, December 31, 2013	**10,747,500**	**1,685,600**	**6,990,000**	**839,458**	**5,055,254**	**$ 6,271,378**
Share options - expired (note 9(ii))	-	-	(350,000)	-	-	-
Share options - forfeited (note 9(ii))	-	-	(350,000)	-	-	(91,495)
Share-based compensation (note 9(i))	-	-	240,000	-	-	430,276
Expired warrants and options	(10,747,500)	(1,685,600)	-	(839,458)	(5,055,254)	(194,141)
Balance, December 31, 2014	**-**	**-**	**6,530,000**	**-**	**-**	**6,416,018**
Share options - forfeited (note 9(iv))	-	-	(46,667)	-	-	(6,305)
Share options - expired (note 9(iv))	-	-	(1,083,333)	-	-	-
Share-based compensation (note 9(iii))	-	-	4,000,000	-	-	54,692
Issued	10,000,000	-	-	1,302,750	-	158,239
Balance, December 31, 2015	**10,000,000**	**-**	**9,400,000**	**1,302,750**	**-**	**$ 6,622,644**

The following table summarizes warrants and finder warrants outstanding at December 31, 2015:

Expiry date	**Number of warrants**	**Exercise price ($)**
November 27, 2017	10,000,000	0.08
November 27, 2017 (finder)	1,302,750	0.08
	11,302,750	

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9. Share-based compensation

The Corporation maintains a stock option plan under which the Board of Directors, or a committee appointed for such purpose, may from time to time grant to employees, officers, directors, or consultants of the Corporation, options to acquire common shares in such numbers, for such terms and at such exercise prices, as may be determined by the Board of Directors or such committee. The stock option plan provides that the total number of common shares that may be reserved for issuance for all purposes under the stock option plan cannot be more than 10% of the outstanding common shares at the time of any grant of stock options. The terms of the options, including when they vest, are determined by the Board of Directors as they are granted.

The following table reflects the continuity of stock options for the years ended December 31, 2014 and 2015:

	Number of options	Weighted average exercise price per share
Balance, December 31, 2013	**6,990,000**	**$ 0.62**
Options granted (i)	240,000	0.33
Options expired (ii)	(350,000)	0.71
Options forfeited (ii)	(350,000)	0.43
Balance, December 31, 2014	**6,530,000**	**0.61**
Options granted (iii)	4,000,000	0.04
Options forfeited (iv)	(46,667)	1.00
Options expired (iv)	(1,083,333)	0.86
Balance, December 31, 2015	**9,400,000**	**$ 0.34**

(i) During the year ended December 31, 2014, the Corporation granted a total of 240,000 stock options to certain officers of the Corporation. The stock options were granted with a term of 10 years from the date of grant and are exercisable at a price of $0.325. These options vest on the following schedule: 1/2 on grant, 1/2 a year after grant.

Key assumptions used in the valuation of these 240,000 options granted in May 2014 were as follows:

Exercise price	$0.325
Risk-free interest rate	0.97%
Annualized expected volatility	100%
Expected life of options	7.5 years
Dividend rate	0%
Forfeiture rate	0%
Value per option	$0.27

(ii) During the year ended December 31, 2014, 350,000 stock options at an average price of $0.71 expired and 350,000 stock options at an average price of $0.43 were forfeited.

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9. Share-based compensation (continued)

(iii) During the year ended December 31, 2015, the Corporation granted a total of 4,000,000 stock options to certain officers of the Corporation. The stock options were granted with a term of 10 years from the date of grant and are exercisable at a price of $0.04. These options vest on the following schedule: 1/3 on grant date, 1/3 a year after grant date and 1/3 two years after grant date.

Key assumptions used in the valuation of these 4,000,000 options granted in November 2015 were as follows:

Exercise price	$0.04
Risk-free interest rate	1.56%
Annualized expected volatility	100%
Expected life of options	7.5 years
Dividend rate	0%
Forfeiture rate	0%
Value per option	$0.036

(iv) During the year ended December 31, 2015, 1,083,333 stock options at an average exercise price of $0.86 expired and 46,667 stock options at an average exercise price of $1.00 were forfeited.

Year ended December 31,	**2015**	**2014**
Share-based compensation expense	$ 44,340	$ 305,589
Exploration and evaluation assets	4,045	33,192
	$ 48,385	**$ 338,781**

As at December 31, 2015, there was $89,308 of share-based compensation expense remaining to be charged to net earnings and/or exploration and evaluation assets in future periods.

