AMENDED AND RESTATED PRELIMINARY PROSPECTUS DATED NOVEMBER 9, 2012 TO THE PRELIMINARY PROSPECTUS DATED SEPTEMBER 25, 2012 AS AMENDED BY AMENDMENT NO. 1 DATED SEPTEMBER 28, 2012

Initial Public Offering November 9, 2012

POTASH RIDGE

POTASH RIDGE CORPORATION

$ ●

● Common Shares

This prospectus qualifies the distribution (the "**Offering**") of ● common shares (the "**Offered Shares**") of Potash Ridge Corporation ("**Potash Ridge**" or the "**Corporation**") to be issued and sold at a price of $ ● per Offered Share (the "**Offering Price**").

The Offering Price has been determined by negotiation among Potash Ridge and National Bank Financial Inc., Clarus Securities Inc., GMP Securities L.P., Scotia Capital Inc., Cormark Securities Inc. and Dundee Securities Ltd. (collectively, the "**Underwriters**"). See "*Plan of Distribution*". **There is currently no market through which the Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares, and the extent of issuer regulations. An investment in the Offered Shares is highly speculative and involves significant risks that should be carefully reviewed and considered by prospective purchasers before purchasing the Offered Shares. See "*Risk Factors*".**

Price: $ ● per Offered Share

	Price to the Public	Underwriters' Commission	Net Proceeds to the Corporation(1)
Per Offered Share	$ ●	$ ●	$ ●
Total(2)	$ ●	$ ●	$ ●

Notes:

(1) Pursuant to a consulting services agreement with PowerOne Capital Markets Limited ("**PowerOne**") dated January 31, 2012, the Corporation will pay PowerOne a cash fee equal to 1% of the gross proceeds of the Offering. The net proceeds to the Corporation are calculated after deducting the Underwriters' commission and the fee payable to PowerOne, but before deducting expenses of this Offering estimated to be $ ● , which the Corporation will pay out of the proceeds of the Offering.

(2) The Corporation has granted the Underwriters an option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the sole discretion of the Underwriters, until the date that is 30 days from the date of the closing of the Offering to purchase up to an additional ● Offered Shares (being equal to 15% of the Offered Shares sold in the Offering) at the Offering Price solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public will be $ ● , the Underwriters' Commission will be $ ● and the net proceeds to the Corporation will be $ ● (before deducting the expenses of the Offering). This prospectus also qualifies the distribution of the Over-Allotment Option and the Offered Shares that are issued pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Offered Shares forming part of the Over-Allotment Option acquires those securities under this prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

(continued on next page)

POTASH RIDGE

PREMIUM POTASH PROJECT DRIVEN BY A PROVEN MANAGEMENT TEAM

Improves crop yield, quality and taste

Extends shelf life

Sells at a premium to standard potash

SULPHATE OF POTASH

POTASH RIDGE

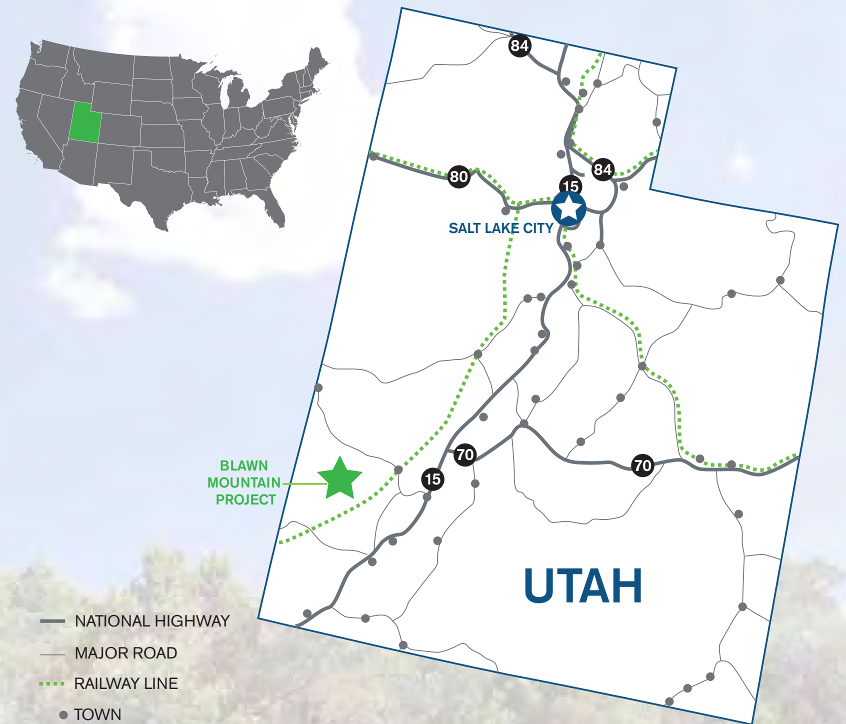
Located in Mining-Friendly Jurisdiction

Utah: Best State for business*

Project located on state-owned land

Established infrastructure nearby

Known permitting process



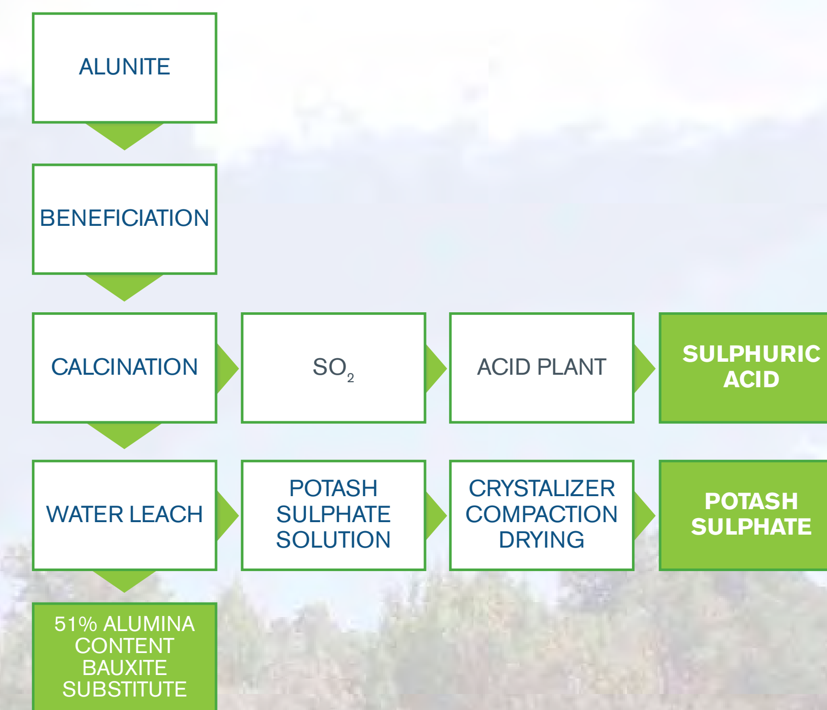
Forbes Magazine, November 2011

Proven Process Plant Design

Low-risk surface mining

Historical work expedites project

Expected low-cost producer



Confirmation drilling, Blawn Mountain, August 7, 2012

(continued from cover)

The following table sets out the number of options that have been issued or may be issued by Potash Ridge to the Underwriters:

Underwriters' Position	Maximum size or number of securities available	Exercise Period	Exercise Price or average acquisition price
Over-Allotment Option	●	Within 30 days following the closing of the Offering	$ ●

Unless otherwise indicated, all information in this prospectus assumes that the Over-Allotment Option will not be exercised.

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued, sold and delivered by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Corporation by Davies Ward Phillips & Vineberg LLP, Canadian counsel and US counsel, and on behalf of the Underwriters by Wildeboer Dellelce LLP, Canadian counsel, and Dorsey & Whitney LLP, US counsel.

The Underwriters may offer the Offered Shares at a lower price than that stated above. Subject to applicable laws, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the securities at levels above that which would otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

Philip Williams, a director of the Corporation, is an officer of Dundee Capital Markets Inc., an affiliate of Dundee Securities Corporation, one of the Underwriters. Consequently, the Corporation may be considered to be a connected issuer of Dundee Securities Corporation for the purposes of applicable Canadian securities laws. See "*Plan of Distribution*".

Subscriptions for Offered Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. Other than Offered Shares sold in the United States (as defined under Regulation S of the U.S. Securities Act), which will be represented by individual certificates, registration of interests in and transfers of Offered Shares held through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee will be made electronically through the non-certificated inventory ("NCI") system of CDS. Offered Shares registered to CDS or its nominee will be deposited electronically with CDS on a NCI basis on the closing of the Offering. Canadian resident purchasers of Offered Shares will receive only a customer confirmation from the registered dealer from or through whom a beneficial interest in the Offered Shares is purchased. The closing date of the Offering is expected to occur on or about ● , 2012 or such other date as the Corporation and the Underwriters may agree, but in any event no later than ● , 2012 (the "**Closing Date**").

TABLE OF CONTENTS

	Page
A CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	1
CONVERSION	2
PRESENTATION OF FINANCIAL MATTERS	2
ELIGIBILITY FOR INVESTMENT	2
ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES	3
PROSPECTUS SUMMARY	4
SUMMARY FINANCIAL INFORMATION	10
POTASH RIDGE CORPORATION	11
DESCRIPTION OF THE BUSINESS	12
USE OF PROCEEDS	18
STRENGTHS AND COMPETITIVE ADVANTAGES	20
THE FERTILIZER INDUSTRY	22
DESCRIPTION OF THE BLAWN MOUNTAIN PROJECT	38
SELECTED FINANCIAL INFORMATION	63
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	64
DESCRIPTION OF SHARE CAPITAL	79
CAPITALIZATION	80
DIVIDEND POLICY	80
OPTIONS TO PURCHASE SECURITIES	80
PRIOR SALES	81
PRINCIPAL SHAREHOLDERS	82
DIRECTORS AND EXECUTIVE OFFICERS	83
EXECUTIVE COMPENSATION	88
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	93
AUDIT COMMITTEE	93
CORPORATE GOVERNANCE	94
PLAN OF DISTRIBUTION	98
RISK FACTORS	100
MATERIAL CONTRACTS	109
LEGAL PROCEEDINGS	110
REGULATORY ACTIONS	110
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	110
AUDITORS, TRANSFER AGENT AND REGISTRAR	110
EXPERTS	110
LEGAL MATTERS	110
PURCHASERS' STATUTORY RIGHTS	110
GLOSSARY OF TERMS	111
AUDITOR'S CONSENT	115
INDEX TO FINANCIAL STATEMENTS	F-1
APPENDIX A	A-1
APPENDIX B	B-1
CERTIFICATE OF THE CORPORATION	C-1
CERTIFICATE OF THE UNDERWRITERS	C-2

As used in this prospectus, unless the context indicates or requires otherwise, the terms "Potash Ridge", "Corporation", "we", "us" and "our" mean Potash Ridge Corporation and its subsidiary Utah Alunite Corporation. The term "Utah Alunite" means Utah Alunite Corporation, together with its predecessor, Utah Alunite, LLC.

A CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements which reflect management's expectations regarding future growth, results of operations, performance and business prospects of the Corporation. These forward-looking statements 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 in this prospectus 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 in this prospectus. 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*" in this prospectus. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements.

All of the forward-looking information in this prospectus is qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this prospectus 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.

Market Data

This prospectus contains statistical data, market research and industry forecasts that were obtained from government or other industry publications, publicly available sources and reports purchased and commissioned by the Corporation or based on estimates derived from such publications and reports and management's knowledge of, and experience in, the markets in which the Corporation operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Further, certain of these organizations are advisors to participants in the fertilizer and mining and minerals industries, and they may present information in a manner that is more favourable to that industry than would be presented by an independent source. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although management of the Corporation believes that these sources are generally reliable, the accuracy, currency and completeness of such information is not guaranteed and has not been independently verified. Further, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

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, in this prospectus 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, 2011, 2010 and 2009, as reported by the Bank of Canada, were as follows:

	2011	2010	2009
	$	$	$
Closing	1.0170	0.9946	1.0466
High	1.0604	1.0778	1.3000
Low	0.9449	0.9946	1.0292
Average(1)	0.9891	1.0299	1.1420

Note:

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

ELIGIBILITY FOR INVESTMENT

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Corporation, and Wildeboer Dellelce LLP, counsel to the Underwriters, provided the Offered Shares are listed on a designated stock exchange (within the meaning of the *Income Tax Act* (Canada) (the "**ITA**") and which currently includes the Toronto Stock Exchange (the "**TSX**")), the Offered Shares would, if issued on the date hereof, be qualified investments under the ITA for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account ("**TFSA**").

Notwithstanding that the Offered Shares may be a qualified investment for a trust governed by a TFSA, RRSP or RRIF, the holder of a TFSA or the annuitant of a RRSP or RRIF, as the case may be, will be subject to a penalty tax in respect of the Offered Shares held in the TFSA, RRSP or RRIF if such Offered Shares are a "prohibited investment" within the meaning of the prohibited investment rules in the ITA. The Offered Shares will not be a "prohibited investment" provided that the holder of the TFSA or the annuitant of the RRSP or RRIF does not have a "significant interest" in the Corporation, within the meaning of the prohibited investment rules in the ITA, and the Corporation deals at arm's length with the holder or annuitant and any person or partnership in which the holder or annuitant has a "significant interest", within the meaning of the prohibited investment rules in the ITA. Holders of a TFSA or annuitants of a RRSP or RRIF should consult their own tax advisors as to whether Offered Shares will be prohibited investments in their particular circumstances (including having regard to any relieving amendments that may be made as a result of a recent comfort letter issued by the Department of Finance).

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

Some of the Corporation's directors, officers and experts named in this prospectus 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, officers or experts who are not residents of Canada, or to realize in foreign jurisdictions upon judgments obtained in Canada.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and is qualified in its entirety by, and should be read together with, the more detailed information and the financial data and statements contained elsewhere in this prospectus.

THE CORPORATION

Potash Ridge Corporation was incorporated as "0903095 B.C. Ltd." on February 16, 2011, under the *Business Corporations Act* (British Columbia). On May 24, 2011, the Corporation changed its name to "New Earth Potash Corp". On October 21, 2011, the Corporation continued under the OBCA under the name "Potash Ridge Corporation". The Corporation has one wholly-owned subsidiary, Utah Alunite, a Delaware corporation. Potash Ridge's principal business is the exploration, development and production of mineral resources, and the Corporation is currently focused on exploring for alunite in order to produce SOP and by-product sulphuric acid. The Corporation's principal mineral project is the Blawn Mountain Project. See "*Potash Ridge Corporation*" and "*Description of the Business*".

INDUSTRY HIGHLIGHTS

Increased global crop production is needed to meet the requirements of the world's growing population. This increased demand, particularly for higher value foodstuffs, such as meat, fruit and vegetables, requires intensive use of fertilizers.

Potash is a generic term that refers to a group of potassium-bearing minerals, typically naturally occurring potassium salts and the products produced from those salts. Potash strengthens plants and aids plant water retention, improving yields, disease resistance and transportability.

Approximately 95% of all potash production goes into the agriculture sector, where it is used as a plant nutrient. The role of potassium cannot be substituted by any other nutrient and potash has no commercial substitute as a potassium fertilizer source.

Strong Potash Industry Fundamentals

Potash consumption grew at an average annual rate of 4.4% from 2002 to 2007 versus 3.3% for all key fertilizer nutrients and is forecast to grow at an average rate of 4.7% from 2010 to 2016. A forecast compound annual population growth rate of approximately 0.75% between 2010 and 2050 is expected to lead to less arable land per capita. Most of this population growth will come from developing countries with expanding middle-classes.

As incomes grow, consumers move away from staple and traditional foods and begin consuming premium produce, such as fruits and vegetables, as well as diversified protein rich diets which results in increased demand for grain and other animal feed. Agricultural fertilizers are expected to be a major driver in increasing yields to address the increased demand. See "*The Fertilizer Industry*".

Sulphate of Potash is a Premium Potash Fertilizer

The common potash, MOP, is widely used in farming although the chloride ion within it can be detrimental to some crops, especially high-value crops such as fruits, vegetables, beans, nuts, potatoes, tea, tobacco and turf grass. SOP is a chloride-free potash fertilizer and is MOP's most commonly-used alternative. SOP is a premium product, which, on average, has commanded a price 47% higher than that of MOP for the period 2001 to 2010. It functions particularly well for high-value crops and in arid, saline and heavily cultivated soils where it enhances yield and quality, extends shelf life and improves taste. In addition to potassium, SOP contains sulphur, which is also an important plant nutrient.

THE BLAWN MOUNTAIN PROJECT

Through its wholly-owned subsidiary, Utah Alunite, the Corporation has the exclusive right to explore the Blawn Mountain Project for potash, metalliferous minerals and clay minerals and an option to lease the Blawn Mountain Project. The Project is comprised of 18.5 sections of land owned by the State of Utah, acting by and through SITLA, and covering approximately 11,549.2 acres (4,673.8 hectares) of land located in Beaver County, Utah. The Corporation retained Norwest to complete the Technical Report for the Blawn Mountain Project in compliance with NI 43-101. Pursuant to the Technical Report, Area 1 of the Blawn Mountain Project contains approximately 156,285,303 tons of measured and indicated resources grading 37.64% alunite and approximately 392,233 tons of inferred resources grading 46.47% alunite. This translates to approximately 58,825,737 tons of measured and indicated alunite containing approximately 9,315,067 tons of SOP and approximately 182,277 tons of inferred alunite and containing approximately 23,864 tons of SOP. Area 2 of the Blawn Mountain Project contains approximately 464,441,526 tons of measured and indicated resources grading 35.64% alunite and approximately 250,768,967 tons of inferred resources grading 34.73% alunite. This translates to approximately 165,510,763 tons of measured and indicated alunite containing approximately 26,394,731 tons of SOP and approximately 87,079,916 tons of inferred alunite and containing approximately 13,476,438 tons of SOP. See "*Description of the Business*" and "*Description of the Blawn Mountain Project*".

STRENGTHS AND COMPETITIVE ADVANTAGES

The Corporation believes it has the following key strengths and advantages, which should enable it to implement its growth strategy and achieve its objectives:

Large Mineral Deposit Containing Premium Potash

SOP is a high quality potash which sells at approximately a 47% premium over standard potash. Total measured and indicated resources of 620 million tons (562 million tonnes) are sufficient to support a mine life of 30 years.

Business and Mining Friendly Jurisdiction with a History of Potash Production

The Blawn Mountain Project is located in the State of Utah. Historically, mining has played a major role in Utah's economy. In November of 2011, Utah was ranked as the best State for business in the United States by Forbes Magazine. Utah, with a flat rate State income tax of 5%, was also ranked the tenth best State in the United States for taxes in the Tax Foundation's 2012 State Business Tax Climate Index. Potash has been produced in Utah since the early 20th century and there are currently three potash producing facilities in the State.

Strategic Location with Established Infrastructure Nearby

The necessary infrastructure for the construction and operation of the Blawn Mountain Project is nearby. The Project is located about 32 km west of the Union Pacific Railroad route, 24 km south of Highway 21, and 80 km west of Interstate 15, the main north-south travel corridor through Utah. State highways SR-21 and SR-130 pass approximately 48 km east of the Project. Two energy corridors pass to the east of the Blawn Mountain Project.

The area surrounding the Project supports businesses that can supply construction materials. Heavy equipment, industrial supplies, mining support services and an experienced labour force are also available in Utah and neighbouring states to support construction, mining and processing operations.

Utilizing Historical Work Should Expedite the Project

During the 1970's, Earth Sciences, Southwire Company and National Steel spent approximately US$25 million (approximately US$100 million in today's dollars) on the exploration and development of what is now the Blawn Mountain Project. This work included drilling, resource estimates, pilot plant testing, permitting, mine plan, feasibility study and engineering. The Corporation has acquired documentation pertaining to this previous work which it has utilized and expects to continue to utilize to expedite the exploration and development of the Project.

Lower Operating Risks

The Corporation proposes to extract alunite from the Project through surface mining operations which are lower-cost than underground mining operations, have a lower risk of injuries and fatalities and have higher resource recovery rates. The process to extract SOP and by-product sulphuric acid will be performed using standard equipment with a flowsheet that is similar to processes used in the United States and Australia to produce SOP from alunite during the First and Second World Wars and in Azerbaijan from the mid-1960s to 1994. Estimated total cash production costs of US$92 per ton of SOP and sulphuric acid would rank the Project in the bottom quartile of existing and known potential SOP producers globally.

Highly-Qualified Management Team and Board of Directors

The Corporation is led by a strong management team with the proven capability to advance its projects to production and with extensive experience in mining, operations and capital markets.

The Project is Located on Utah State-Owned Land

The Project is located on Utah State-owned land and is accordingly governed primarily by State permitting regulations. The permitting process for State-owned projects in Utah is generally straightforward and efficient.

Support from Leading Resource Investors

Management has been successful in attracting support from leading resource investors who have demonstrated a significant commitment to the Corporation and the Project.

PRELIMINARY ECONOMICS

The Preliminary Economic Assessment has been prepared for the Blawn Mountain Project. Production volume is planned at 750,000 tons (680,000 tonnes) of SOP per year for the expected 30 year life of the Project. Future studies are recommended to expand the resource base and extend the life of the Project beyond the expected 30 year mine life provided for in the Preliminary Economic Assessment.

As a result of the SOP production process, 1.8 million tons (1.6 million tonnes) of sulphuric acid are expected to be produced annually. This will require an annual average of 17.1 million tons (15.5 million tonnes) of alunite which fluctuates within a small range depending on the grade being mined in a given year. Over the expected 30 year life of mine of the Project, it is expected that 22.6 million tons (20.5 million tonnes) of SOP and 54.2 million tons (49 million tonnes) of sulphuric acid could be produced based on the Preliminary Economic Assessment.