The following table summarizes incentive stock options outstanding at December 31, 2015:

Number of stock outstanding	**Number of stock options vested and exercisable**	**Exercisable price ($)**	**Expiry date**	**Weighted average remaining actual life (years)**
2,300,000	2,300,000	0.25	December 9, 2021	5.95
600,000	600,000	0.75	January 26, 2022	6.08
60,000	60,000	0.75	February 1, 2022	6.09
1,800,000	1,800,000	1.00	December 5, 2022	6.93
400,000	383,333	0.14	November 22, 2023	7.90
240,000	240,000	0.33	May 13, 2024	8.37
4,000,000	1,333,333	0.04	November 27, 2025	9.92
9,400,000	6,716,666	0.34		7.98

10. Segmented information

The Corporation operates in one reportable segment, that being the exploration, evaluation and development of mineral properties and related projects. The Corporation's development projects are located in the United States of America and in Canada.

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11. Related party transactions

The Corporation's related parties as defined by IAS 24 "Related Party Disclosures", include the Corporation's subsidiaries, executive and non-executive directors, senior officers and entities controlled or jointly controlled by the Corporation's directors or senior officers.

The compensation expense incurred by the Corporation including its subsidiaries is summarized in the table below:

	Short term compensation and benefits or fee	Share-based awards	Total
Year ended December 31, 2015			
Senior officers	$ 479,434	$ 10,938	$ 490,372
Directors	$ -	$ 36,917	$ 36,917
Year ended December 31, 2014			
Senior officers	$ 1,251,959	$ 184,140	$ 1,436,099
Directors	$ 228,391	$ 192,500	$ 420,891

The Corporation entered into indemnity agreements with all of its directors and officers in 2012 in respect of possible liabilities or expenses, which such directors and officers may incur as a result of acting as a director or officer of the Corporation or its related entities. No liability has been incurred during in 2015 or 2014.

To the knowledge of the directors and executive officers of the Corporation, the common shares of the Corporation are widely held, except for 16,144,746 common shares or approximately 19.8% of the total common shares outstanding held by Sprott Resources Corp. As of December 31, 2015, directors and officers collectively control 4,155,000 common shares of the Corporation or approximately 5% of the total common shares outstanding. These holdings can change at any time at the discretion of the owner.

12. Income taxes

As at December 31, 2015, the Corporation has temporary differences for which no deferred tax asset has been recognized of non capital Canadian losses of $10,128,043 that expire between 2031 and 2035, and non capital U.S. tax losses of $8,066,325 that expire between 2031 and 2035, and other deductible temporary differences of $649,963, the benefits of which have not been recognized in the consolidated financial statements.

Income tax expense varies from the amount that would be computed from applying the combined federal and provincial to rate to accounting loss before taxes as follows:

Year ended December 31,	**2015**	**2014**
Consolidated income (loss) before taxes	**$ 3,098,217**	$ (2,100,643)
Expected (provision) recovery at combined statutory rate of 26.5%	**(821,028)**	556,670
Impact of differences between Canada and U.S. tax rates	**92,007**	90,029
Non-deductible expenses	**(13,413)**	(279,574)
Tax benefits recognized (not recognized)	**742,434**	(172,984)
Total tax recovery	**-**	194,141

The Corporation incurred a tax recovery of $nil in the year ended December 31, 2015. The Corporation recognized a tax recovery of $194,141 for the year ended December 31, 2014 due to the recognition of previously unrecognized tax losses that were utilized against the capital gain on the expiry of certain unexercised warrants (note 8). The tax expense associated with the warrant expiry was recognized against contributed surplus in 2014.

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13. Other current and non-current liabilities

On March 24, 2014, the Corporation exercised the Lease Option in the Exploration Agreement to convert into a long-term mining lease (the “Mining Lease”). The Corporation made an initial payment to SITLA of US$200,000 and has entered into an arrangement whereby it will make further payments, as follows:

- March 31, 2015 US$164,000
- August 31, 2015 US$164,000
- March 31, 2016 US$164,000
- August 31, 2016 US$164,000
- March 31, 2017 US$164,000

On June 8, 2015, the Corporation announced that it entered into a modification of the Blawn Mountain Project Mining Lease with SITLA.

The modification cures the event of default under the Mining 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 the Corporation’s failure to make lease and minimum royalty payments to SITLA under the terms of the Mining Lease. The forbearance period is from March 31, 2015 to April 1, 2017.

The Corporation 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 Project, whichever arises first. Once the Corporation raises US$3 million or more of new funds for the development of the Project, then all outstanding amounts under the term of the Mining Lease plus accrued interest will become due.

The Corporation will 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.

The Corporation will continue to be required to meet all other obligations under the terms of the Mining Lease.

The Corporation classified this agreement as ‘other financial liabilities’ and recorded it at fair value on initial recognition, and subsequently at amortized cost.

Under the terms of the Mining Lease, a minimum annual royalty payment of US$46,200 and an annual rental payment of US$11,500 is due to SITLA. The first annual royalty and rental payments were made on March 24, 2014.

During the year ended December 31, 2015, the Corporation accrued minimum annual royalty payment, annual rental payment and interest of $143,629 (US$103,778).