The Preliminary Economic Assessment envisions a two year construction period for the Project. Pre-production cash outflows are expected to total US$1.3 billion over this period. Cash flows after payback are expected to average US$288 million per year for a total expected net cash flow of US$7.2 billion over the life of the Project.

Assuming a long term average price of US$640 per ton for SOP and US$130 per ton of sulphuric acid, the Preliminary Economic Assessment indicates a net present value at a 10% discount rate of US$1.3 billion (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 21.3% 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$92 per ton of SOP and sulphuric acid produced.

The Preliminary Economic Assessment is preliminary in nature, and includes inferred mineral resources. Inferred mineral resources are considered too speculative geologically to have technical and economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Accordingly, there can be no certainty that the results estimated in the Preliminary Economic Assessment will be realized.

BUSINESS OBJECTIVES AND STRATEGY

The business objective of the Corporation is to advance the exploration, development and production of the Blawn Mountain Project in order to become a leading low-cost producer of 750,000 tons (680,000 tonnes) per year of SOP. To achieve this objective, the Corporation is focussing on the exploration and development of the Project.

RISK FACTORS

Any investment in our Common Shares involves a high degree of risk. You should carefully consider the following, together with all other information included in this prospectus, before making an investment decision — see "*Risk Factors*":

- Potash Ridge has negative operating cash flow and might not be able to continue as a going concern.
- 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.
- Potash Ridge has a limited operating history and no history of mineral production.
- The Corporation has not yet demonstrated the economic feasibility of the Project.
- Dependence on the Blawn Mountain Project.
- Uncertainty of inferred and estimated mineral resources and historical information.
- The Corporation will employ a combination of technologies and processes.
- 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.
- 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.
- Governmental and regulatory requirements could adversely impact the development of the Corporation's projects.
- Title to the Corporation's mineral properties cannot be assured.
- Infrastructure and logistic requirements have not been fully determined.
- Resource exploration and development is a speculative business and involves a high degree of risk.
- The extraction of minerals from a deposit may not be economically viable.
- Commodity prices may affect the Corporation's value.
- The Corporation may have difficulty recruiting and retaining key employees.
- Environmental risks and hazards.
- The Corporation may become subject to litigation which may have a material adverse effect on its performance.
- Construction schedule delays may adversely impact the financial position of the Corporation.
- Climate conditions may cause delays and cost over-runs and inhibit future production.
- The Corporation does not maintain insurance against all possible risks.
- Certain directors and officers may have conflicts of interest.
- Global financial conditions may adversely affect the Corporation's financial position.
- The Corporation has a foreign subsidiary.

- Some of the Corporation's directors, officers and experts are resident outside of Canada.
- There are risks and hazards inherent in the mining industry.
- Competition in the mining industry may adversely affect the Corporation.
- Demand for potash tends to be cyclical in nature.
- Weather patterns and natural disasters may affect future demand.
- The Common Shares are a highly speculative investment.
- There is no existing market for Common Shares and one may not develop to provide the holders thereof with adequate liquidity.
- You will incur immediate and substantial dilution in the net tangible book value of the Common Shares you purchase in the Offering.
- Future sales of Common Shares by existing shareholders 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 Corporation has no record of paying dividends and does not expect to do so in the foreseeable future.

THE OFFERING

Issuer:	Potash Ridge Corporation
Offering:	● Offered Shares
Offering Price:	$ ● per Offered Share
Offering Size:	$ ●
Over-Allotment Option:	The Corporation has granted to the Underwriters the Over-Allotment Option exercisable for a period of 30 days from the Closing Date to purchase up to an additional ● Offered Shares (being equal to 15% of the Offered Shares sold as at the Closing Date) at the Offering Price. See "*Plan of Distribution*".
Use of Proceeds:	The net proceeds of the Offering are expected to be $ ● , after deducting the Underwriters' Commission and the expenses of the Offering, but before giving effect to the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the net proceeds to the Corporation will be $ ● . The Corporation intends to use such proceeds to continue its exploration and development of the Blawn Mountain Project as follows: • Pre-feasibility study and associated NI 43-101 technical report. • Feasibility study and associated NI 43-101 technical report. • Metallurgical testing programs and pilot-scale testing work to optimize the process. • Permitting and environmental matters. • Payments to SITLA under the Exploration and Option Agreement. • Water drilling to confirm accessible water supply for Project requirements. • Additional exploration throughout the Project. • Project management. • General corporate and working capital purposes. See "*Use of Proceeds*".

SUMMARY FINANCIAL INFORMATION

All financial information presented in this prospectus for the period from incorporation on February 16, 2011 to September 30, 2012 has been prepared in accordance with IFRS as issued by IASB. The following table sets forth selected consolidated financial information of the Corporation as at and for the periods indicated, which is derived from and should be read in conjunction with the Corporation's audited consolidated financial statements and corresponding notes thereto as at December 31, 2011 and for the period from incorporation on February 16, 2011 to December 31, 2011 and the unaudited condensed interim consolidated financial statements and the corresponding notes thereto for the three and nine month periods ended September 30, 2012 included elsewhere in this prospectus.

The unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS and include, in the opinion of Management, all adjustments that Management considers necessary for a fair presentation of the financial information set forth in those statements. The interim results for the three and nine months ended September 30, 2012 are not necessarily indicative of the operating results for 2012. Historical results are not necessarily indicative of the results to be expected in future periods.

This information should be read together with the Corporation's consolidated financial statements and the related notes and the discussion under *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* included elsewhere in this prospectus.

	Potash Ridge Corporation			Utah Alunite, LLC		
	As at and for the period			As at and for the period		
	Nine months ended September 30, 2012	February 16, 2011 to September 30, 2011	February 16, 2011 to December 31, 2011	Three months ended March 31, 2011	Year ended December 31, 2010	Year ended December 31, 2009
	$	$	$	$	$	$
Net Loss						
Total loss	(2,681,538)	(74,836)	(1,129,365)	—	(20,390)	(138)
Per Common Share, basic and fully diluted	(0.04)	(0.00)	(0.04)	—	—	—
Assets						
Cash and cash equivalents	6,896,809	5,524,261	16,707,246	—	—	—
Short term deposits	1,006,944	—	—	—	—	—
Receivables	190,817	20,126	41,671	—	—	—
Prepaid share issuance costs	294,589	—	—	—	—	—
Other current assets	190,247	—	3,120			
Total current assets	8,579,406	5,544,387	16,752,037	—	—	—
Exploration and evaluation assets	8,384,943	586,483	2,292,127	—	—	—
Reclamation surety bonds	209,835	65,376	64,569			
Property, plant and equipment	183,197	746	5,688	—	—	—
Non-current assets	77,179	—				
Total assets	17,434,560	6,196,992	19,114,421	—	—	—
Liabilities						
Current liabilities	1,911,345	197,292	1,850,441	20,240	20,240	—
Total liabilities	1,911,345	197,292	1,850,441	20,240	20,240	—
Shareholders' Equity						
Total	15,523,215	5,999,710	17,263,980	(20,240)	(20,240)	(138)

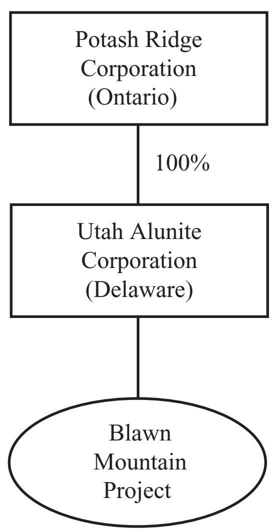
POTASH RIDGE CORPORATION

Corporate Structure

Potash Ridge 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". On October 21, 2011, the Corporation continued under the *Business Corporations Act* (Ontario) (the "**OBCA**") under the name "Potash Ridge Corporation". The registered and principal office of the Corporation is located at Suite 600, 3 Church Street, Toronto, Ontario, M5E 1M2.

The Corporation has one wholly-owned subsidiary, Utah Alunite Corporation, 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 following chart identifies Potash Ridge's corporate structure.



DESCRIPTION OF THE BUSINESS

Overview

Potash Ridge's principal business is the exploration, development and production of mineral resources and is currently focused on exploring for alunite in order to produce sulphate of potash ("**SOP**") and by-product sulphuric acid. The Corporation's principal mineral project is the Blawn Mountain project (the "**Blawn Mountain Project**" or the "**Project**"), comprised of 18.5 sections of land owned by the State of Utah, acting by and through the School and Institutional Trust Lands Administration ("**SITLA**"), and covering approximately 11,549.2 acres (4,673.8 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 and by-product sulphuric acid. 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 residue remaining after the extraction of SOP and by-product sulphuric acid from the alunite mined from the Blawn Mountain Project may be used as a bauxite-substitute feedstock for a refinery that produces smelter-grade alumina. While not critical to the production of SOP, the Corporation is evaluating alternatives for this residue.

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. The Project 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 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.

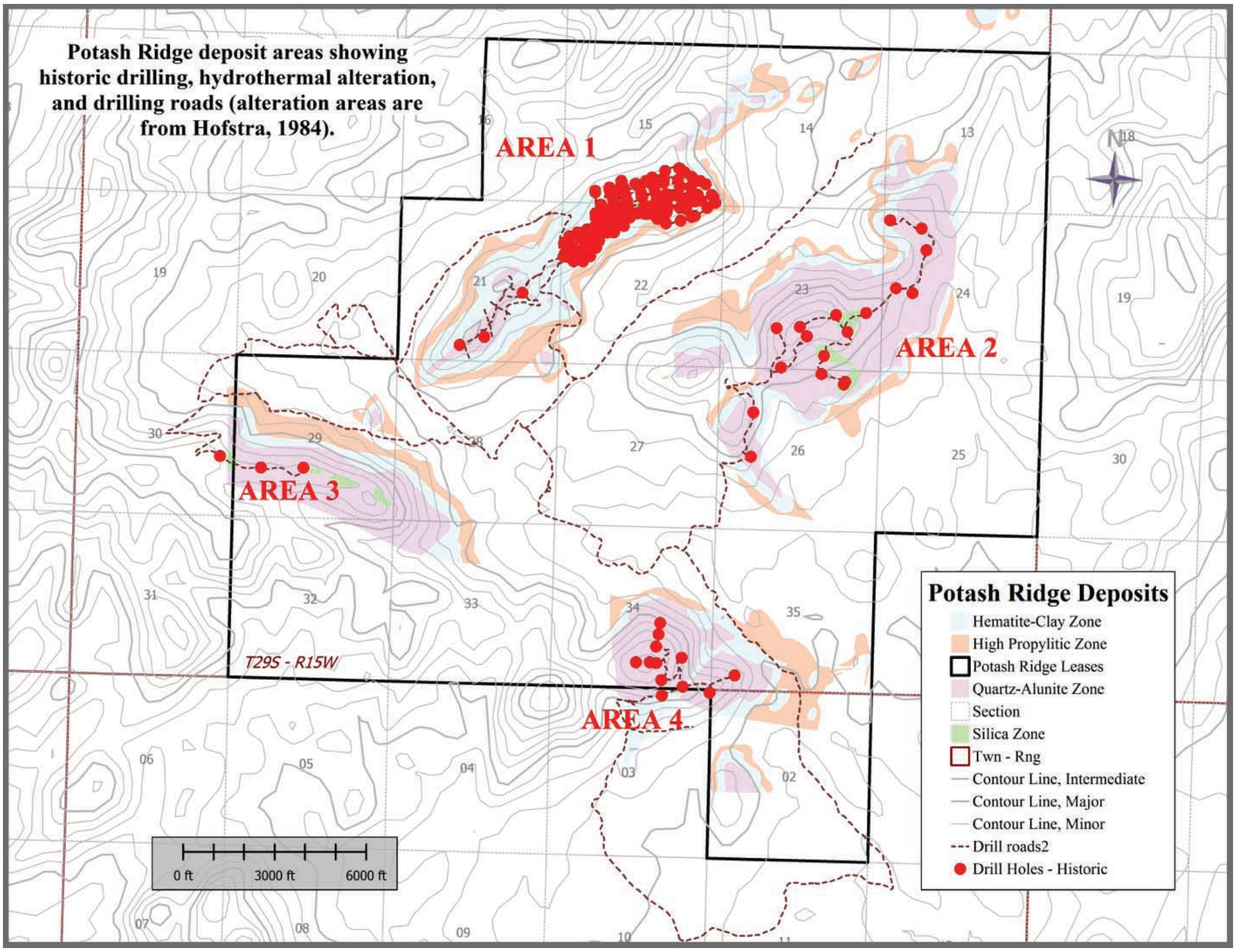
Pursuant to the Exploration and Option Agreement with SITLA, the Corporation acquired the exclusive right to explore the Blawn Mountain Project for potash, metalliferous minerals and clay minerals during the Option Period. In connection with this exclusive right to explore, the Corporation has paid to SITLA US$339,740 pursuant to the terms of its agreement and is required to pay to SITLA an additional payment of US$69,300 on April 1, 2013.

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 Project. For example, historical drilling results were used in preparing the Technical Report 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 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. The Corporation may exercise the Lease Option 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.

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, that extends 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 Project for potash pursuant to the Exploration and Option Agreement. 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 business objective of the Corporation is to advance the exploration, development and production of the Blawn Mountain Project in order to become a leading low-cost producer of 750,000 tons (680,000 tonnes) per year of SOP. To achieve this objective, the Corporation is focussing on the exploration and development of the 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 (the "**Technical Report**") 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*".
- Norwest and Stoel Rives LLP have been engaged by the Corporation to assist with the permitting process and securing water rights.
- 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 Project. See "*Description of the Blawn Mountain Project — Permits and Authorizations*".
- The Corporation believes that it has developed strong relationships with Project stakeholders and expects to continue to develop and expand these relationships as the Project develops.

Over the next 24 months the Corporation intends to:

- Conduct additional exploration and exploration drilling throughout the Project.
- Commence additional confirmatory bench testing and confirmatory pilot scale testing to select process equipment types and sizes with the objective of optimizing the process design parameters, including required particle size, flotation conditions, roasting temperatures and leach times.
- Work with Norwest to complete a pre-feasibility study during the first quarter of 2013 and, during the first quarter of 2014, complete a feasibility study, assuming a positive pre-feasibility study.
- Obtain required construction and operating permits and secure water rights.
- Pursue potential offtake and partnership arrangements.
- Pursue project and other financing, as required.
- Investigate enhancements to the SOP production process to allow the expected alumina residue remaining after the extraction of SOP and by-product sulphuric acid from the alunite to be mined from the Blawn Mountain Project to be used as a bauxite substitute and fed directly into a conventional Bayer Process to produce smelter-grade alumina.

Assuming a positive pre-feasibility study, positive feasibility study and the Corporation is able to secure any necessary financing, construction of the mine is anticipated to commence during the second half of 2014, with commissioning of the process facilities occurring in the first half of 2016 and commercial operations commencing in the second half of 2016, subject to the receipt of all necessary permits, water rights, the consent of SITLA and the development of necessary water sources.

Prior Financings

Since its inception, the Corporation has raised aggregate gross proceeds of approximately $19 million through the private placement of Common Shares and warrants.

On February 16, 2011 and April 5, 2011, the Corporation completed private placements for a combined total of 22,000,000 Common Shares at a price of $0.05 per share for aggregate gross proceeds of $1,100,000.

On May 2, 2011, the Corporation completed a private placement of 650,000 Common Shares at a price of $0.05 per share for aggregate gross proceeds of $32,500.

On August 8, 2011, the Corporation completed a private placement of 21,575,000 units (the "**Units**") at a price of $0.25 per Unit for aggregate gross proceeds of $5,393,750. Each Unit consists of one Common Share and one half-warrant. Each whole warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.50 per share on or before the second anniversary of the date on which the Corporation becomes a reporting issuer. In connection with the transaction, the Corporation issued 1,685,600 broker unit options. Each broker unit option entitles the holder thereof to acquire one Unit at a price of $0.25 per Unit on or before the second anniversary of the date on which the Corporation becomes a reporting issuer in any province or territory of Canada.

On November 17, 2011, the Corporation completed a private placement of 6,000,000 Common Shares at a price of $0.25 per share for aggregate gross proceeds of $1,500,000.

On December 5, 2011, the Corporation completed a private placement of 2,000,000 Common Shares at a price of $0.25 per share for aggregate gross proceeds of $500,000.

On December 29, 2011, the Corporation completed a private placement of 13,990,966 Common Shares at a price of $0.75 per share for aggregate gross proceeds of $10,493,225. In connection with this transaction, the Corporation issued 839,458 broker warrants. Each broker warrant entitles the holder thereof to purchase one Common Share for $0.75 on or before December 29, 2021.

Proceeds raised under these financings have largely been allocated to the acquisition of the Blawn Mountain Project, confirmation drilling, completion of the Technical Report, bench testing of samples, preliminary engineering work and market studies.

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

Potash Ridge will develop a marketing plan for the sale of SOP and by-product sulphuric acid.

SOP

Typically, farmers and growers do not buy SOP as a single product. Rather, SOP reaches these consumers most often as a component of a balanced fertilizer blend containing specific amounts of nitrogen, phosphorus, potassium and sulphur, along with secondary nutrients, such as magnesium. While SOP only accounts for about 10% of the overall potash market, the Corporation believes that new production will be absorbed by the market through demand growth and the substitution of other fertilizers containing potassium and/or sulphur with SOP. See "*The Fertilizer Industry*".

The most likely strategy for the sale of SOP by the Corporation is to enter into offtake agreements with fertilizer companies that serve the various global markets. These firms may sell the SOP directly to end users, or blend the SOP with other ingredients to create fertilizer blends targeted for specific crops and general agricultural conditions.

Sulphuric Acid

The most likely strategies for the sale of the sulphuric acid expected to be produced by the Corporation will be to supply nearby producers of copper, phosphate and fertilizers and to solicit new demand by offering to supply sulphuric acid to companies that currently produce their own sulphuric acid by burning purchased sulphur. Candidates for each of these strategies have been identified and preliminary discussions are underway with two parties to enter into offtake arrangements representing approximately 20% of estimated sulphuric acid production.

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 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

The Corporation is not party to any legal proceedings.

Employees

As of November 9, 2012, the Corporation had eight full-time employees.

USE OF PROCEEDS

The net proceeds from the Offering will be approximately $ ● million, determined after deducting the Underwriters' commission, the PowerOne fee and the expenses of the Offering, which are estimated to be $ ● . In the event that the Over-Allotment Option is exercised in full, the net proceeds to be received by Potash Ridge will be approximately $ ● .

The Corporation intends to use the net proceeds of the Offering primarily to continue its exploration and development of the Blawn Mountain Project as follows:

Activity	Estimated Costs
Pre-feasibility study and associated NI 43-101 technical report	$ ●
Feasibility study and associated NI 43-101 technical report	$ ●
Metallurgical testing programs and pilot-scale testing to optimize the process	$ ●
Permitting and environmental matters	$ ●
Payments to SITLA under the Exploration and Option Agreement	$ ●
Water drilling to confirm accessible water supply for Project requirements	$ ●
Additional exploration throughout the Project	$ ●
Project management	$ ●
General corporate and working capital purposes	$ ●
Total	**$ ●**

The Corporation had negative cash flow from operating activities of $453,609 in its most recently completed financial year ended December 31, 2011 and $2,476,688 for the nine month period ended September 30, 2012. The proceeds of the Offering will be used to fund anticipated negative cash flow from operating activities in future periods.

The Corporation intends to use the net proceeds from the exercise of the Over-Allotment Option, if any, for general corporate and working capital purposes and to fund long lead time equipment orders. Pending the application of the net proceeds of the Offering, the Corporation intends to invest the funds in short-term (less than one year) investment grade money-market or government backed securities.

General corporate and working capital purposes may include expenditures related to administration and salaries over the next 24 months. The above breakdown of the use of the net proceeds of the Offering is based on management's current estimates and may change during the course of the exploration and development of the Blawn Mountain Project. If funds become unallocated due to such changes, such funds will be used for working capital purposes.

The Corporation will need to raise further funds to complete development of the Project, which may take the form of project finance, equity and/or debt financing and entering into joint ventures or strategic partnerships.

The Corporation intends to use the net proceeds of the Offering and cash on hand to fund the following milestones:

2012 Fiscal Year

The Corporation expects to spend approximately $6.2 million during the balance of this fiscal year as follows:

- $1.6 million to conduct additional confirmation and exploration drilling throughout the Project.
- $0.5 million to commence additional confirmatory bench testing and confirmatory pilot scale testing to select process equipment types and sizes.
- $4.1 million in the aggregate on: permitting and environmental matters ($0.3 million), project management ($0.7 million), preparation for a pre-feasibility study ($1.2 million) and corporate and working capital ($1.9 million).

2013 Fiscal Year

The Corporation expects to spend approximately $16.3 million during the first half of the 2013 fiscal year as follows:

- $1.9 million to conduct additional confirmation and exploration drilling throughout the Project.
- $2.8 million to complete a pre-feasibility study during the first quarter of 2013.
- $2.5 million to complete additional confirmatory bench testing and confirmatory pilot scale testing to select process equipment types and sizes with the objective of optimizing the process design parameters, including required particle size, flotation conditions, roasting temperatures and leach times.
- $3.0 million to conduct a water confirmation drilling program.
- $6.1 million in the aggregate on: permitting and environmental matters ($0.6 million), payments owed to SITLA under the Exploration and Option Agreement ($0.1 million), project management ($1.8 million), preparation for a feasibility study ($1.4 million) and corporate and working capital purposes ($2.2 million).