	As at December 31, 2015	As at December 31, 2014
Other current liabilities	**$ 1,100,474**	$ 421,537
Other non-current liabilities	**226,976**	570,770
	$ 1,327,450	$ 992,307

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14. Commitments and contingencies

The Corporation has office leases which are under sublet agreements and/or covered by the proceeds of the called Letter of Credit and equipment leases which relate to equipment which has been returned to the lessors. The future minimum payments under various lease arrangements and other contractual obligations are as follows, as at December 31, 2015:

	Less than 1 year	1 - 5 years	After 5 years	Total
Mining lease	$ 79,926	$ 367,660	$ 431,600	$ 879,186
Exploration leases	8,060	24,149	10,726	42,935
Operating leases	520,853	1,446,403	85,705	2,052,961
Total	**$ 608,839**	**$ 1,838,212**	**$ 528,031**	**$ 2,975,082**

15. Risk management

Capital risk management

The Corporation defines capital as total shareholders' equity including share capital, other reserves, deficit and accumulated other comprehensive loss. The Corporation manages its capital to ensure that adequate funds are available or are scheduled to be raised to carry out the Corporation's defined development program and to meet its ongoing administrative costs. This is achieved by the Board of Directors' review and acceptance of budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fund raisings.

The Corporation is not subject to any externally imposed capital requirements imposed by a regulator or lending institution.

Liquidity risk management

The Corporation manages liquidity risk by maintaining adequate cash balances in order to meet liabilities as they come due. As at December 31, 2015, the Corporation had insufficient cash and cash equivalents of $410,877 (December 31, 2014 - $1,026,771) to settle current liabilities of $2,373,989 (December 31, 2014 - $1,131,308) and 2016 commitments of $608,839 (2015 - $548,930). The Corporation is seeking to raise additional capital through equity issuances or other available means in order to continue funding its operating, exploration and evaluation activities, and to settle all of its current liabilities and future commitments (refer to note 1). The Corporation is also in discussions with SITLA with regards to its financial obligations under the terms of the Mining Lease (refer to note 13).

The Corporation regularly monitors actual cash flows to budgets and updates projected cash forecasts as needed. The Corporation will defer discretionary expenditures, as required, in order to manage and conserve its available cash balances for current liabilities and commitments.

Foreign currency risk management

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

15. Risk management (continued)

Foreign currency risk management (continued)

As at December 31, 2015, the cash and cash equivalents was $410,877 (December 31, 2014 - $1,026,771). The Corporation's cash and cash equivalents are denominated in the following currencies:

	As at December 31, 2015	As at December 31, 2014
Cash and cash equivalents (expresses in Canadian dollars)		
Denominated in Canadian dollars	**$ 403,603**	$ 76,345
Denominated in U.S. dollars	**7,274**	950,426
	$ 410,877	$ 1,026,771

The Corporation undertakes transactions denominated in foreign currencies and consequently, is exposed to exchange rate risks. Exchange rate risks are managed by matching levels of foreign currency balances and related obligations. The rate published by the Bank of Canada at the close of business on December 31, 2015 was $1.3840 (December 31, 2014 - $1.1601) per US dollar. Based on the Corporation's financial instrument balances at December 31, 2015, net income/(loss) would change by approximately $400 (December 31, 2014 - $48,000) given a 5% increase or decrease in the US dollar to Canadian dollar.

Interest rate risk management

The Corporation's overall exposure to the risk of changes in market interest rates relates primarily to its bank current account balances and short-term marketable securities. At prevailing market interest rates, the impact on interest income is minimal.

Credit risk management

The Corporation's main credit risk arises from its cash deposits with banks. The majority of the Corporation's cash and cash equivalent balances are with a major Canadian chartered bank. The Corporation limits its counterparty credit risk on its deposits by dealing only with highly rated financial institutions.

16. Categories of financial instruments

	Financial Instrument Classification	As at December 31, 2015	As at December 31, 2014
Financial assets			
Cash and cash equivalents	Loans and receivables	**$ 410,877**	$ 1,026,771
Restricted cash	Loans and receivables	**89,673**	871,773
Receivables	Loans and receivables	**24,308**	35,835
Financial liabilities			
Accounts payable and accrued liabilities	Other financial liabilities	**$ 1,273,515**	$ 709,771
Other liabilities	Other financial liabilities	**1,327,450**	992,307

The carrying amount of each of the financial instruments approximates the fair value thereof.

17. Subsequent event

On March 16, 2016, Sprott Resource Corporation, the holder of the 5,055,254 Non-Voting Shares, exercised their right to convert the Non-Voting Shares into Voting Shares. Consequently, as of March 16, 2016, the Corporation has 106,909,032 common shares issued and outstanding. On March 21, 2016, Sprott Resource Corporation sold its 21,200,000 voting common shares on the open market