The Corporation expects to spend approximately $10.7 million during the second half of the 2013 fiscal year as follows:

- $3.5 million to complete additional confirmation and exploration drilling throughout the Project.
- $4.0 million to work on a feasibility study, assuming a positive pre-feasibility study.
- $3.2 million in the aggregate on: permitting and environmental matters ($0.6 million), project management ($1.1 million) and corporate and working capital ($1.5 million).

2014 Fiscal Year

The Corporation expects to spend approximately $8.7 million during the first 9 months of the 2014 fiscal year as follows:

- $2.7 million to complete a feasibility study during the first quarter of 2014, assuming a positive pre-feasibility study.
- $6.0 million in the aggregate on: permitting and environmental matters ($0.9 million), payments owed to SITLA under the Exploration and Option Agreement ($1.1 million), project management ($1.6 million) and working capital ($2.4 million).

If the Corporation receives a positive feasibility study, is able to secure any necessary financing and achieves the above milestones on the expected timelines stated above, the Corporation will commence the construction phase of the Project in mid-2014. The Corporation estimates the construction phase to conclude in the second half of 2016.

STRENGTHS AND COMPETITIVE ADVANTAGES

Management believes that the Corporation possesses the following key strengths and advantages which will enable it to implement its growth strategy and achieve its objectives:

Large Mineral Deposit Containing Premium Potash

SOP is a high quality potash which sells at approximately a 47% premium over standard potash. Total measured and indicated resources of 620 million tons (562 million tonnes) are sufficient to support a mine life of 30 years.

Business and Mining Friendly Jurisdiction with a History of Potash Production

The Blawn Mountain Project is located in the State of Utah. Historically, mining has played a major role in Utah's economy. Minerals mined in Utah include potash, copper, gold, silver, molybdenum, zinc, lead and beryllium. Utah is also a major producer of fossil fuels including coal, petroleum and natural gas.

In November of 2011, Utah was ranked as the best State for business in the United States by Forbes Magazine. This ranking was based upon the following six criteria: costs, labour supply, regulatory environment, economic climate, growth prospects and quality of life. Utah, with a flat rate State income tax of 5%, was also ranked the tenth best State in the United States for taxes in the Tax Foundation's 2012 State Business Tax Climate Index. The index judged States on five areas of taxation that impact businesses: corporate taxes, individual income taxes, sales taxes, unemployment insurance taxes and property taxes.

A Fraser Institute survey of mining companies published in February 2012 ranked Utah in the top quartile of jurisdictions in which 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.

Potash has been produced in Utah since the early 20th century and there are currently three potash producing facilities in the State. Compass Minerals International, Inc. produces SOP using solar evaporation in Ogden, Utah. Intrepid Potash, Inc. produces MOP at two locations in Utah, the first is approximately 32 km west of Moab and the second is located in Wendover, approximately 200 km west of Salt Lake City.

Strategic Location with Established Infrastructure Nearby

The necessary infrastructure for the construction and operation of the Blawn Mountain Project is nearby. The Project is located about 32 km west of the Union Pacific Railroad route, 24 km south of Highway 21, and 80 km west of Interstate 15, the main north-south travel corridor through Utah. State highways SR-21 and SR-130 pass approximately 48 km east of the Project. Two energy corridors pass to the east of the Blawn Mountain Project. The first is located 35 km east of the Project and contains the Utah-Nevada gas pipeline. The second is located approximately 40 km east of the Project and contains the Kern River gas pipeline. The Corporation may generate its own power through cogeneration facilities to be constructed on site.

The area surrounding the Project supports businesses that can supply construction materials such as sand, gravel, limestone, railroad ballast and cement. Heavy equipment, industrial supplies, mining support services and an experienced labour force are also available in Utah and neighbouring states to support construction, mining and processing operations.

Utilizing Historical Work Should Expedite the Project

During the 1970's, Earth Sciences, Southwire Company and National Steel spent approximately US$25 million (approximately US$100 million in today's dollars) on the exploration and development of the NG alunite project. This work included drilling, resource estimates, pilot plant testing, permitting, mine plan, feasibility study and engineering. The Corporation has acquired documentation pertaining to this previous work which it has utilized and expects to continue to utilize to expedite the exploration and development of the Project. For example, the Corporation utilized data on 320 holes previously drilled by Earth Sciences which correlated with 34 confirmation holes drilled by the Corporation in late 2011 and early 2012. In addition, between 1973 and 1976, Hazen successfully pilot plant tested the Alumet Company's proposed process flowsheet for the extraction of SOP as a by-product from alunite in Colorado using alunite from what is now referred to as Area 1. Much of the flowsheet developed by the Alumet Company will be utilized by the Corporation. The Corporation performed bench scale tests earlier in 2012 and plans confirmation bench scale pilot tests in the first part of 2013, with the primary objective of evaluating process optimization alternatives.

Lower Operating Risks

The Corporation proposes to extract alunite from the Project through surface mining operations which are lower-cost than underground mining operations, have a lower risk of injuries and fatalities and have higher resource recovery rates. The process to extract SOP and by-product sulphuric acid will be performed using standard equipment with a flowsheet that is similar to processes used in the United States and Australia to produce SOP from alunite during the First and Second World Wars and in Azerbaijan from the mid-1960s to 1994. Estimated total cash production costs of US$92 per ton of SOP and sulphuric acid would rank the Project in the bottom quartile of existing and known potential SOP producers globally.

Highly-Qualified Management Team and Board of Directors

The Corporation is led by a strong management team with the proven capability to advance its projects to production and with extensive experience in mining, operations and capital markets. The management team is supported by a highly qualified board of directors (the "**Board of Directors**") with experience in exploration, mining, operation and development, finance and capital markets. In particular, Guy Bentinck, the Corporation's President and Chief Executive Officer, has over 20 years of experience in resources and mining as the former Senior Vice President and Chief Financial Officer and former Senior Vice President, Capital Projects at Sherritt International Corporation. Mr. Bentinck has demonstrated the ability to successfully access capital market funding and has a track record of leading mining development and construction for projects ranging in value from $200 million to $4 billion.

The Project is Located on Utah State-Owned Land

The Project is located on Utah State-owned land and is accordingly governed primarily by State permitting regulations. The permitting process for State-owned projects in Utah is generally straightforward and efficient. Resource projects located on federally-owned land in the United States typically require compliance with federal regulations, completion of an environmental impact assessment and a lengthy consultation period that can extend the permitting process by many years.

Support from Leading Resource Investors

Management has been successful in attracting support from leading resource investors who have demonstrated a significant commitment to the Corporation and the Project. Currently, the Corporation's largest shareholders, Sprott Resource Corp. and Pinetree Capital Ltd., are well-known Canadian-based institutional resource investors whose securities are listed on Canadian stock exchanges. See "*Principal Shareholders*". The Corporation has also attracted investments from large institutional resource investors including funds managed by Geologic Resource Partners, LLC and Front Street Capital.

THE FERTILIZER INDUSTRY

The following summary of the potash industry has been based in its entirety upon publicly available information derived from various websites, reports and sources, including, without limitation, Bloomberg L.P., The Food and Agriculture Organization of the United Nations ("**FAO**"), The International Fertilizer Industry Association ("**IFA**"), IFDC, Natural Resources Canada, The Organisation for Economic Co-operation and Development, Oxfam, The Conference Board of Canada, The Economist Newspaper Limited, The World Bank Group ("**World Bank**"), the United Nations, United States Geological Survey and various industry trade groups, consultants and participants including Compass Minerals International, Inc. (NYSE:CMP), CRU Group ("**CRU**"), Serecon Management Consulting Inc. ("**Serecon**"), Fertecon Ltd., Macquarie Group Limited, ICL Fertilizers Ltd., K+S Kali GmbH ("**K+S**") and Potash Corporation of Saskatchewan Inc. (TSX: POT) ("**Potash Corp**"). The Corporation also commissioned and paid for a report prepared by Serecon entitled "*Sulphate of Potash: The Agronomic Premium over Muriate of Potash*", dated April 27, 2012. All opinions, expectations and estimates contained in the following industry summary, which are not specifically attributed to management of Potash Ridge, are solely those of the authors of the aforementioned reports and sources. Potash Ridge has not independently verified any of the data regarding the fertilizer and potash industries contained in this prospectus. See "*A Cautionary Note Regarding Forward-Looking Statements*".

In relation to any scientific or technical disclosure in the following summary of the fertilizer and potash industries, the Corporation has not determined if such disclosure is compliant with NI 43-101. While management of the Corporation has no reason to doubt the accuracy of such disclosure, such information is provided for informational purposes only in relation to the potash industry in general and should not be relied upon for investment purposes.

Agricultural Fertilizer Market

Fertilizers, a large component of the global chemicals industry, consist of essential plant nutrients which are applied to farmed crops in order to achieve favourable quality and yield. They replace the nutrients that crops remove from the soil, thereby sustaining the quality of crops, and are considered the most effective means for growers to increase yield. Growers adjust the types, quantities and proportions of fertilizer to apply depending on crop, soil quality, weather conditions, regional farming practices and fertilizer and crop prices. In 2006, over 45% of total global fertilizer applications were used in the production of corn, wheat and rice in almost equal proportions and 17% was used in the production of fruits and vegetables.

The key components of agricultural fertilizers are nitrogen (anhydrous ammonia and urea), phosphates (ammonium phosphates and superphosphates derived from phosphate rock), and potassium (potash). When blended, these three nutrients (nitrogen, phosphates and potassium) are known as "**NPK**". Most virgin soils contain adequate amounts of NPK to allow farmers to produce average crops. The agricultural cycle of growing and harvesting crops depletes soil of NPK, which needs to be reapplied in consistent ratios if the soil is to remain fertile. Global demand for all NPK nutrients is estimated to have been approximately 173 million tonnes (100% nutrient basis) in 2010/11 and is projected to reach 190 million tonnes by 2015/16.

Sulphur has gained increased attention in the fertilizer industry over the past several years due to the realization that crops were becoming sulphur deficient. Sulphur is necessary for the production of protein, fostering activity and the development of enzymes and vitamins. In addition to these benefits, sulphur also improves root growth and seed production, aids in the creation of chlorophyll and increases resistance to cold temperatures. The addition of sulphur to fertilizer (usually in the form of ammonium sulphate or SOP) creates a blend known as "**NPKS**".

Fertilizer Demand Drivers

Global fertilizer demand is expected to increase greatly in the coming years due to world population growth accompanied by decreasing arable land per capita, changes in diet and growth in alternative fuels which use crops as feedstock.

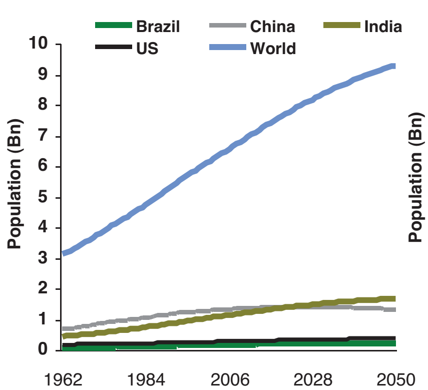
By 2030, the average cost of key crops is projected to increase by 120-180% due to an increasing population's rising demand for meat and agricultural products. Much of this increase in demand is expected to originate from developing countries, where nearly all of the increase in world population is expected to occur. The increasing amount of food (both plant and protein based) needed to feed this growing population must be produced from a shrinking arable land base per capita as rural land is developed to accommodate the larger populace. Arable land per capita has decreased by an average of 1.5% per year from 1961-2009.

China and India, the world's most populous countries, are expected to reach population levels of 1.3 billion and 1.7 billion, respectively, by 2050 and both countries have a rapidly expanding middle class with improving nutrition and dietary preferences. By 2050, the global population is expected to be approximately 9.3 billion compared to 7.0 billion in 2011.

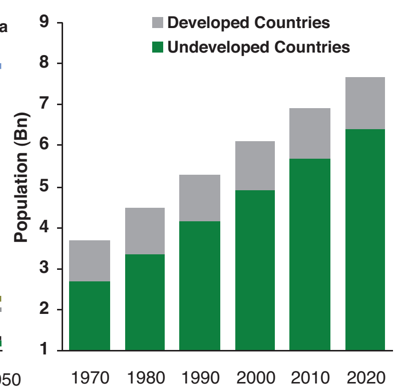
Adult humans require an average of 2,100 calories per day. Maintaining this requirement while keeping up with forecasted population growth will require growers to produce more wheat and corn over the next 40 years than was grown in the previous 500 years. Agricultural fertilizers are expected to be a major driver in increasing yields to address the increased demand for agricultural products.

In addition to a projected increase in population, the global per capita income of developing countries is expected to increase from $4,800 per year in 2007 to $11,000 per year by 2030, according to the World Bank. Due to dietary changes, there is a strong correlation between income growth and increases in food consumption. As incomes grow, consumers move away from staple and/or traditional foods and begin consuming premium foodstuffs, such as fruits and vegetables, as well as adopting diversified protein rich diets. Increased protein consumption results in increased demand for grain and other animal feed.

Population Growth

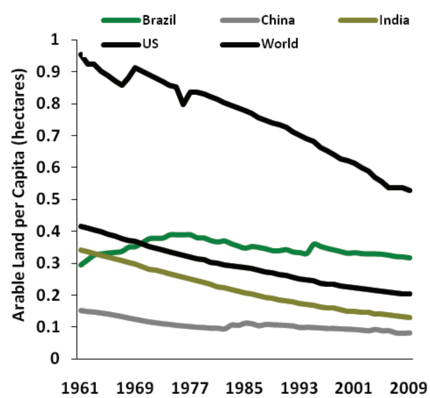


Source: FAO



Source: United Nations

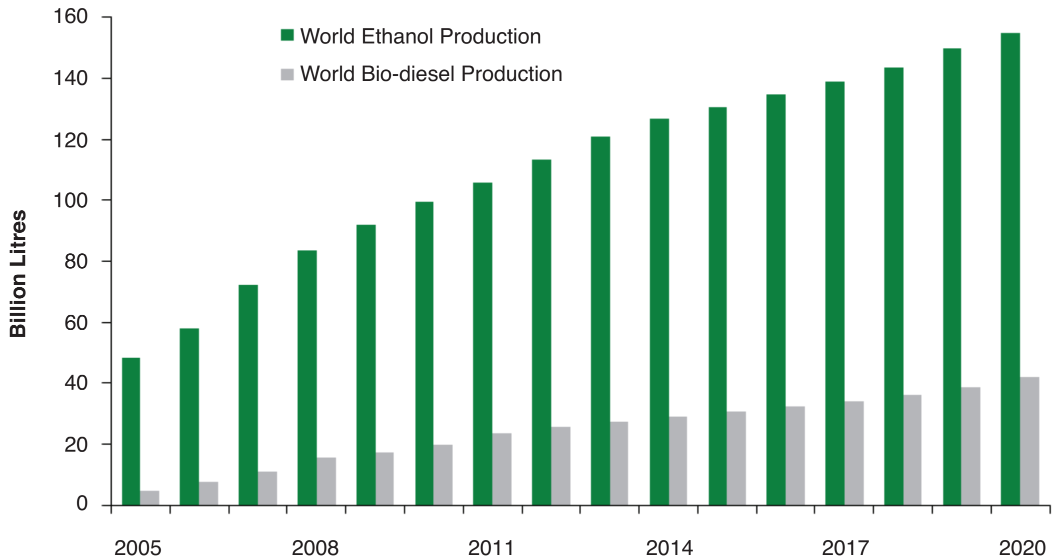
Arable Land per Capita



Source: FAO

Fertilizer demand is also being driven by the growing ethanol and bio-fuel industry. Many countries are attempting to supplement the consumption of fossil fuels with ethanol and bio-fuels. This is due to the high price of oil in recent years as well as increasing government support for alternative sources of energy. Global ethanol production is expected to grow from approximately 106 billion litres in 2011 to 155 billion litres in 2020.

World Ethanol & Bio-diesel Production (2005-2020)



Source: OECD - FAO

Potash Overview

Potash is a generic term that refers to a group of potassium-bearing minerals, naturally occurring potassium salts and the products produced from those salts. The term potash arose through the traditional practice of producing potassium carbonate, needed for making soap, by leaching wood ashes in large iron pots. The ash-like crystalline residue left in the large iron pots was called "pot ash".

Potash is a plant's main source of potassium; one of the three primary nutrients essential for plant growth. Plants depend on potassium for water retention as well as the production, transport and accumulation of sugar. Potassium also supports plant hardiness and resistance to water-stress and disease. Plants deficient in potassium are less resistant to pests and disease, and have poor size, shape, color, taste, and reduced shelf life.

The amount of potassium contained in potash varies, thus, the industry has established a common standard of measurement in defining a product's potassium content in terms of equivalent percentages of potassium oxide ("**K_2O**"). Sylvite, potassium chloride ("**KCl**" or MOP), is the most commonly used global potash source given its high solubility characteristics and high potassium content of approximately 61% K_2O. Approximately 95% of all potash produced is used for agricultural fertilizer, mostly in the form of MOP. Potash has no commercially viable substitute as a potassium fertilizer source. Other bases of potash consumption are potassium bearing chemicals, detergents, ceramics, pharmaceuticals, water conditioner and de-icing salt.

The table below provides a summary of world production for each of nitrogen, phosphate and potassium (potash). Of the three, potash is produced in the fewest number of countries and faces the highest barriers to new production.

	Nitrogen	Phosphate	Potassium (Potash)
Producing Countries	60	40	13
Inputs	natural gas	phosphate rock, sulfuric acid	potash ore
Greenfield Expansion	3 years	3–4 years	5–7 years
Cost for Greenfield	US$1.0 billion for 1 million tonnes	US$1.5 billion for 1 million tonnes	US$2.8 billion for 2 million tonnes

Source: Fertecon, Potash Corp, IFDC, CRU (2009)

In its processed state, potash appears as a granular mineral of varying sizes and ranges in colour from white to reddish, depending on the presence of trace elements, notably iron, which remains after processing. There are four principal potash grades: granular, coarse, standard and soluble. Granular, coarse, and standard grades are differentiated principally by the size of the particles, with granular being the largest and standard the smallest.

SOP

While MOP is widely used in all types of farming, the chloride ion within it can be detrimental to some plants, especially fruits and vegetables. The chloride ion also inhibits plant growth in dry soils and saline areas. Consequently, the soil's chloride content needs to be carefully managed as it can build up over time, leading to low quality crops.

SOP, comprising approximately 10% of all potash consumption, is a chloride-free potassium fertilizer and is the most commonly used alternative to MOP. SOP can be used in every application that MOP is used and is preferred in many circumstances as it enhances yield and quality, extends shelf life of produce and improves taste. MOP rarely outperforms SOP in terms of crop quality. SOP performs particularly well with crops that have a low tolerance to the chloride in MOP (such as fruits, vegetables, beans, nuts, potatoes, tea, tobacco and turf grass) and in arid, saline and heavily cultivated soils. The potassium content of SOP is approximately 50% K_2O.

In addition to potassium, SOP contains sulphur which is also an important plant nutrient. The current trend towards fertilizers with a larger component of target nutrients may cause greater value to be placed on the sulphur content of SOP.

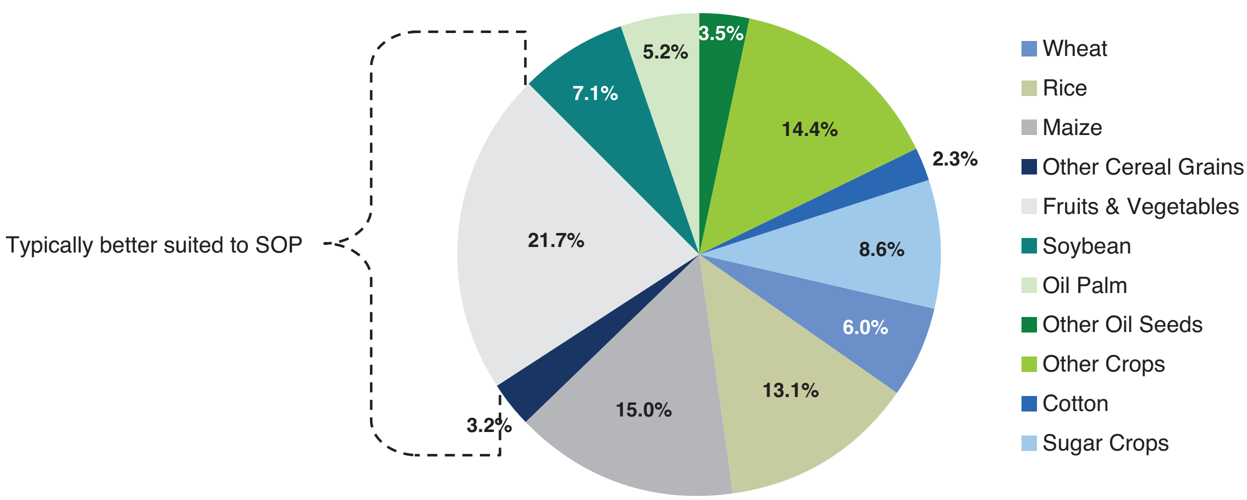
SOP can be sold as a standard powder or as a premium granular or soluble grade product.

Chloride Tolerance of Various Crops

TOLERANCE	CROP TYPE	RECOMMENDED PRODUCT
Chloride-loving	Sugar beet, fodder beet, celery, Swiss chard, coconut	Muriate of Potash (MOP)
Chloride tolerant	Cereals, maize, oilseed rape, asparagus, cabbage, beetroot, rhubarb grassland, dover, oil palm, rubber, rice, groundnut, cassava, soybean, sugar cane, banana, cotton	Muriate of Potash (MOP)
Partly chloride tolerant	Sunflower, grape vines, stone fruits, blackcurrants, seed potatoes, potatoes for human consumption, tomatoes, radish, kohlrabi, peas, spinach, carrots, leek, horse-radish, chicory, pineapple, cucumber, kiwifruit, coffee, tea	Sulphate of Potash (SOP)
Chloride sensitive	Starch potatoes, potatoes for processing, tobacco, redcurrants, gooseberry, raspberry, strawberry, blackberry, blueberry, mango, citrus, pepper, chilli, avocado, cashew, almond, peach, cocoa, hops, pomes and stone fruits (especially cherries), bush beans, broad beans, cucumber, melon, onion, lettuce, early vegetables, all crops under glass, conifers, flowers and ornaments as well as seedlings and transplants of most plants	Sulphate of Potash (SOP)

Source: K+S Kali GmbH

Global MOP Use by Crop Type (2006/2007)



Source: IFA

Mining and Production Methods

Potash ore is typically extracted from two major ore deposit types: deeply buried marine evaporite deposits that usually range from 400 m to greater than 1,000 m below the surface as typically found in Canada and Russia, and surface brine deposits associated with saline water bodies such as the Dead Sea in the Middle East and the Great Salt Lake in Utah.

Most potash is sourced from buried deposits using conventional mechanized underground mining methods. Generally, these underground operations produce between 1 and 10 million tonnes of potash ore per year. The land area affected is typically confined to the immediate area of the shaft, plant and waste disposal but may reach up to several square kilometres. This is the most widely used method for the extraction of potash ore.

For deeper or irregular-shaped potash deposits, solution mining may be a more economical extraction technique. This technique can be used on both pre-existing conventional mines that have flooded or on un-mined deep deposits. The solution mining process involves injecting heated water into the mine to dissolve the potash salt. The resulting brine solution is circulated back to the surface and evaporated to reclaim the potash.

Surface brine deposits are exploited using solar evaporation ponds to concentrate and precipitate the potash. The evaporation ponds are extensive, with some operations covering in excess of 90 km^2 of land area to produce around 8 million tonnes of potash ore per year.

SOP Production Methods

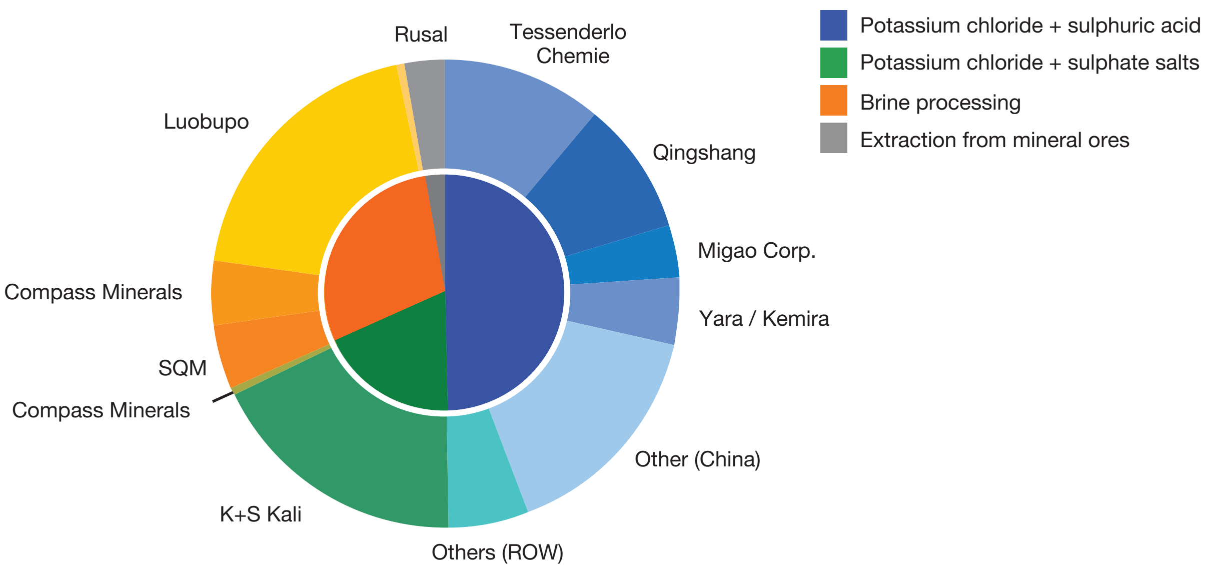
SOP is not a naturally occurring product, rather production of SOP takes place through a number of methods: "primary" production methods include directly extracting SOP from potassium minerals and "secondary" methods are based on the chemical conversion of KCl.

Processing of natural brines is a relatively low cost primary production method, although there are a limited number of commercial-scale deposits. These are found in Utah, Chile and China. SOP is produced from salt mixtures which are harvested from natural brines rich in sulphates. Consequently, not all natural brines are suitable for SOP production. As lakes with sufficient brine mineral levels are rare, this method only accounts for 15% to 20% of global supply of SOP and costs approximately $300 per tonne.

While currently rare, another primary production method is when SOP is extracted directly from mineral ores containing both potassium and sulphate. These ores are of a lower K_2O grade than found in ore used to produce KCl, but may yield by-products which can contribute additional revenue. This is the method of production the Corporation intends to use, with the mineral ore being alunite and the additional by-products being alumina and sulphuric acid. Similarly, another potential primary production method would entail processing polyhalite ore at an estimated cost of approximately $162 per tonne.

The most common secondary production method is through the reaction of KCl with sulphuric acid at high temperatures (the "**Mannheim Process**"). The Mannheim Process allows MOP to be converted into SOP and by-product hydrochloric acid. This method for producing SOP accounts for 50% to 60% of global supply and is the most expensive method of producing SOP due to the energy requirements and the high input costs of purchasing MOP and sulphuric acid. The cost of producing SOP using the Mannheim Process is typically around $550 per tonne. Secondary production is also possible through the reaction of KCl with sulphate salts which likewise has a high production cost of approximately $386 per tonne. While effective, these methods of production leave operations exposed to fluctuation in raw material costs.

Share of SOP Capacity by Processing Method



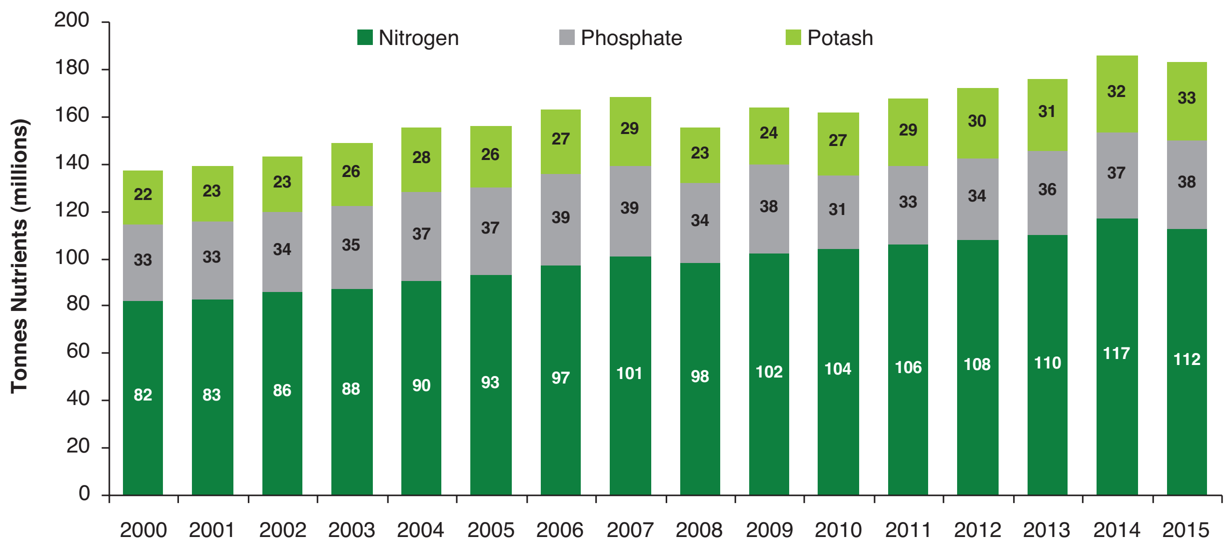
Source: CRU

Potash Demand Drivers

Potash demand depends on the demand for fertilizer, which is based on total planted crop acreage, crop mix, fertilizer application rates and farmer economics. Each of these factors is affected by current and projected stocks and prices of grain and other staple crops, governmental agricultural policies, improvements in efficiency, fertilizer application and weather.

As crop prices rise, farmers have a greater ability to invest in increasing the yield of their land, which in turn necessitates greater fertilizer and potash use. Potash consumption grew at an average annual rate of 4.4% from 2002 to 2007, compared to 3.3% for all NPK nutrients, and is forecast to grow at an average rate of 4.7% from 2010 to 2016, compared to 1.9% for all NPK nutrients. This growth will require increased potash production of approximately one additional greenfield potash mine every year.

Historical & Forecast Fertilizer Demand



Source: IFA

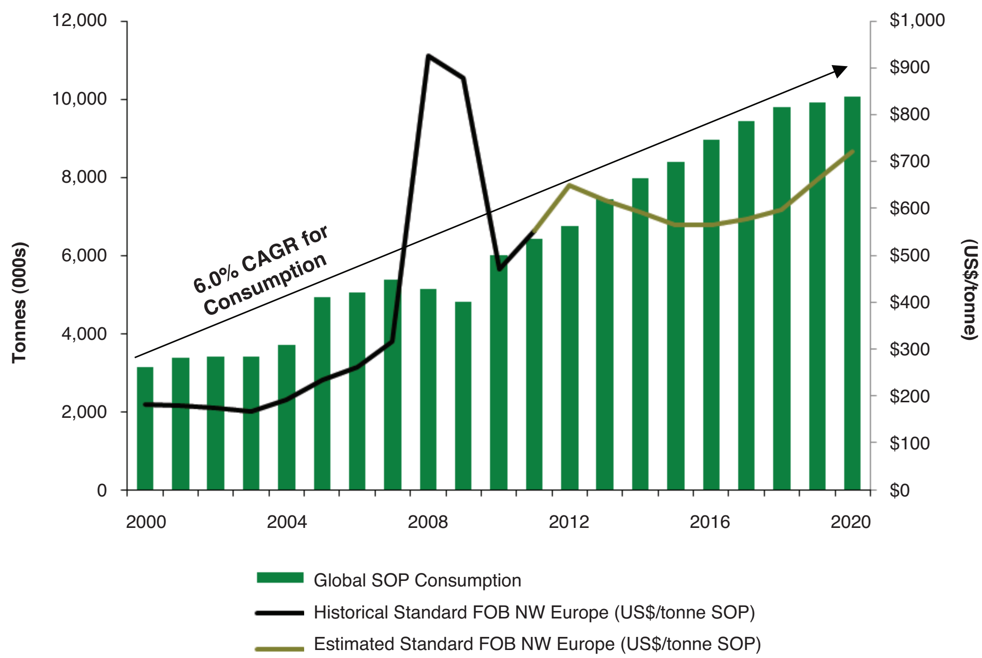
SOP Specific Demand Drivers

There is a price premium attributed to SOP due to the scarcity of primary production relative to MOP. Notwithstanding this price premium, SOP is the most commonly used alternative to MOP when the presence of chloride ions is undesirable. The majority of SOP use is for "premium" agriculture, broadly defined as all crops other than cereals and oil seeds. It is commonly used for growing tobacco, tea, fruits, nuts, turf grass and other fruit and vegetable crops. In the United States, these specialty crops account for only approximately 4% of harvested acreage but account for approximately 40% of crop revenues. The potential to increase the yield and quality of these high value crops make SOP a cost-effective input.

China (with a population of 1.3 billion and the world's largest producer of tobacco, fruits and vegetables) is the largest consumer of SOP, accounting for more than 45% of global demand. Over the past 20 years, the demand for SOP in China has experienced significant growth, growing from approximately 0.5 million tonnes per year in the early 1990s to 1.9 million tonnes in 2011. SOP is also widely used in the fruit growing regions of Mediterranean Europe and the United States. India and Brazil represent markets of large potential SOP demand growth. India, with a population of 1.2 billion, consumed only 50,000 tonnes of SOP in 2011 representing less than 1% of its overall potash consumption. Brazil used 32,000 tonnes of SOP in 2011 (or 0.4% of total potash consumption) despite growing premium crops which are typically better suited to SOP on 20% of planted land.

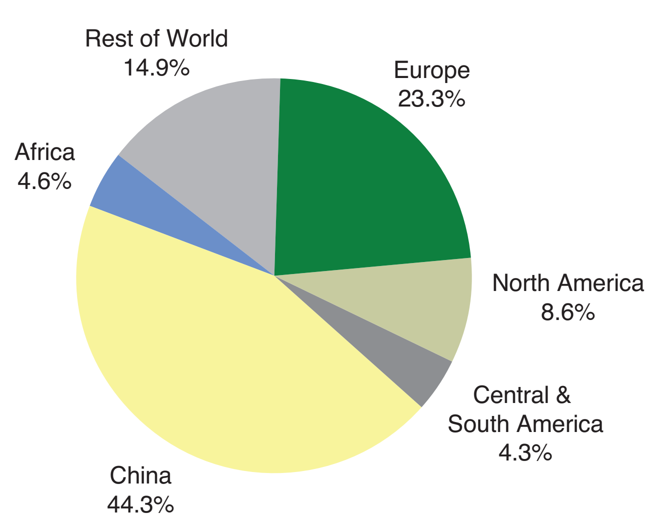
According to the IFA, 47% of potash fertilizer consumption, equivalent to 17-18 million tonnes per year of K_2O, is used for "premium" crops where SOP is preferred over MOP. In 2011, consumption of SOP was approximately 6.0 million tonnes. The low volume of SOP consumption relative to its potential market demand is a result of the scarcity of SOP supply and its price premium over MOP. If the price of SOP decreased relative to the price of MOP, growers may elect to switch to the premium product. The following chart displays historic and forecast global SOP consumption and prices.

Global SOP Consumption and Commodity Price



Source: Fertecon, CRU

SOP Demand by Region (2011)



Source: CRU

SOP demand has increased from 5.0 million tonnes per annum in 2008 to 6.0 million tonnes per annum in 2011, representing a cumulative average growth rate of 6.0%.

The trend towards fertilizers with a larger component of target nutrients may also have a positive impact on SOP demand that is not reflected in the above forecast. For example, an analysis by Serecon estimated the premium that producers would be willing to pay for SOP over MOP based on the absence of chloride and the presence of sulphur in SOP versus MOP. The analysis was based on the theory that a grower will be willing to pay more for an input if a higher net income would be achieved by using the input. In the case of switching from MOP to SOP as a fertilizer input, increased net income would result from increased yield or increased crop quality. Serecon's analysis and resulting estimate of premiums presented below was limited to the increases in yield and did not take into account the increased crop quality resulting from the use of SOP over MOP.

Summary of Potential SOP Price Premiums over MOP

Crop Category	Estimated Premium	Examples of Crops Analyzed
Highly Chloride-Sensitive Crops	Up to 40%	Tobacco, Sweet Potatoes, Almonds, Bananas
Moderately Chloride-Sensitive Crops	10 – 30%	Sugarcane, Pineapple

In estimating the premium for highly chloride-sensitive crops, Serecon used a cap of 40% to reflect the current approximate premium for SOP over MOP. Growers of some highly-sensitive crops, such as almonds and bananas, may be willing to pay even more for SOP than the current premium would suggest.

Serecon concluded that the potential also exists for SOP to become a component in typical fertilizer blends for cereal crops, such as wheat and corn. Sulphur is increasingly being included in recommendations for cereal crop fertilizer blends, as its essential role in the growth and health of plants has become better understood. In the spring of 2012, the premium was approximately 7%. However, the extent of demand for SOP in cereal crop fertilizer blends will largely be dependent upon the relative pricing of sulphate and MOP fertilizer prices. For example, all other things being constant in the model and assuming a $550 per tonne MOP price and a $600 per tonne ammonium sulphate price, SOP would be a preferred component in a typical wheat fertilizer blend if the premium of SOP over MOP was 26.9% or less. This SOP price premium over MOP would be reduced to 9.4% assuming a $600 per tonne MOP price and a $500 per tonne ammonium sulphate price. Cereals are by far the largest fertilizer-consuming crop in the world, accounting for over 60% of total micronutrient fertilizer consumption according to the FAO.

Serecon also concluded that the impact of additional SOP production on the world market, if priced appropriately, would be to potentially replace MOP and fertilizers containing sulphur as well as create additional demand for potassium fertilizer since a large quantity of potassium could be safely applied without the negative impact of chloride.

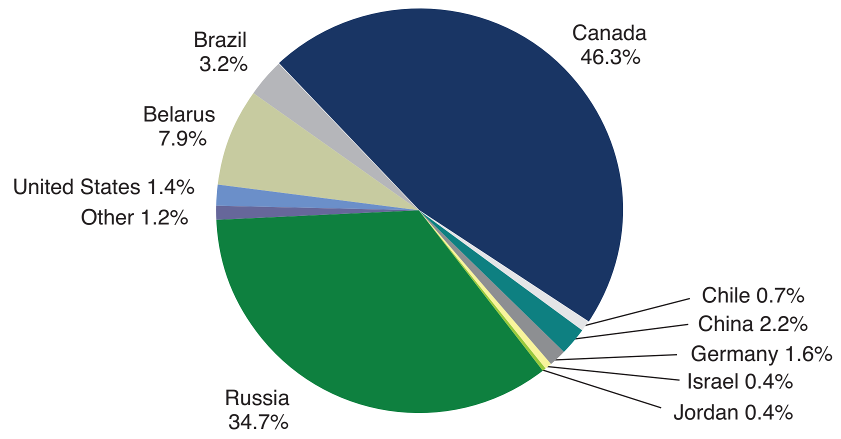
Based on a preliminary analysis conducted by management, the potential exists for United States producers of SOP to displace almost 100,000 tonnes of annual European SOP imports into the Eastern United States. Florida is a key target market for growth as it is home to almost 40% of United States' fruit producing land but only consumes 9,000 tonnes of SOP per year or 3% of United States SOP demand. Outside of the United States, significant market potential is seen in China, Brazil and India. Current annual SOP consumption in Brazil of about 32,000 tonnes represents only 0.4% of total Brazilian potash consumption, but premium crops cover almost 20% of planted land area in the country. China consumes 1.9 million tonnes of SOP per year. By way of contrast, India has a population of 1.2 billion and consumes only 50,000 tonnes of SOP per year. The low consumption of SOP in India is primarily due to MOP subsidies, however the Indian government has started reducing the subsidies applicable to MOP. If this trend continues, India could become a major consumer of SOP. This leads to an overall market potential of SOP greater than 28% of the total potash market.

Potash Supply Environment

Although potash is a commonly occurring mineral, the geological conditions needed for its economic extraction can only be found in a few regions of the world. Moreover, many of the currently unexploited potash reserves that have been identified are located in politically unstable and/or remote locations such as the Congo, Ethiopia, Laos, Russia, Thailand, Uzbekistan and the Rio Colorado region of Argentina, which generally require significant new infrastructure to be built to facilitate mine development. Greenfield construction in such locations can be prohibitively expensive.

As outlined in the chart below, Canada accounts for almost 46% of the world's potash reserves. The majority of remaining reserves are found in Russia, Belarus and Brazil.

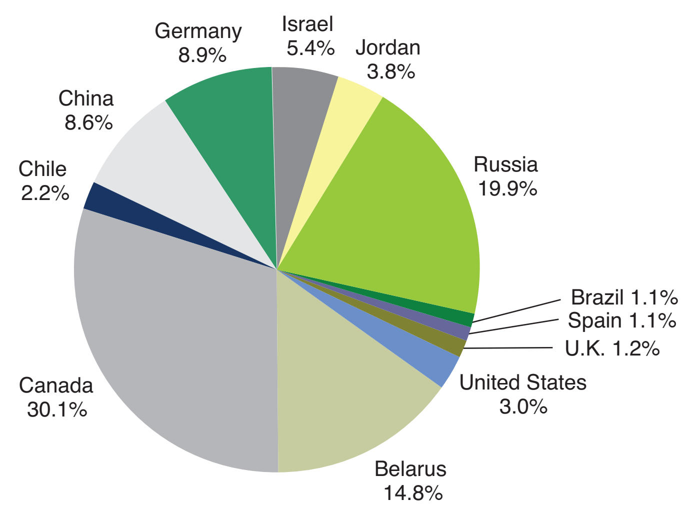
2011 Major Potash Reserves



Source: USGS

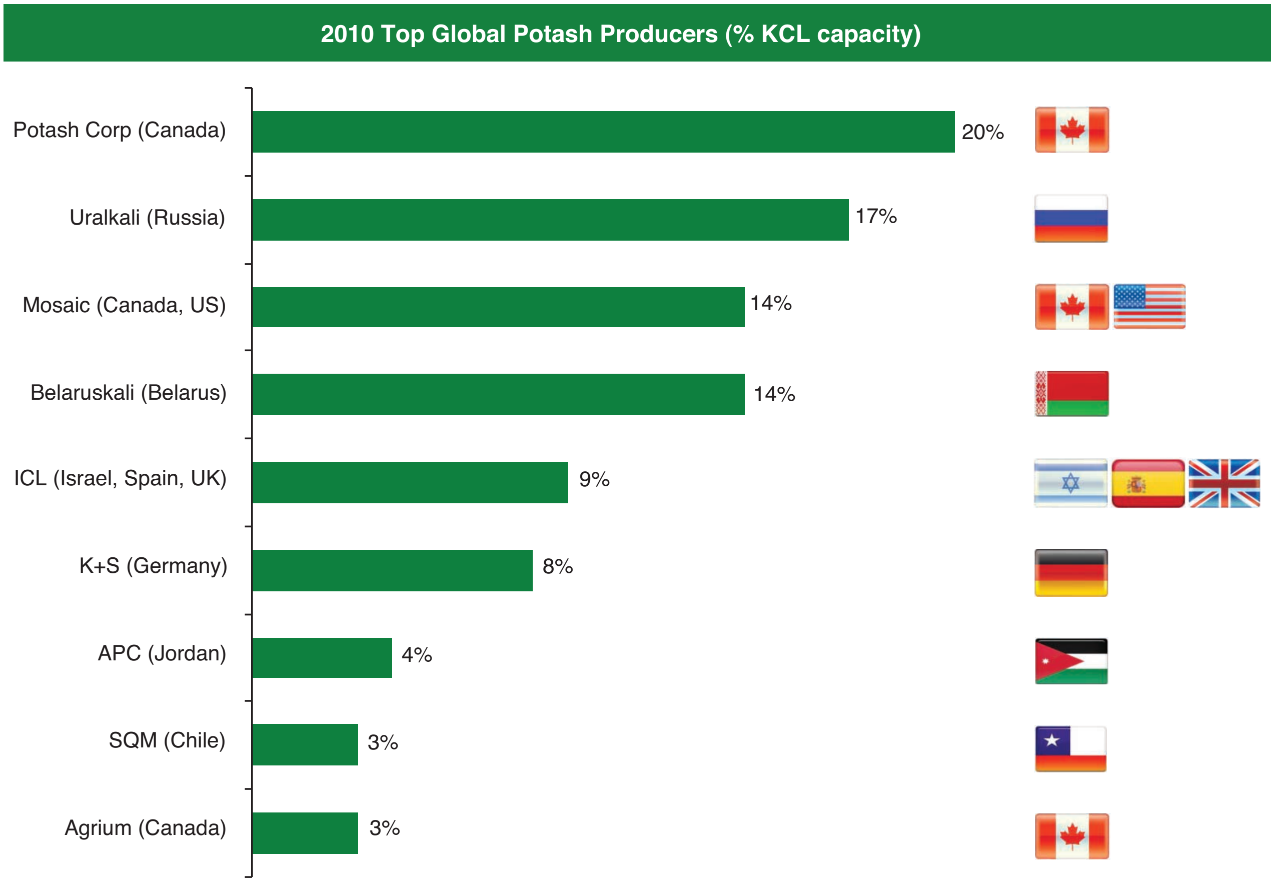
There are currently more than 12 countries with active capacity for MOP production with Canada, Russia and Belarus accounting for almost two thirds of current capacity. Together with Germany, Israel and China, these countries account for approximately 88% of the world's MOP production.

2011 Major Potash Producers



Source: USGS

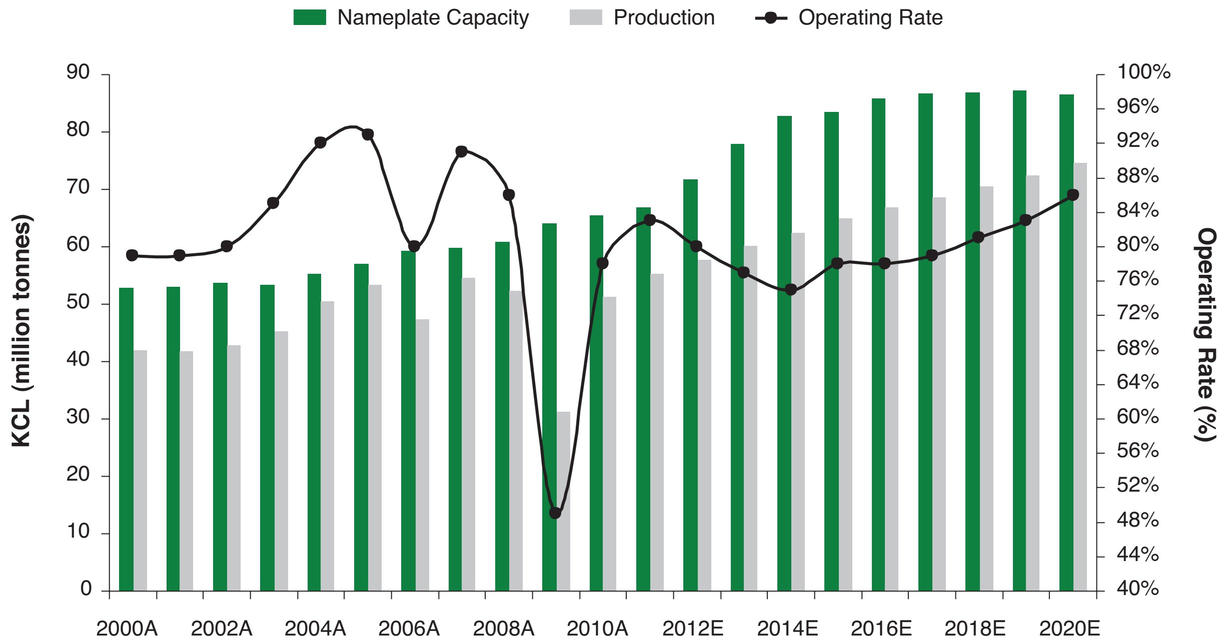
The scarcity of economically mineable potash deposits has resulted in barriers to entry and a high degree of concentration among the leading producers. In 2011, according to CRU, the world potash industry had capacity of 66.9 million tonnes and 55.8 million tonnes of potash was sold from more than 45 operations in 13 countries. However, 94% of global capacity is held by 10 companies and only a limited number of these potash producers are expected to increase annual production. Also, the current potash supply is being produced by aging mining infrastructure; worldwide, 85% of facilities are more than 25 years old. Consequently, additional capacity will be required to meet the forecast increases in demand.



Source: Fertecon, CRU, IFA, Potash Corp

Industry production capacity is stated in terms of nameplate capacity which is higher than average sustainable production levels. KCl production nameplate capacity was estimated at 65.5 million tonnes in 2010, with operating rates of 78% versus 49% in 2009. Operating rates are expected to reach 86% by 2020, even taking into account an increase in capacity of a further 21.0 million tonnes. While operating rates of 80-85% are considered sustainable, higher rates are not considered sustainable due to equipment availability, utilization and reliability, and uncertainty in recovery for extracted mineral resources. The projected operating rates of 86% could result in a tight supply and demand condition, which would justify capacity expansion. The majority of production capacity expected to be brought online prior to 2015 is owned by established producers, with the largest component consisting of brownfield expansion by Potash Corp. Global capacity, including new projects and expansions, is projected at 86.5 million tonnes of KCl by 2020 with operating rates of 86%.

KCL Capacity, Production and Operating Rates

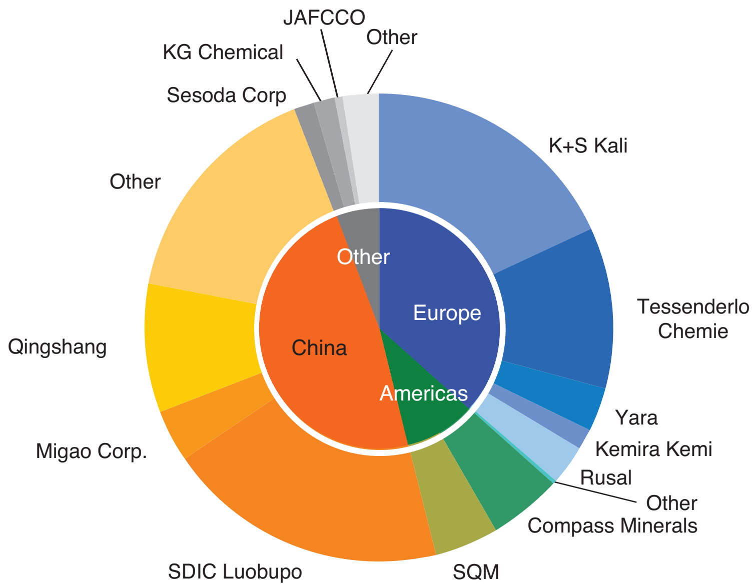


Source: CRU

SOP Specific Supply Environment

Total worldwide production capacity of SOP in 2011 was 6.7 million tonnes with approximately 48% located in China, 37% in continental Europe, 9.5% in the Americas and the remaining 5.7% in various other countries. The international market is supplied mainly by two European companies, K+S and Tessenderlo Chemie NV, however, the largest producer is SDIC Xinjiang Luobupo Potash Co., Ltd. ("**Luobupo**") in Western China.

2011 SOP Capacity (000s tonnes)



Source: CRU

In terms of the SOP supply outlook, domestic demand in China has largely absorbed the increased supply coming from the newly-commissioned Luobupo project. While the premium of SOP over MOP has decreased slightly in China, many of the high-cost furnaces used in the Mannheim Process that convert MOP to SOP ("**Mannheim Furnaces**") remain competitive due to their location. Exports from China are negligible and are not expected to increase in the future as domestic production is subject to export tariffs.

Outside of China, no major new source of SOP has been developed since the 1990s. Several high cost operations using Mannheim Furnaces have curtailed operations and Great Salt Lake Minerals Corporation is the only producer planning to increase production capacity (by 100,000 tonnes). There are a handful of new primary SOP development projects currently under evaluation, although production from these projects is not expected until 2016 at the earliest.

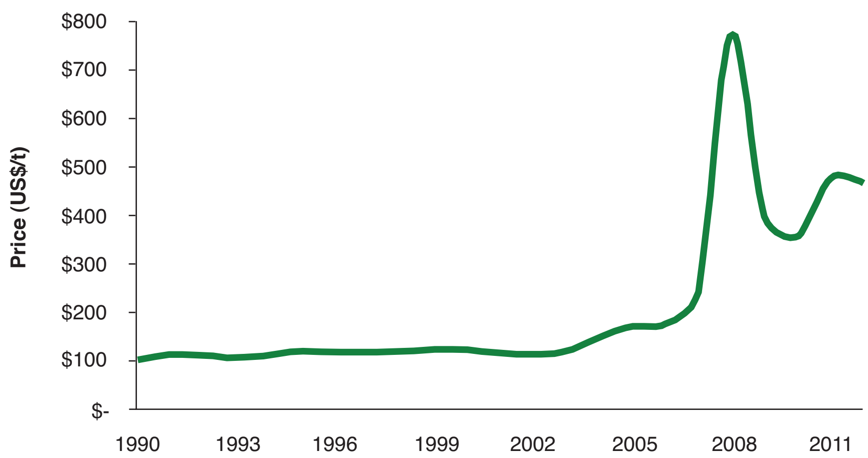
Potash Price Environment

Potash prices refer to the delivered cost of potash and are usually negotiated as delivery contracts (typically free-on-board, or "**FOB**") between suppliers and their customers. By their nature, such contracts contain terms which vary depending on the suppliers' and consumers' geographic locations. The contracts are typically structured as either large, fixed-price sales contracts, monthly contracts with annual minimums or "spot" purchases. Premium potash grades include coarse and granular material with larger particle sizes (1-4mm) and soluble industrial products generally purer than 98% KCl. Granular and coarse potash is generally priced at a premium.

Potash prices were relatively stable prior to 2007. In 2007, escalating prices helped spur fertilizer demand from Brazil, China, India and the United States and pushed producer "operating rates" over 90%. The resulting supply/demand imbalance caused MOP prices to continue rising in 2008, reaching a peak of approximately US$900 per tonne (more than three times the highest price realized between 2001 and 2007). High commodity prices declined sharply due to the economic crisis in 2008 and falling grain prices, in conjunction with high fertilizer costs, squeezed growers' margins. This margin squeeze, and a tightening of global credit, negatively affected growers' ability-to-pay for fertilizer, which led to a decline in potash demand. Potash prices still remained relatively high throughout much of 2009 as producers were reluctant to lower their prices.

By early 2010, MOP spot prices were back to the January 2008 level of US$340 per tonne — down from an average of US$630 per tonne in 2009. MOP prices started to increase along with overall commodity prices in 2010, reaching approximately US$350 per tonne. Current spot prices of MOP were US$468 per tonne (FOB Vancouver) as of August 2012.

Historical Potash (FOB Vancouver) Pricing

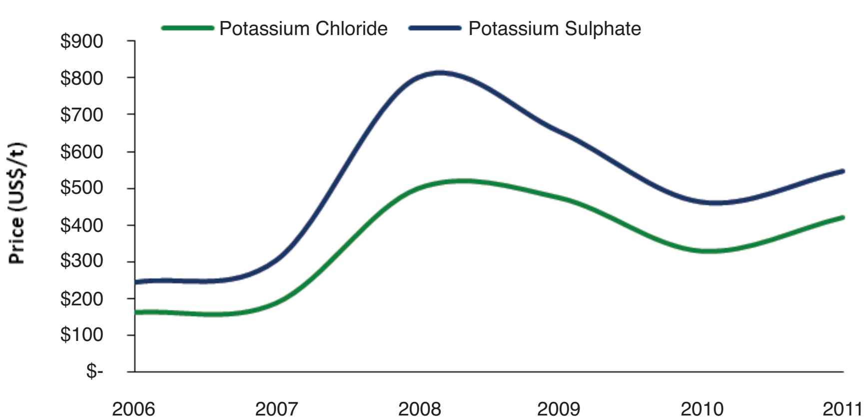


Source: Bloomberg

SOP Specific Price Environment

Non-chloride potash prices have generally followed the path of MOP prices in recent years although SOP has historically attracted a premium to the MOP price due to its limited availability, better quality and the fact that 85% of SOP production comes from manufacturing processes that use MOP as a primary feedstock. Virtually all producers that use Mannheim Furnaces for production of SOP acquire MOP from third parties at market prices. SOP has commanded an average premium of 47% from 2001 to 2010 and from 2006 to 2011 has ranged between 30% and 61%.

SOP Premium Price Trends

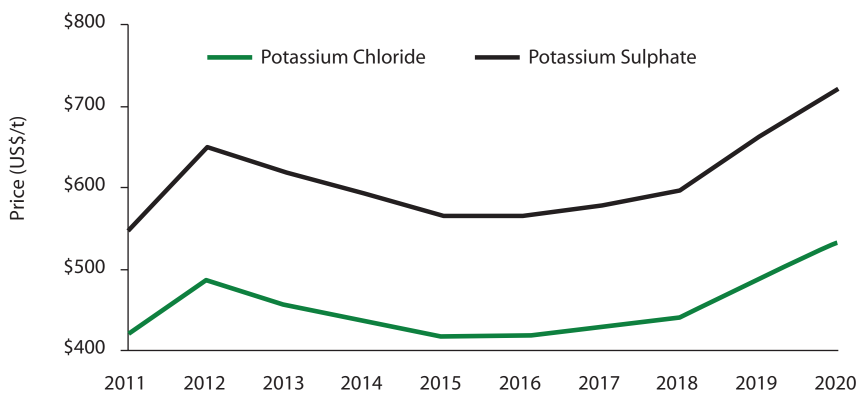


Source: CRU

According to CRU, based on the current capacity of potash producers and the announced additional production planned by existing mines and new entrants, potash prices should remain at relatively robust levels for the next several years. For the period from 2012 to 2020, CRU forecasts MOP prices in the range of US$488 and US$534 per tonne (FOB Vancouver/Portland) and SOP prices between US$649 and US$721 per tonne (CIF northwest Europe). Inflationary pressures in the energy and materials industries could also provide support for continued high potash prices.

Prices for SOP must remain high enough for the conversion of MOP to SOP to be economically viable. In the event that new primary production of SOP comes online, to the extent this additional supply is not absorbed by higher demand, it will largely displace high-cost MOP conversion operations. This may reduce the price premium of SOP over MOP, however, the extent of the premium reduction will be limited, as growers currently using MOP on crops more suited to SOP would likely start shifting to SOP.

Potash Price Forecast



Source: CRU

Sulphuric Acid Market Overview

Domestic production of sulphuric acid in the United States is currently about 32 million tonnes per year with domestic demand of approximately 34 million tonnes per year. The majority of this supply deficit is met through imports from Canada, Western Europe, Japan and South Korea, primarily through the Gulf of Mexico. The supply deficit in the United States is expected to increase to approximately 2.4 million tonnes per year by 2015.

A significant amount of fertilizer production in the United States, primarily in the Eastern United States, requires sulphuric acid. Overall, the greatest annual demand for sulphuric acid in the United States is derived from the production of phosphoric acid at 23 million tonnes, followed by industrial uses at 6.7 million tonnes, ammonium sulphate production at 2.2 million tonnes and copper production at 1.6 million tonnes. In the Western United States, sulphuric acid is primarily consumed through copper oxide leach operations, followed by use in the fertilizer and industrial sectors.

Currently, there are seven smelters producing sulphuric acid in the United States. Of the three smelters in the Eastern United States, one is expected to shut-down by 2015, reducing annual production of sulphuric acid by 245,000 tonnes. There are four smelters in the Western United States, two of which are located in Arizona, which together supply approximately 1.1 million tonnes of sulphuric acid per year. The largest smelter, owned by Kennecott Utah Copper, is in Garfield, Utah and supplies about 975,000 tonnes of smelter acid per year to copper oxide production facilities in the region and elsewhere. The fourth smelter in the region is a small operation located in Nevada.

Recent Industry Trends

Recently, a number of potash projects have been postponed or abandoned. Management believes that this should reduce anticipated increased inventory in the potash market and prevent prices from reaching a low point for the foreseeable future.

DESCRIPTION OF THE BLAWN MOUNTAIN PROJECT

Qualified Persons

Steven B. Kerr, CPG, P.Geo., Lawrence D. Henchel, P.Geo., Jason N. Todd, QP, Robert I. Nash, P.Eng., and L. Ravindra Nath, QP of Norwest prepared for the Corporation the Technical Report. The Technical Report has been prepared in compliance with NI 43-101. Each of Steven B. Kerr, CPG, P.Geo., Lawrence D. Henchel, P.Geo., Jason N. Todd, QP, Robert I. Nash, P.Eng., and L. Ravindra Nath, 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 Technical Report. Readers should consult the Technical Report to obtain further information regarding the Blawn Mountain Project. The 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 18.5 sections of land owned by SITLA covering approximately 11,549.2 acres (4,673.8 hectares). The Project is entirely comprised of Utah State-owned land managed by SITLA. The lands immediately around the 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, centring 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 11,549.2 acres (4,673.8 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. 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.

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 Project. Area 2 is located on another ridgeline, parallel to Area 1, that extends from the centre of the Project towards the northeast corner. Area 3 is located in the southwest corner of the 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 Project for potash pursuant to the Exploration and Option Agreement. 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 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 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 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 Project to bring necessary utilities to the Project and initially to transport product to a rail load-out located close to the town of Milford, Utah. In its current condition, the road is not adequate to accommodate the type and amount of vehicles needed to support the Blawn Mountain Project. Additionally, the road is not wide enough to include the necessary utilities, which triggers the need to upgrade the road. The land adjacent to the road is managed by the BLM and impacts to this land required for expansion will require a right-of-way from the BLM. See "— *Regulatory Environment*" and "— *Permits and Authorizations*". Infrastructure and logistic requirements for the Project, which may include roads, rail, port facilities, dams, dumps, stockpiles, tailings disposal, power, and pipelines, have not been fully determined and designed.

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 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 Project. An inventory by the BLM revealed no threatened or endangered species of vegetation.

The Blawn Mountain Project has no perennial streams. Water to support mining and milling will need to be sourced from ground water. US Geological Survey studies indicate substantial groundwater resources are present in the Wah Wah and nearby Pine Valley drainages. Acquiring sufficient water rights is one of the most significant issues for the Project. 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 has been filed by Utah Alunite and SITLA based upon estimated water requirements of the Project.

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 and Cedar City 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.

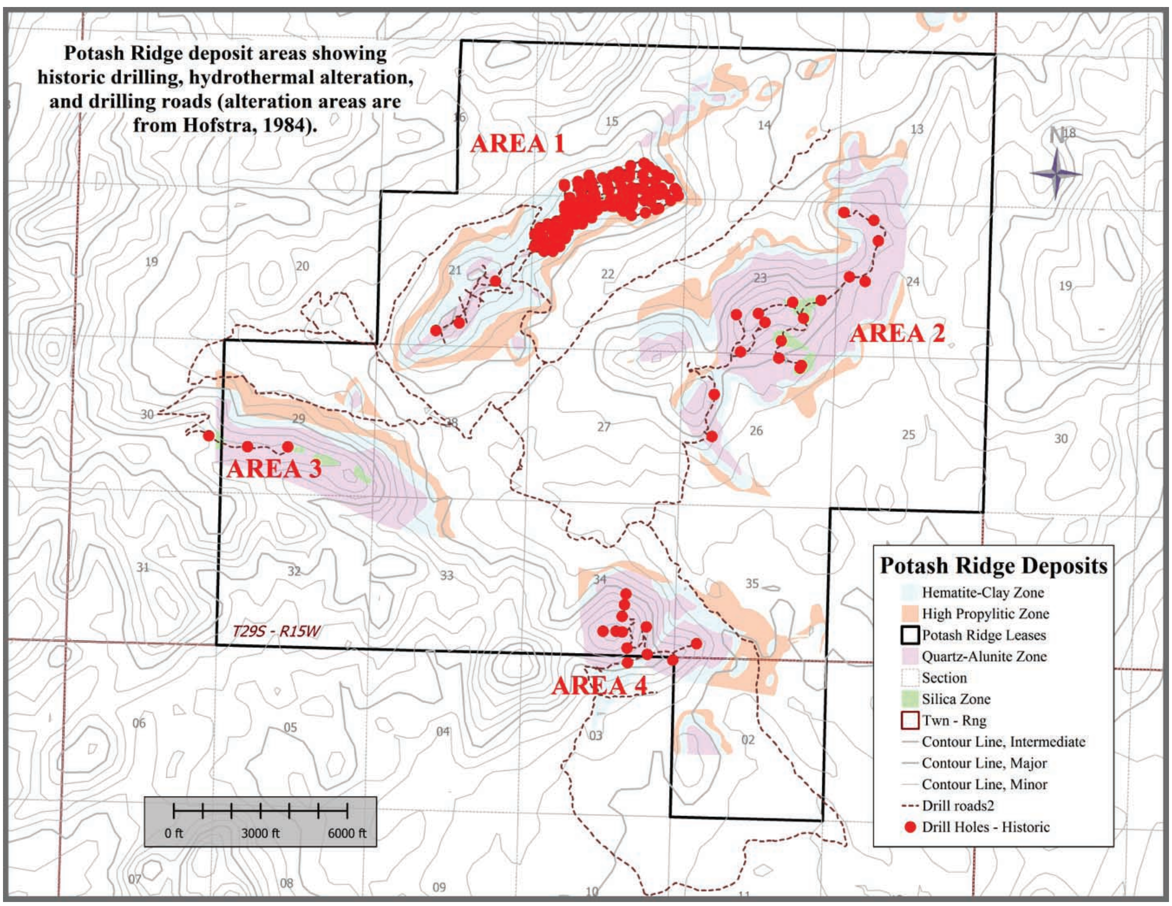
History of the Project

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.

Norwest has estimated resources from three dimensional geological block models ("3DGBMs") constructed in MineSight®, a software package developed by Mintec 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 403 drill holes including 34 twin validation holes in Area 1 and 50 infill holes in Area 2 have been completed. The geologic models are built from the assays and records of 222 drill holes. 147 of the drill holes were not used in the geologic database. A majority of these holes were air-track holes. The air-track drill was often used to prospect for bedrock under alluvium or to spot rotary holes. There are insufficient records for these holes to include them in the geologic model.

A number of criteria were established for determination of resources:

1. The validation process indicated from recent laboratory results that constituent values were as much as 20% higher than historical results for Area 1. It was therefore decided to utilize only the historical results for Area 1. This established more conservative analytical values but also ensured that a larger number of control points of common program origins would be incorporated into the quality characterization of the deposit. By adopting this approach 60 holes were used to establish mineral grades for Area 1.
2. 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.

3. Analytical results were based on composites developed over 3 m intervals in each hole.
4. Four lithologic domains are represented in the geologic block models: Alunite, Clay, Dolomite and Silica.
5. 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.
6. 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.
7. 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 304.8 m for Area 1 and 609.6 m for Area 2. The larger search radii for the Area 2 model was used to account for the more widely spaced drilling.
8. 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.
9. 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 and Al_2O_3 sample data as shown in the following table:

Classification Criteria			
	Measured	**Indicated**	**Inferred**
K_2O	< 45.7 m	< 106.7 m	< 304.8 m
Al_2O_3	< 45.7 m	< 76.2 m	< 304.8 m

10. 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.
11. 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.
12. 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	156,285	37.6%	9,315	15.8%	392	46.5%	24	13.1%
2	464,442	35.6%	26,395	15.9%	250,768	34.7%	13,476	15.5%

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 156 million tons (141.5 million tonnes) of material carrying an average grade of 3.22% K_2O and 13.90% Al_2O_3. The calculated potassium sulfate grade (K_2SO_4) at a 1% K_2O cut-off grade is 5.96%. 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 81 million tons (73 million tonnes). Average grade at a 3% K_2O cut-off is 4.20% K_2O and 15.35% Al_2O_3 with a calculated equivalent grade of 7.77% K_2SO_4. Approximately 66% of the identified resources are classified as measured and 34% as indicated resource.

In Area 2, at a 1% cut-off grade, there is a combined measured plus indicated resource of 464 million tons (421 million tonnes) of material carrying an average grade of 3.07% K_2O and 13.16% Al_2O_3. The calculated potassium sulfate grade (K_2SO_4) at a 1% K_2O cut-off grade is 5.68%. 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 260 million tons (236 million tonnes). Average grade at a 3% K_2O cut-off is 3.74% K_2O and 13.95% Al_2O_3 with a calculated equivalent grade of 6.92% K_2SO_4. Approximately 15% of the identified resources are classified as measured, 50% as indicated resource and 35% as inferred resource.

There are no mineral reserve estimates associated with the Technical Report.

Historic Resource Estimates

The following table presents historical resource estimates prepared by Earth Sciences in 1974 for Areas 3 to 4 that were part of the NG alunite property. The historic resources are not NI 43-101 compliant although reasonable methodologies were applied at the time. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves. The Corporation is not treating the historical estimates as current mineral resources or mineral reserves, the estimates are conceptual in nature, as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Previous estimates are difficult to relate to the current assessment for several reasons: historical estimates centered on alumina as the primary product with potash as a secondary product; cut-off grades were based on Al_2O_3 rather than K_2O and therefore skew the K_2O estimates since potassium was not optimized; historical estimates for K_2O and K_2SO_4 were calculated by Norwest based on historical Al_2O_3 contents by applying a multiplier of 0.2809 to Al_2O_3 to derive K_2O content; and potassium sulphate, K_2SO_4, was calculated from K_2O using a factor of 1.8493. See "*Risk Factors — Uncertainty of inferred and estimated mineral resources and historical information*".

Non NI 43-101 Compliant Calculated Historic 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)
3	11,600	44.0%	987	19.3%	281,400	44.0%	23,950	19.3%
4	51,700	36.5%	3,667	19.4%	49,200	38.0%	3,645	19.5%
Total: Areas 3 & 4	**63,300**	**37.9%**	**4,654**	**19.4%**	**330,600**	**43.1%**	**27,595**	**19.3%**

Note:

(1) Calculated SOP content of Alunite mineral.

Preliminary Economics

The Preliminary Economic Assessment has been prepared for the Blawn Mountain Project. Production volume is planned at 750,000 tons (680,000 tonnes) of SOP per year for the expected 30 year life of the Project. Future studies are recommended to expand the resource base and extend the life of the Project beyond the expected 30 year mine life provided for in the Preliminary Economic Assessment.

As a result of the SOP production process, 1.8 million tons (1.6 million tonnes) of sulphuric acid are expected to be produced annually. This will require an annual average of 17.1 million tons (15.5 million tonnes) of alunite which fluctuates within a small range depending on the grade being mined in a given year. Over the expected 30 year life of mine of the Project, it is expected that 22.6 million tons (20.5 million tonnes) of SOP and 54.2 million tons (49 million tonnes) of sulphuric acid could be produced based on the Preliminary Economic Assessment.

The Preliminary Economic Assessment envisions a two year construction period for the Project. Pre-production cash outflows are expected to total US$1.3 billion over this period. Cash flows after payback are expected to average US$288 million per year for a total expected net cash flow of US$7.2 billion over the life of the Project.

Assuming a long term average price of US$640 per ton for SOP and US$130 per ton of sulphuric acid, the Preliminary Economic Assessment indicates a net present value at a 10% discount rate of US$1.3 billion (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 21.3% 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$92 per ton of SOP and sulphuric acid produced.

The Preliminary Economic Assessment is preliminary in nature, and includes inferred mineral resources. Inferred mineral resources are considered too speculative geologically to have technical and economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Accordingly, there can be no certainty that the results estimated in the Preliminary Economic Assessment will be realized.

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.

A county road which begins at SR-21 will be the main access road to the Project site. Currently, the road is an unpaved, dirt surface road, which is maintained by the Beaver County Road Department. Improvements to this road will be necessary to accommodate vehicles transporting material to and from the Project. Improvements may include raising the existing grade, installing drainage culverts and roadside drainage ditches, and providing a gravel or asphalt paved driving surface.

The Corporation anticipates that a railway terminal will be required to transport the SOP and sulphuric acid produced by the Corporation. The railway terminal may also be necessary to deliver the diesel fuel required to operate machinery and equipment at the Project. Alternatively, diesel fuel can be transported to the Project by tanker truck. The Corporation expects that it will build a new rail siding including the required storage and loading facilities along the rail line to the north or south of Milford. Large volumes of sulphuric acid will be transported by truck to the rail terminal. Discussions with Union Pacific will be required to identify equipment availability and supply requirements, storage and facility location, yard and mainline operation and other associated railway related issues.

Based on an initial review of the availability of electrical power for the Project, the Corporation expects that initial power for the Project will be supplied by a stand alone on-site power plant.

Financial and Sensitivity Analysis

The internal rate of return for the Project is expected to be 21.3%. 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	US$1.9 billion	US$1.3 billion	US$0.9 billion

The table below shows the expected sensitivity of the Project's economics to changes in selling price, direct operating costs and capital costs. The expected economics of the Project are more sensitive to selling price than changes in capital or operating costs.

Sensitivity Analysis			
Discount Rate	**8%**	**10%**	**12%**
Base Case	US$1.9 billion	US$1.3 billion	US$0.9 billion
10% Increase in Selling Price	US$2.3 billion	US$1.7 billion	US$1.2 billion
10% Decrease in Selling Price	US$1.5 billion	US$1.0 billion	US$0.7 billion
10% Increase in Operating Costs	US$1.8 billion	US$1.2 billion	US$0.8 billion
10% Increase in Capital Costs	US$1.8 billion	US$1.2 billion	US$0.8 billion

Capital Costs

The Corporation estimates that it will incur capital costs of approximately US$1.3 billion to develop, construct and bring the Blawn Mountain Project into commercial production. Sustaining capital expenditure is estimated to amount to an additional US$162 million spread over the 30 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 USD)					
	Year −2	**Year −1**	**Total Construction and Development Capital**	**Sustaining Capital**	**Total Life of Project Capital**
Processing Plant	$547	$548	$1,095	$ 87	$1,182
Mining Operation		$ 40	$ 40	$ 65	$ 105
Contingency	$ 80	$ 85	$ 165	$ 10	$ 175
Total	**$627**	**$673**	**$1,300**	**$162**	**$1,462**

The estimate excludes the capital costs required to construct third party facilities such as a powerhouse and water treatment facility as the Corporation anticipates that these facilities may be constructed under build-own-operate or joint venture arrangements, thereby mitigating the requirement for the Corporation to fund their construction. However, the estimate does include capital costs for a sulphuric acid plant. The Preliminary Economic Assessment for the Project includes the capital and operating costs for the powerhouse and water treatment facility, but only the operating costs for the sulphuric acid plant. The rates used are assumed to cover operating costs, return on capital for the operator, recovery of capital and operating expenses. The estimated cost for the powerhouse services is approximately US$160 million, the sulphuric acid plant is approximately US$180 million and the water treatment plant is approximately US$40 million. These estimates have an indicative accuracy range of −30% / +50%.

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

Cost Breakdown by Area (in millions of USD)	
Description	**Total Cost**
Direct Cost Summary	
Primary Crushing	$16.6
Alunite Stockpile-and-Reclaim	$24.2
Wet Grinding and Classification	$76.7
Flotation and Flotation Concentrate, Solid/Liquid Separation	$34.2
Flotation Concentrate and Tailings Dewatering	$31.7
Concentrate Drying and Calcination.	$198.5
Calcine Leaching and Solid/Liquid Separation	$21.5
Crystallization and SOP Product Solid/Liquid Separation	$192.9
Product Drying, Compaction, Storage and Load Out	$36.6
Auxiliary Services — Fire Protection	$3.2
Total Direct Costs	**$636.0**
Indirect Cost Summary	
Engineering Procurement and Construction Management Cost	$127.2
Construction Related Cost	$139.9
Owner's Related Cost	$0
Contingency and Tax	$172.1
Total Indirect Cost	**$439.2**
Subtotal Project Cost	**$1,075.2**
Third Party Cost Summary	
Third Party Power House Services	$160.0
Third Party Sulfuric Acid Plant.	$180.0
Third Party Water Treatment Plant	$40.0
Total Third Party Cost	**$380.0**
Total Installed Project Cost	**$1,455.2**

Operating Costs

Expected average annual operating costs for the processing and mining operation are shown in the following table. All costs are stated in constant 2012 dollars, there is no provision for inflation.

Average Annual Plant and Mine Direct Operating Costs (in millions of USD)	
Direct Plant and Mine Operating Costs	**Life of Plant Annual Average**
Mining	
Labour and Benefits	$12
Materials and Consumables	$21
Total Mining	$33
Processing Plant	
Labour and Benefits	$27
Materials and Consumables	
Crushing and Grinding	$15
Floatation	$11
Calcination	$47
Leaching and Crystallization	$4
Drying and Compaction	$3
Powerhouse	$23
Water Treatment Plant	$3
Acid Plant	$4
Contingency	$18
Total Processing Plant	**$155**
Total Direct Operating Costs	**$188**

Cash Production Costs

Additional cash production costs include site general and administrative expenses, property taxes and insurance, corporate overhead and royalties. The total cash cost is estimated to be US$92 per ton of SOP and sulphuric acid on average over the life of the mine. These costs, except royalties, were estimated by management of the Corporation. Royalties are based on the Exploration and Option Agreement which provides for a royalty of 5%

and 4% of the selling price for SOP and sulphuric acid respectively. Total cash production costs are shown in the table below.

Total Cash Production Summary		
Total Cash Production Costs	**Unit**	**Life of Plant Annual Average (in millions of USD)**
SOP Tons Sold	750,000 tons	
Sulphuric Acid Tons Sold	1.8 million tons	
	(USD)	
Direct Plant and Mine Cash Production Costs	$73 per ton	$188
Royalties	$13 per ton	$33
Site General and Administrative Expenses	$2 per ton	$5
Property Taxes and Insurance	$3 per ton	$6
Corporate Overhead	$1 per ton	$3
Total Cash Production Costs	**$92 per ton**	**$235**

Markets and Contracts

The SOP produced from the Blawn Mountain Project is expected to be marketed to the global fertilizer industry, which is a large component of the global chemicals industry. Fertilizers consist of essential plant nutrients which are applied to farmed crops in order to achieve favourable quality and yield. They replace the nutrients that crops remove from the soil, thereby sustaining the quality of crops, and are considered the most effective means for growers to increase yield. The key components of agricultural fertilizers are nitrogen (anhydrous ammonia and urea), phosphates (ammonium phosphates and superphosphates derived from phosphate rock), and potassium (potash). Sulphur has gained increased attention in the fertilizer industry over the past several years due to the realization that crops were becoming sulphur deficient. Sulphur is necessary for the production of protein, fostering activity and the development of enzymes and vitamins. Global fertilizer demand is expected to increase greatly in the coming years due to world population growth accompanied by decreasing arable land per capita, changes in diet and growth in alternative fuels which use crops as feedstock. See "*The Fertilizer Industry*".

Environmental, Social and Community

The Corporation has not to date identified any significant environmental, social or community risks.

Taxes

Income taxes applicable to the Project include both U.S. Federal and State of Utah corporate taxes. The Preliminary Economic Assessment assumed a blended tax rate of 38.25% applicable to the Project and applied this rate to estimated taxable income from the Project. For purposes of the Preliminary Economic Assessment, 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. Operations located in Utah require compliance with federal as well as state mining and environmental regulations. Utah has primacy over major environmental disciplines including mining, air and water permitting. The Project is located in southwestern Utah on State controlled land. As a result, most of the permits that the Corporation will need to develop, build and operate the Project will be sought from State agencies. Nonetheless, vast amounts of land in Utah are managed by the BLM due to the presence of either federally-controlled surface land or federal mineral ownership. The lands surrounding the Project are predominately federally managed by the BLM.

When federal lands (minerals or surface) are impacted by a project, federal approvals are required from the applicable land management agency, most commonly the BLM. Federal actions requiring permits or approvals trigger an environmental review under the National Environmental Policy Act ("**NEPA**"). The level of scrutiny a project receives is based upon the land management agencies' discretion and the significance of impacts to the environment. When impacts are potentially more significant, an Environmental Impact Statement ("**EIS**") may be required. This process can take several years and involves multiple agencies and extensive public input. When impacts are less significant, the federal permit or approval can be substantiated with an Environmental Assessment ("**EA**"), which is an abbreviated process that generally can be accomplished within six to 12 months. Regardless of the process that applies, environmental impacts of any project on federal land must be evaluated prior to receiving federal authorization to proceed.

The Project is located on SITLA controlled mineral and surface land. Because SITLA controls both surface and mineral resources on the parcel, the potential for federal involvement under NEPA is minimal.

Permits and Authorizations

The following table identifies the major permits and authorizations that the Corporation expects to be required prior to the development, construction and start-up of the Blawn Mountain Project. In addition to the permits noted below, other ancillary environmental authorizations may need to be obtained including, spill control and response plans, solid and/or hazardous waste management authorizations, hazardous materials transportation authorizations, authorizations for the use of low level radioactive sources and hazardous chemical training for employees.

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**
Federal Right-of-Way	United States Bureau of Land Management
Mining Permit	Utah Division of Oil, Gas and Mining
Water Appropriations	Utah Division of Water Rights
Groundwater Discharge Permit(1)	Utah Division of Water Quality
Air Approval Order (Prevention of Significant Deterioration)	Utah Division of Air Quality
Title V Air Permit	Utah Division of Air Quality
Construction and Industrial Storm Water Permit	Utah Division of Water Quality
Dredge and Fill Permit	United States Army Corps of Engineers
County Conditional Use Permit	Beaver County

Note:

(1) The need for this permit may be eliminated if the final project design and engineering are able to avoid discharges into the groundwater resources.

Federal Right of Way

An existing county maintained road (Wah Wah Valley Road) provides access to the Project. Potash Ridge will utilize this road to access the Project to bring necessary utilities to the area and initially to transport product to a rail load-out located close to the town of Milford some 48 km away. In its current condition, the road is not adequate to accommodate the type and amount of vehicles needed to support the Project. Additionally, the road is not wide enough to include the necessary utilities, which triggers the need to upgrade the road. The land adjacent to the road is managed by the BLM and impacts to this land required for expansion will require a right-of-way (ROW) from the BLM.

The Wah Wah Valley road provides access to the Blawn Mountain Project and several other SITLA parcels, and also provides access to areas with potential for renewable energy project development. To help encourage these development opportunities, Beaver County has applied for the ROW on the basis that improvement of the road for future uses will enhance economic development in the county as well as adjacent counties. The ROW is being pursued by Beaver County under a separate action under NEPA not directly connected to the Project. The BLM is currently preparing an EA to evaluate the potential impacts from the ROW. The ROW is expected to be granted in late 2012 or early 2013.

Utah Division of Oil, Gas and Mining — Notice of Intent

All hardrock mining operations, such as the Blawn Mountain Project, that disturb more than five acres (two hectares) of land must file a Notice of Intent ("**NOI**") and obtain approval from the Utah Division of Oil, Gas and Mining ("**DOGM**") prior to beginning operations. Permit applications must contain a complete description of the environmental resources and impact analysis in the area to be mined, a description of mining methods, a comprehensive reclamation plan and a financial security instrument acceptable to DOGM to cover the costs of reclamation to be completed by an independent third-party.

Potash Ridge needs to complete the environmental baseline studies for the Project, and complete the mining and reclamation plan. Preparation, submittal and approval of the NOI can typically be completed within one year assuming sufficient planning is integrated into the baseline data collection schedule, a comprehensive, well organized application is submitted, and the project is not highly controversial. Mining permit approval time is typically nine to 12 months. NOI approvals can be challenged by interested parties which can extend final authorization.

Utah Division of Water Rights — Water Appropriations

Acquiring sufficient water rights is a key issue for the Blawn Mountain Project. The Corporation has been actively pursuing sufficient water rights for the Project based upon the estimated water requirements (493-740 hectare metres per year) from preliminary design information. More accurate projections will be developed as part of the next level of engineering. Management is strongly focused on reducing water consumption for the Project. An application to appropriate the necessary water rights has been filed by Utah Alunite and SITLA based upon current estimated water requirements of the Project. The State Engineer's Office is currently reviewing the application. A small number of protests have been received regarding the application, including protests from federal and county agencies. One protester has requested a formal hearing regarding the application. Although it is early in this process, these protests are not expected to impact the receipt of the necessary water appropriations for the Project or the timing of such receipt. The State Engineer's Office does not have a fixed timeline to respond to applications, however, a permit decision is expected by mid-2013.

Utah Division of Water Quality — Groundwater Discharge Permit

Mining projects that include a potential source of contamination to groundwater resources must complete a groundwater discharge permit application. The Utah Division of Water Quality will review the application and determine if a permit is required as, in some cases, a permit is not required. If a permit is required, points of compliance and effluent limits will be negotiated for the various potential sources of compliance.

Groundwater discharge permit applications will require the Corporation to complete sufficient groundwater investigations to be able to evaluate potential impacts to the resource and, if necessary, provide sufficient mitigation. As part of the Corporation's exploration drilling program, it will complete a sufficient number of groundwater wells to develop a sound understanding of the hydrogeology of the region. To date, five groundwater wells were completed to help characterize the hydrologic conditions of the lease area. The hydrologic interpretation will be included in the groundwater permit application. Actual permit processing time is based upon the thoroughness and level of organization of the application and whether there are sensitive groundwater issues (source and quality) in the area where the Project is located. Groundwater permit applications typically are processed in approximately nine to 12 months.

Utah Division of Air Quality — Air Quality Permit

In Utah, all sources that emit certain regulated pollutants are required to obtain an Approval Order from the Utah Division of Air Quality ("**UDAQ**"). The Project is located in an Attainment Area which is a designation assigned to air sheds that meet the National Ambient Air Quality Standards. The Project is also located in relatively close proximity, approximately 160 km, to at least one Federal Class I air shed, Zion National Park. Federal Class I air sheds include most National Parks or other pristine air sheds where air quality values that enhance the visitors experience are protected. Permitting requires sources to establish baseline meteorological data and background concentrations for certain regulated pollutants, and conduct modeling to predict the dispersion of emissions from the source.

In addition to the required Approval Order, sources that emit certain regulated pollutants in excess of certain levels are deemed "major sources" and are required to obtain a Title V air permit. Sources that emit more than 227 tonnes per year of certain regulated pollutants are considered to be major sources under the Clean Air Act. For purposes of classifying the Blawn Mountain Project, its emissions are projected, based upon preliminary plant design calculations, to exceed 227 tonnes per year for several pollutants including SO_2, NOx, O_3, and coarse and fine particulates. The Corporation's preliminary estimates of greenhouse gas emissions are projected to exceed 90,700 tonnes per year, which triggers the need to include those pollutants within the Title V permit.

Potash Ridge has been proactive in addressing the regulatory requirements to obtain the needed air quality permits by meeting with the UDAQ and identifying the level of investigation required to obtain the permits. A monitoring plan was prepared by Potash Ridge and approved by UDAQ. In September 2012, an air monitoring station was installed near the Project and a particulate monitoring station was installed closer to Milford, Utah at a location approved by the UDAQ. This monitoring station will gather air quality data for approximately one year.

The air quality permits will be the longest lead-time permits based upon the requirement to collect background air quality data and drive the overall environmental permitting schedule for the Project. After gathering the one year of baseline data, the application preparation and approval can take between 12 and 15 months. The timeline for permit approval can be reduced by submitting a thoroughly complete and technically correct application, and by supporting the UDAQ efforts to coordinate approval with the Federal Land Manager for Class I airsheds. Early submittal of modeling results prior to submitting the entire application can also help expedite this process.

Utah Division of Water Quality — Storm Water and Point Source Discharge Permit

Project construction requires a National Pollutant Discharge Elimination System ("**NPDES**") storm water permit for construction activities to control off-site sedimentation. In addition, the ongoing operations will require a NPDES storm water permit for industrial activities. Utah has obtained full jurisdiction from the Environmental Protection Agency for implementing NPDES requirements. The storm water pollution prevention plan will be developed from the mining and reclamation plan. The storm water pollution prevention plan must be fully developed and permit coverage for the construction activities granted prior to breaking ground at the Project. Once the Project is on-line and point sources (sediment ponds) are required, the NPDES permit for industrial activities for these sources will be required.

Both the storm water pollution prevention plan and the NPDES design requirements will be developed as part of the drainage control plan for the mine. If impoundments are larger than 2.5 hectare metres in capacity or exceed 6 vertical metres from base elevation on the downstream side, a Dam Safety Certification will be required from the State and Mine Safety and Health Administration. These authorizations are common to the industry and will evolve from design work associated with the Project.

Lead times for the NPDES and Dam Safety Certification approvals typically take six to nine months.

Army Corps of Engineer's — Dredge and Fill Permit

The United States Army Corps of Engineers ("**ACOE**") regulates Section 404 of the Clean Water Act. Section 404 permits under the Clean Water Act are required to fill or dredge "jurisdictional" waters or waterways of the United States. Permits or approvals granted by the ACOE require NEPA compliance because it constitutes a federal action. Mining-related small scale impacts to jurisdictional waters, less than 0.5 acres, may qualify under a Nationwide Permit which would not require a NEPA analysis.

A preliminary determination of ACOE jurisdictional waters for the proposed access road to the Project was completed. Though some areas along the road corridor may fall within categories for which ACOE generally will assert jurisdiction, the Corporation plans to avoid these areas entirely, or to keep the disturbance level below 0.5 acres (0.2 hectares), to qualify for a Nationwide Permit.

A follow-up preliminary determination of jurisdictional waters was completed for lands within the SITLA tract boundary. This work did not constitute a formal, approved jurisdictional determination which the ACOE is required to endorse, but was completed to establish areas with potential jurisdictional waters. This assessment evaluated a few small areas of potential jurisdiction. The Corporation expects to avoid these areas, or to maintain disturbance to less than 0.5 acres (0.2 hectares) required for a Nationwide Permit.

Beaver County — County Conditional Use Permit

The Corporation will be required to obtain from Beaver County a Conditional Use Permit ("**CUP**") for the Project. CUPs focus on direct impacts to the social fibre of the community and the impacts to infrastructure. The CUP will require an analysis of the impacts on social programs including schools, medical facilities, law enforcement and employee housing, as well as traffic and noise. Anticipated time for processing a CUP is expected to be two to three months, once all the supporting studies have been completed.

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 H_2S 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 15 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 34 drill holes were twinned to locations of previous drill holes completed by Earth Sciences. The Area 1 validation program was followed by an infill drilling program for Area 2. Under the guidance of NAE, a combination of three slim-core holes (HQ-size), three large diameter cores and 44 reverse circulation holes were completed on Area 2 between July 11, 2012 and September 17, 2012.

Infill drilling and analysis is currently in progress in Area 1. The Corporation plans to drill five core holes (HQ-size), 26 reverse circulation holes and 7 large diameter core (PQ-size) holes for the purposes of providing additional grade data that is consistent with the current laboratory standards as well as providing material for rock strength characterization and collecting bulk samples for alunite processing simulations.

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 H_2S is oxidized to H_2SO_4. 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.

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.

1. 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.
2. 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.
3. 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.

Area 2 Infill Drilling

Following the validation drilling program in Area 1, Potash Ridge completed an infill drilling program in Area 2 between July and September, 2012. All drill sites were oriented to provide adequate spatial representation of the deposit. Three of the Corporation's holes were drilled using wire-line slim coring methods, continuously collecting HQ (2.5 inch diameter) core. A total of 328.6 m of drilling was accomplished through slim core drilling with an average recovery of 92%. Three of the Corporation's holes were drilled using wire-line large diameter coring methods, continuously collecting PQ (3.4 inch diameter) core. A total of 275.4 m of drilling was accomplished through large diameter core drilling with an average recovery of 94%. The remaining 44 drill holes were completed using reverse-circulation drilling equipped with either a down-hole hammer or deep-hole bit. A total of 4,597.9 m were completed with reverse circulation drilling.

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.

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.

Security of Samples

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: i) indirectly by measuring the SO_3 content through a LECO furnace determination of the sulfur content; ii) by determining the soluble Al_2O_3 content, presumably by wet chemical methods; and iii) 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.

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.

NAE delivered 760 slim core samples and 2,386 reverse circulation samples including 194 blind duplicate 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 infill drilling program on Area 2, the ICP-AES whole rock analytical package is being used on all samples from the HQ core drilling and the reverse-circulation drilling. The HQ core samples are also tested for minor trace elements using the four-acid ICP-AES procedure and will undergo mineral analysis using X-ray Diffraction.

Selected core samples from the HQ core holes being drilled in Area 1 will also undergo geotechnical testing. Large diameter core samples (PQ size) have been retained for later metallurgical testing.

Data Verification

For purposes of preparing the Technical Report, Norwest conducted four site visits to the Blawn Mountain Project. Mr. Kerr and Mr. Henchel visited the Project on October 30, 2012. Mr. Kerr first performed a site visit on February 9th, 2012 and has made several site visits to the property since that time. The site visits confirmed the location and access routes of previous and current exploration activities. During the first site visit, Potash Ridge's validation drilling program was still in progress with both the core and reverse circulation rigs operating. Norwest was able to observe drilling, logging and sampling procedures at the drill sites. Norwest 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 Norwest, blind duplicate samples of core were added into the sample sequence as one step of quality control.

During subsequent site visits, Norwest has been able to observe and confirm both alunite and non-alunite lithologies, alterations, geologic contacts and a few of the major structures that bound the Area 1 deposit. Norwest has maintained an onsite presence throughout the infill drilling program on Area 2, ensuring logging, data collection and sampling procedures are being followed in a consistent manner and maintaining a chain of custody.

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

Norwest has examined and compared the K_2O and Al_2O_3 values from 27 of the Potash Ridge 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 Potash Ridge 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, Norwest 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.

The samples sent to ALS Minerals from both Area 1 and Area 2 included 194 blind duplicates. Comparison of K_2O and Al_2O_3 concentrations between the original and duplicate samples shows good correlation with mean differences 4.61% and 0.04% respectively.

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 Potash Ridge 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.

Norwest believes the Potash Ridge validation and infill drilling programs for Area 1 and Area 2 respectively have adequately tested the deposit both spatially and in number of twinned drilling locations. Norwest 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 the Blawn Mountain Project will utilize conventional truck/shovel mining techniques employing a large hydraulic backhoe as well as a front-end-loader to load end-dump mining trucks to remove alunite and waste material from mining areas. The mining areas developed for the Technical Report were defined mainly by the geologic resources and extents of the alunite body as well as the potassium oxide grade. The targeted mining production levels are defined by the amount of K_2SO_4 required to meet project plant production levels. On a steady-state basis, K_2SO_4 requirements are 750,000 tons per year (680,000 tonnes per year) which equates to roughly 17.2 million tons (15.6 million tonnes) of run-of-mine alunite. Run-of-mine production requirements vary depending on the grade of K_2O being released from mining operations.

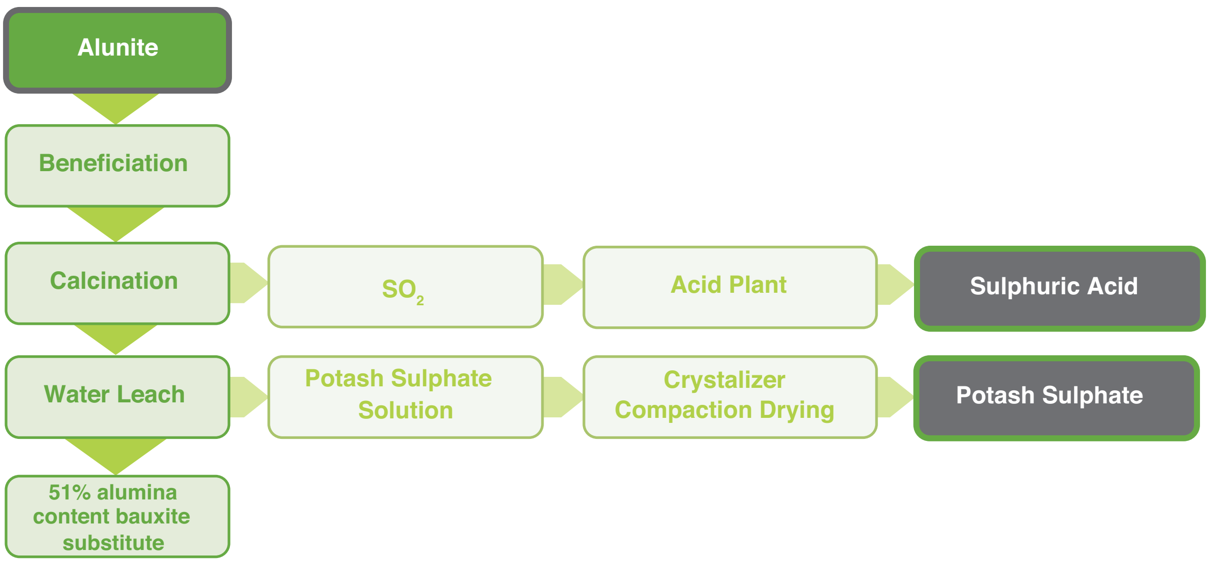
Future operations at the Blawn Mountain Project will begin mining in Area 1 and transition to Area 2 once the targeted alunite has been exhausted from Area 1. Alunite and waste will be removed using area and bench mining techniques utilizing multiple lifts and mining faces to assist with in-pit material blending efforts.

At this stage of development, the anticipated mine life is 30 years, including a two year ramp-up period. The material removed during the ramp up period is considered part of the 30 year mine life. The strip ratio over the mine life averages approximately 0.12:1 (cubic yards of waste: run-of-mine alunite tons). Waste material consists primarily of overburden and mineralized zones of sufficient quality to process.

As alunite is mined, it will be transported to either the stockpile area or directly to the primary crusher. Waste that is generated from mining will initially be placed in out-of-pit piles. As mining progresses and sufficient area becomes available, it is anticipated that waste material will be placed back into prior excavations. In a general sense, the majority of waste from Area 1 will be placed out-of-pit and waste from Area 2 will be hauled and placed into the Area 1 mine void.

Mineral Processing

If and when the Corporation exercises its Option Lease and 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 a bauxite substitute 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.



Management expects the processing plant will be designed to produce 750,000 tons (680,000 tonnes) per year of SOP as the primary product. The plant is expected to produce a granular product at a minimum product grade of 50 weight percent K_2O that can be used on its own or is suitable for bulk blending with other fertilizer components.

The design of the processing facility uses a combination of proven technologies and relies on previous metallurgical test work conducted by Hazen, on previous engineering work, pilot plant testing and other studies performed by the Alumet Company during the 1970s and on more recent metallurgical test work conducted by Hazen for Potash Ridge.

It is expected that alunite will be primarily crushed at the mine site and transferred to the crushed alunite stockpile at the processing plant. The alunite will then be fed to the processing plant where it is further crushed and ground before feeding into the flotation circuit to separate out the silica. After separation, the beneficiated alunite (flotation concentrate), will be fed to the calcination process.

The calcination process is expected to cause the ground alunite to break down to potassium sulphate, aluminum oxide and sulphur dioxide. The sulphur dioxide off gas will be converted in the acid plant into sulphuric acid. Management estimates the plant willproduce 1.8 million tons (1.6 million tonnes) of sulphuric acid per year. The alunite discharging from the calcination will be leached in a hot water solution and the dissolved SOP will be crystallized from the leachate. The SOP will then be recovered, dried and compacted to produce the required granular product.

The residue from leaching will initially be stockpiled but may be used as a bauxite-substitute feedstock for a refinery to produce smelter-grade alumina.

Metallurgical Testing

Alunite is a naturally occurring semi-soluble salt mineral which occurs as a hydrothermal-alteration product in feldspathic (orthoclase feldspar-rich) igneous rocks. It contains potassium, sulfur, and alumina. Potash Ridge will mine alunite, or hydrous potassium aluminum sulfate, $KAl_3(SO_4)_2(OH)_6$, from the Blawn Mountain deposits in Utah. The alunite will be processed for the production of 750,000 short tons per year (680,000 tonnes per year) of fertilizer-grade (92.5%) potassium sulfate (K_2SO_4), also called SOP, approximately 1,800,000 tons per year of co-product concentrated (98 wt.%) sulfuric acid (H_2SO_4), and approximately 3,620,000 tons per year of an alumina/silicate $(AlO)_2SiO_3$ product consisting of a mixture of alumina, silica, and oxygen containing approximately 50% Al_2O_3. It is anticipated that the stockpiled alumina/silicate product will eventually be re-processed into an alumina (Al_2O_3) product.

The recovery methods for extracting potassium as SOP from the alunite, as envisioned, consists of the following major unit operations:

- Crushing and grinding of run-of-mine alunite.
- Conditioning with flotation reagents the finely-ground alunite pulped with water.
- Multi-stage flotation to recover alunite concentrate and tailing as slurry.
- Thickening and clarification of alunite concentrate and tailings slurry.
- Filtration of concentrate thickener underflow to obtain alunite filter cake.
- Pumping tailings to impoundment.
- Reuse of thickener overflow and tailings pond water for water conservation.
- Drying and Calcining alunite concentrate obtained as filter cake.
- Recovery of alunite-bearing dust in calciner off-gases.
- Routing sulfur oxides-rich calciner off-gases as feed to sulfuric acid plant.
- Production of concentrated sulfuric acid as by-product.
- Leaching calcines with hot water to extract SOP.
- Filtration of water-leached slurry to recover SOP-rich solution.
- Stockpiling alumina/silicate-rich filter cake for alumina recovery at a later date.
- Evaporation-Crystallization of SOP crystals from SOP-rich solution.
- Compacting for densification of SOP product crystals.
- Packaging, storage and load out of product SOP.
- Bleed stream treatment for controlling impurity buildup.

Recommendations

Development Drilling

The results of the 2012 drilling program should be included in the geological database and a new geological model produced for Area 1. The infill drilling will be providing additional grade data that is consistent with current laboratory standards as well as providing geotechnical data and bulk sample material for alunite processing simulations. This data will provide the necessary information for prefeasibility level mine planning and higher-level engineering.

A large number of drill holes that define the block model in Area 1 terminate in mineralized material, suggesting the potential to define additional resources at greater depths. Norwest recommends drilling 30 holes that will specifically attempt to identify mineralization to greater depths. Projected drill depths range from 121.9

to 304.8 m for a total of 6,400.8 m using a 213.4 m average hole depth. To support mine planning and design, Norwest recommends drilling ten of the proposed holes as continuous core holes from surface to collect samples for geotechnical characterization and gather detailed geochemistry and mineralogy information. This will provide vital information that will support mine planning and process design.

Mine Planning and Processing Refinement

Additional detailed planning and study is recommended for the mine planning and processing components for the Project. This will result in a more accurate recoverable reserve base. This work should initially be completed at the prefeasibility level of project evaluation. Norwest estimates the cost of this additional work would be in the range of US$3.0 million to US$4.0 million. Assuming positive results are received from the prefeasibility study, a full feasibility study is recommended and an estimate of costs associated with that work would be between US$6.0 million and US$8.0 million. Concurrent with the prefeasibility study, Norwest recommends additional metallurgical and pilot scale testing to aid in the detailed design of the processing facility and to provide better estimates of recoveries. The cost of this work is estimated at US$3.1 million.

The work performed in these studies would cover all aspects of the project including optimized mine planning, infrastructure and processing facilities design as well as the capital and operating costs associated with these activities.

Geotechnical Studies

Geotechnical sampling and detailed core logging should be conducted in conjunction with any drillcore activities to build a current rock mechanics database. Some of this work is already underway as part of the 2012 drilling programs.

Full investigations of the foundation materials around the processing and surface facilities areas as well as the stockpile and impoundment areas are required. The pitwall and dump design parameters are unknown at this point and should be adequately characterized as further studies proceed. Anecdotal information was used in this design study using best practices, although site construction will require further study.

Water Supply — Hydrology

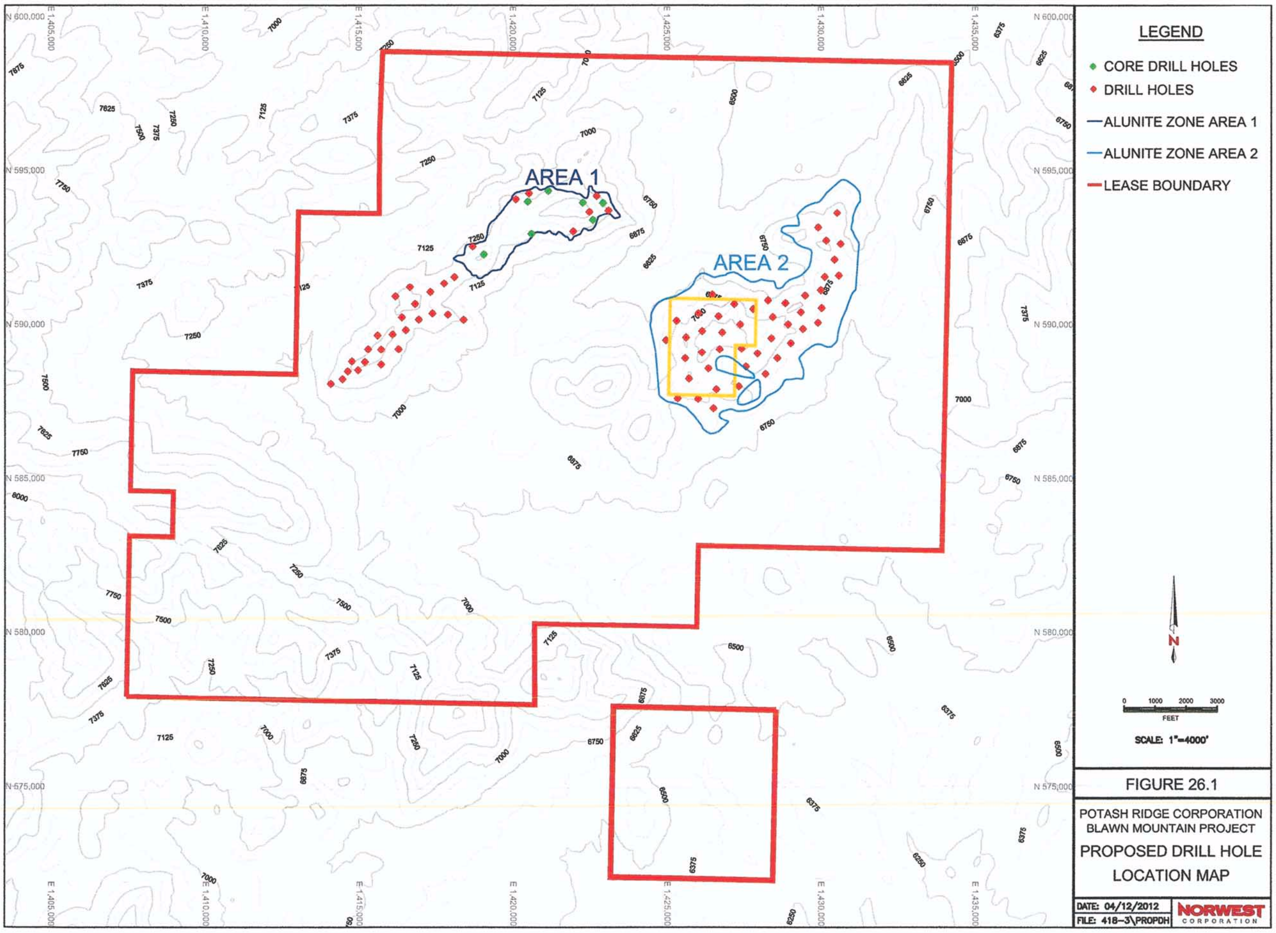
Additional work on the property pertaining to hydrological characterization should continue. This work has already begun and data from these efforts will be used in developing permit applications. Well completions and pump tests to define groundwater characteristics will be required prior to beginning further levels of project evaluation.

In addition to characterizing the hydrologic conditions of the project site, additional investigation has been completed to identify sources of water required for the project. Supply water studies completed by previous investigators were reviewed, and preliminary field studies were conducted to confirm the results of these earlier findings.

A water supply plan has been developed for the Project. It includes obtaining approvals from the State for diverting groundwater. Aquifer testing needs to be completed to confirm the estimated productivity of the water bearing strata adjacent to the project in Wah Wah Valley. Groundwater supply wells can be developed within the boundaries of SITLA controlled land. Additionally, the presence of several large (16” diameter) existing groundwater wells has been confirmed. The development of new water supply wells for a project of this size can be significant. In order to minimize these costs, Potash Ridge will continue to explore approval to use the wells located off of SITLA controlled land. Permits and infrastructure to connect these wells to the project will still need to be obtained and constructed. Aquifer testing and developing new supply wells for the project was estimated to cost between US$2.5 and US$3.0 million. Obtaining approval to use existing wells in the area would reduce this cost significantly even if additional permitting and infrastructure is required.

Permitting

Norwest has developed a permitting plan for Potash Ridge for the Project. The plan includes a schedule to obtain all of the major permits (mining, air quality, groundwater discharge, etc.) required prior to start-up. Some preliminary field studies have been conducted, and monitoring of baseline air quality is underway. Environmental studies, including an expansion of the hydrologic investigation program required for these major permits are planned for the 2013 field season. Collection of air quality baseline data will continue through the 2013 field season as well. Once the field studies are completed, permit applications will be developed and submitted to the appropriate agencies for action. A permitting budget of US$1.5 to US$2.0 million has been submitted for the work. Ramp-up to begin this work will occur in the first quarter of 2013 and take approximately two years to complete.



SOP Residual Material

As a result of the production of SOP, an alumina rich SOP residue is expected to be produced after the extraction of SOP and sulphuric acid from the alunite mined from the Blawn Mountain Project. Management estimates that 2.8 million tonnes of this residue containing approximately 51% alumina willl be produced per year. This estimated production per year is based on the recovery rates referred to in the Technical Report and the assumption that the Project will produce at least 680,000 tonnes of SOP per year. The Corporation intends to investigate possible enhancements to the SOP production process to allow the alumina rich SOP residue to be used as a bauxite substitute and fed directly into a conventional Bayer Process used to produce smelter-grade alumina. If no enhancements are made to the SOP production process that could produce a suitable bauxite substitute, it is expected that the SOP residual material would be stockpiled on site.

SELECTED FINANCIAL INFORMATION

All financial information presented in this prospectus for the period from incorporation on February 16, 2011 to September 30, 2012 has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by International Accounting Standards Board ("**IASB**"). The following table sets forth selected consolidated financial information of the Corporation as at and for the periods indicated, which is derived from and should be read in conjunction with the Corporation's audited consolidated financial statements and corresponding notes thereto as at December 31, 2011 and for the period from incorporation on February 16, 2011 to December 31, 2011 and the unaudited condensed interim consolidated financial statements and the corresponding notes thereto for the three and nine month periods ended September 30, 2012 included elsewhere in this prospectus.

The unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS and include, in the opinion of Management, all adjustments that Management considers necessary for a fair presentation of the financial information set forth in those statements. The interim results for the three and nine months ended September 30, 2012 are not necessarily indicative of the operating results for 2012. Historical results are not necessarily indicative of the results to be expected in future periods.

This information should be read together with the Corporation's consolidated financial statements and the related notes and the discussion under *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* included elsewhere in this prospectus.

	Potash Ridge Corporation			Utah Alunite, LLC		
	As at and for the period			As at and for the period		
	Nine months ended September 30, 2012	February 16, 2011 to September 30, 2011	February 16, 2011 to December 31, 2011	Three months ended March 31, 2011	Year ended December 31, 2010	Year ended December 31, 2009
	$	$	$	$	$	$
Net Loss						
Total loss	(2,681,538)	(74,836)	(1,129,365)	—	(20,390)	(138)
Per Common Share, basic and fully diluted	(0.04)	(0.00)	(0.04)	—	—	—
Assets						
Cash and cash equivalents	6,896,809	5,524,261	16,707,246	—	—	—
Short term deposits	1,006,944	—	—	—	—	—
Receivables	190,817	20,126	41,671	—	—	—
Prepaid share issuance costs	294,589	—	—	—	—	—
Other current assets	190,247	—	3,120			
Total current assets	8,579,406	5,544,387	16,752,037	—	—	—
Exploration and evaluation assets	8,384,943	586,483	2,292,127	—	—	—
Reclamation surety bonds	209,835	65,376	64,569			
Property, plant and equipment	183,197	746	5,688	—	—	—
Non-current assets	77,179	—				
Total assets	17,434,560	6,196,992	19,114,421	—	—	—
Liabilities						
Current liabilities	1,911,345	197,292	1,850,441	20,240	20,240	—
Total liabilities	1,911,345	197,292	1,850,441	20,240	20,240	—
Shareholders' Equity						
Total	15,523,215	5,999,710	17,263,980	(20,240)	(20,240)	(138)

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of financial condition and results of operations of the Corporation and should be read in conjunction with the Corporation's audited consolidated financial statements and corresponding notes thereto as at December 31, 2011 and for the period from incorporation on February 16, 2011 to December 31, 2011 and the unaudited condensed consolidated financial statements and the corresponding notes thereto for the three and nine month periods ended September 30, 2012 included elsewhere in this prospectus. It contains forward-looking statements that involve known and unknown risks, uncertainties and assumptions. The forward-looking statements are not historical facts, but rather are based on the current plans, objectives, goals, strategies, estimates, assumptions and projections about the Corporation's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed elsewhere in this prospectus. See "A Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

All financial information presented in this prospectus for the period from incorporation on February 16, 2011 to December 31, 2011 and September 30, 2012 has been prepared in accordance with IFRS as issued by the IAS.

Overview of the Corporation's Business

Potash Ridge's principal business is the exploration, development and production of mineral resources and is currently focused on exploring for alunite in order to produce SOP and by-product sulphuric acid.

Potash Ridge 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". On October 21, 2011, the Corporation continued under the OBCA under the name "Potash Ridge Corporation".

On April 18, 2011, pursuant to the Utah Alunite Acquisition Agreements, the Corporation acquired all of the interests in Utah Alunite, LLC, a Utah limited liability company formed on September 8, 2008. 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. Since the acquisition of Utah Alunite, LLC, the principal activity of the Corporation has been the exploration and evaluation of the Blawn Mountain Project. On May 8, 2012, Utah Alunite, LLC amalgamated with Utah Alunite Corporation, a Delaware corporation.

The Blawn Mountain Project is comprised of 18.5 sections of land owned by the State of Utah, acting by and through SITLA, and covering approximately 11,549.2 acres (4,673.8 hectares) of land located in Beaver County, Utah. Pursuant to the Exploration and Option Agreement, the Corporation acquired from SITLA the exclusive right until March 31, 2014 to explore the Blawn Mountain Project for potash, metalliferous minerals and clay minerals. See "*Description of the Business — Blawn Mountain Project*".

The Corporation has not yet achieved profitable operations. The Corporation incurred a net comprehensive loss for the nine months ended September 30, 2012 of $2,675,250 (period from February 16 to September 30, 2011 — $75,967) and reported an accumulated comprehensive deficit of $3,810,903 as at September 30, 2012 (December 31, 2011 — $1,129,365).

As at September 30, 2012, the Corporation had $7,903,753 (December 31, 2011 — $16,707,246) in cash, cash equivalents and short term deposits, which it believes may not be sufficient to finance its currently planned operating, exploration and evaluation expenditures. Accordingly, the Corporation will need to raise additional capital through equity issuances or other available means in order to continue funding its operating, exploration and evaluation activities, and the eventual development of the Blawn Mountain Project. There can be no assurance it will be able to raise funds in the future. These circumstances, along with other risks relevant to exploration companies, such as continuing losses and dependence upon key individuals lend significant doubt as to the ability of the Corporation to fulfill its exploration and development activities and, accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

Selected Financial Information

	Potash Ridge Corporation			Utah Alunite, LLC		
	As at and for the period			As at and for the period		
	Nine months ended September 30, 2012	February 16, 2011 to September 30, 2011	February 16, 2011 to December 31, 2011	Three months ended March 31, 2011	Year ended December 31, 2010	Year ended December 31, 2009
	$	$	$	$	$	$
Net Loss						
Total loss	(2,681,538)	(74,836)	(1,129,365)	—	(20,390)	(138)
Per Common Share, basic and fully diluted	(0.04)	(0.00)	(0.04)	—	—	—
Assets						
Cash and cash equivalents	6,896,809	5,524,261	16,707,246	—	—	—
Short term deposits	1,006,944	—	—	—	—	—
Receivables	190,817	20,126	41,671	—	—	—
Prepaid share issuance costs	294,589	—	—	—	—	—
Other current assets	190,247	—	3,120			
Total current assets	8,579,406	5,544,387	16,752,037	—	—	—
Exploration and evaluation assets	8,384,943	586,483	2,292,127	—	—	—
Reclamation surety bonds	209,835	65,376	64,569			
Property, plant and equipment	183,197	746	5,688	—	—	—
Non-current assets	77,179	—				
Total assets	17,434,560	6,196,992	19,114,421	—	—	—
Liabilities						
Current liabilities	1,911,345	197,292	1,850,441	20,240	20,240	—
Total liabilities	1,911,345	197,292	1,850,441	20,240	20,240	—
Shareholders' Equity						
Total	15,523,215	5,999,710	17,263,980	(20,240)	(20,240)	(138)

Results of Operations for Potash Ridge Corporation for the Period from Incorporation on February 16, 2011 to December 31, 2011 and the Three and Nine Months Ended September 30, 2012

Throughout this MD&A comparisons of expenses between all periods is difficult due to the start-up nature of the Corporation. The Corporation was incorporated on February 16, 2011 and minimal activity occurred prior to April 2011, when the Corporation acquired Utah Alunite. For this reason, comparisons to the periods ended September 30, 2011 will not provide any meaningful information or valid comparison. During the period from February 16, 2011 (date of incorporation) to September 30, 2011, the Corporation incurred expenses of $144,688, comprised mostly of administrative expenses and professional fees.

Fiscal Year Ended December 31, 2011

Revenue

The Corporation did not generate any material operating revenue during the period ended December 31, 2011, as all of the operating activities of the Corporation were directed towards the acquisition, exploration and evaluation of mining properties. Revenues were limited to $594 of interest income earned on the Corporation's cash and cash equivalents.

Expenses

During the period from incorporation to December 31, 2011, the Corporation incurred $261,375 in general and administrative expenses, which included $101,041 on travel and travel related expenses, $95,095 on marketing, research and geological studies and rent and office related expenses of $32,184.

For the period from incorporation to December 31, 2011, the Corporation had director, management and employee costs (excluding non-cash share based compensation) of $158,917. As at December 31, 2011, the Corporation had three full-time and two part-time employees.

During this period, the Corporation also granted its officers and directors options to purchase common shares in the Corporation which resulted in a non-cash expense of $577,500. These options vested immediately and are exercisable for a period of 10 years from the date of the grant. The fair value of the incentive stock options was estimated using the Black-Scholes option pricing model. Of the total share based compensation, $21,000 has been capitalized as exploration and evaluation assets as this compensation was issued to personnel primarily involved in the exploration and evaluation of the Blawn Mountain Project. In addition, the Corporation incurred professional fees of $120,004, including legal and audit fees of $36,729 and $25,000 respectively. As a result of the above, the Corporation recognized a net loss before taxes of $1,129,365 for the period.

Three Months Ended September 30, 2012 and September 30, 2011

Revenue

The Corporation did not generate any revenue during the three months ended September 30, 2012, as all of the operating activities of the Corporation were directed towards the exploration and evaluation of the Blawn Mountain Project. Interest income of $27,418 was earned for the three months ended September 30, 2012 on the Corporation's cash, cash equivalents and short-term deposits.

Expenses

During the three month period ended September 30, 2012, the Corporation incurred professional fees of $291,236 (three months ended September 30, 2011 — $42,944), including legal and audit fees of $204,415 (three months ended September 30, 2011 — $324).

During the three months ended September 30, 2012, the Corporation had general and administrative costs of $693,910 (three months ended September 30, 2011 — $72,205). Of this amount, $567,328 was related to management, employee, and director costs (excluding non-cash share based compensation) (three months ended September 30, 2011 — $42,708), of which $114,839 has been capitalized as exploration and evaluation assets (three months ended September 30, 2011 — Nil), and $201,421 was related to other general and administrative expenses (three months ended September 30, 2011 — $29,497). As at September 30, 2012, the Corporation had eight full-time employees (September 30, 2011 — two full-time and one part-time employee).

As a result of the above, the Corporation recognized a net comprehensive loss of $1,395,617 for the three months ended September 30, 2012 (three months ended September 30, 2011 — $58,381).

Nine Months Ended September 30, 2012 and Period from February 16, 2011 to September 30, 2011

Revenue

The Corporation did not generate any revenue during the nine months ended September 30, 2012, as all of the operating activities of the Corporation were directed towards the exploration and evaluation of the Blawn Mountain Project. Interest income of $92,295 was earned for the nine months ended September 30, 2012 on the Corporation's cash, cash equivalents and short-term deposits.

Expenses

During the nine months ended September 30, 2012, the Corporation incurred professional fees of $804,379 (period ended September 30, 2011 — $44,057), including legal and audit fees of $543,362 (period ended September 30, 2011 — $1,437).

In addition, the Corporation had general and administrative costs of $1,369,827 (period ended September 30, 2011 — $79,671). A total of $1,135,688 was related to management, employee and director costs (period ended September 30, 2011 — $42,708) (excluding non-cash share based compensation), of which $286,124 has been capitalized as exploration and evaluation assets (period ended September 30, 2011 — Nil), and $500,263 was related to other general and administrative expenses comprised mainly of rent and office administrative costs (period ended September 30, 2011 — $36,963). Furthermore, non-cash share-based compensation of $980,443 (period ended September 30, 2011 — Nil) was charged during the nine month period, of which $601,305 has been capitalized as exploration and evaluation assets.

As a result of the above, the Corporation recognized a net comprehensive loss before taxes of $2,675,250 for the nine months ended September 30, 2012 (period ended September 30, 2011 — $75,967).

Exploration and Evaluation Assets

On April 18, 2011, pursuant to the Utah Alunite Acquisition Agreements, the Corporation acquired all of the interests in Utah Alunite from its founding members for an aggregate purchase price of US$160,000, of which US$60,000 was paid on April 18, 2011. At the time of its acquisition, Utah Alunite had no assets or liabilities other than the exclusive right to explore and an option to lease the Blawn Mountain Project pursuant to the Exploration and Option Agreement. Accordingly, the purchase of Utah Alunite has been considered an asset acquisition with the full payments being allocated to exploration and evaluation assets. Pursuant to the Utah Alunite Acquisition Agreements, Potash Ridge was to pay the Vendors in the aggregate an additional US$100,000 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 US$100,000 in satisfaction of all 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 in order for Utah Alunite to acquire its exclusive right to explore potash, metalliferous minerals and clay minerals and an option to the lease the Blawn Mountain Project.

Subsequent to the acquisition of Utah Alunite, and in accordance with the Corporation's accounting policies, expenditures incurred on the exploration and evaluation of the Blawn Mountain Project have been capitalized and recorded as exploration and evaluation assets. A summary of the exploration and evaluation expenditures capitalized as at September 30, 2012 and December 31, 2011 is presented below:

	September 30, 2012	**December 31, 2011**
Drilling	$3,297,967	$1,271,000
Preliminary economic assessment	2,143,986	100,002
Professional and labour	995,908	265,825
Acquisition of land mineral lease	494,411	351,845
Employee share based compensation (non-cash)	622,305	21,000
Employee salary and benefits	286,124	—
Equipment rentals	154,205	56,848
Transportation	150,326	41,463
Data acquisition	133,732	137,295
Field expenditures	79,790	23,465
Permit application and acquisition	20,195	20,737
Other	5,994	2,647
Total exploration and evaluation assets	**$8,384,943**	**$2,292,127**

Under the terms of the Exploration and Option Agreement, a payment of US$62,370 was required to be made on April 1, 2012 and a payment of US$69,300 is required to be made to SITLA on April 1, 2013. In addition, a further contingent payment of US$1,020,000 is due to SITLA if and when a mining lease is granted to the Corporation in relation to the Blawn Mountain Project as well as US$11,550 in annual acreage rental fees.

SITLA is also entitled to a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value for metalliferous minerals (including alumina) as a result of the mining of alunite from the Blawn Mountain Project. On March 9, 2012, the Corporation paid SITLA the US$62,370 due on April 1, 2012. This has been capitalized as an exploration and evaluation expenditure and is included in the above table.

Results of Operations for Utah Alunite for the Three Months Ended March 31, 2011 and the Years Ended December 31, 2010 and 2009

Utah Alunite was organized as a limited liability company in the State of Utah, United States of America on September 8, 2008. Utah Alunite was inactive from September 2008 to December 31, 2010. Until April 1, 2011, Utah Alunite's principal activity was prospecting 3,278 acres of land located in Iron County, Utah. As at December 31, 2010, Utah Alunite had filed potash prospecting permit applications with the BLM for certain parcels of land on this property and incurred prospecting expenses of $20,528 comprised primarily of permit applications and geological fees in connection with these prospecting activities. In April 2011, Utah Alunite changed its focus to the Blawn Mountain Project.

As at December 31, 2010, Utah Alunite had no cash balance or other assets and a members' deficit of $20,528. No additional costs were incurred during the period from January 1, 2011 to March 31, 2011. As a result, Utah Alunite had no assets and a members' deficit of $20,528 as at March 31, 2011. To the extent no repayment is required, expenditures of $288, paid on behalf of Utah Alunite by its members, were recorded as contributed surplus. Prospecting fees incurred directly by the former members and which are expected to be repaid have been recorded as payables.

Summary of Quarterly Results

Selected quarterly financial statement information for the quarters ended: September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011 and the period from February 16, 2011 to March 31, 2011 is presented below:

	2012			2011			
	September 30	**June 30**	**March 31**	**December 31**	**September 30**	**June 30**	**March 31**
	$	$	$	$	$	$	$
Exploration and evaluation assets	8,384,943	5,555,246	4,781,669	2,292,127	586,483	409,474	—
Total assets	17,434,560	17,274,401	18,526,763	19,114,421	6,196,992	1,246,116	249,480
Working capital	6,668,061	10,685,470	12,253,677	14,901,596	5,347,095	638,094	(1,222)
Shareholders' equity	15,523,215	16,574,683	17,107,641	17,263,980	5,999,710	1,112,137	(1,222)
Interest income	27,418	36,520	28,357	313	281	—	—
Expenses	1,148,358	689,829	732,742	1,003,145	128,526	14,940	1,222
Net comprehensive loss	(1,395,617)	(532,208)	(747,425)	(1,053,016)	(58,381)	(16,364)	(1,222)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.03)	(0.00)	(0.00)	(1,222)

Comparison of expenses and operations between all periods is difficult due to the start-up nature of the Corporation. However, general trends are summarized below.

Net losses are driven primarily by general and administrative expenses and non-cash share based compensation. The increasing losses result from increased activity in establishing operations, increases in staff and office support costs and other general costs associated with the continuing activity of building the corporate structure. The loss in the quarter ended December 31, 2011 increased over previous quarters due to the grant of stock options to officers and employees resulting in an expense of $577,500.

Interest income has decreased during the three months ended September 30, 2012 primarily due to decreasing levels of cash, cash equivalents and short term deposits.

Total assets on a quarterly basis reflect two main components, cash from financings still available to the Corporation and the capitalized evaluation and exploration expenditures related to the Blawn Mountain Project. Total assets have remained relatively consistent as at September 30, 2012 compared to the prior quarter. The significant increase in total assets from September 2011 for the quarter ended December 31, 2011 reflects the private placements of Common Shares and broker warrants completed during that period which generated gross proceeds of approximately $12.5 million.

Liquidity and Capital Resources

Cash Resources and Liquidity

At September 30, 2012, the Corporation had working capital of $6,668,061 (December 31, 2011 — $14,901,596) comprised of cash, cash equivalents and short term deposits of $7,903,753 (December 31, 2011 — $16,707,246) and receivables, prepaid expenditures and other assets of $675,653 (December 31, 2011 — $44,791) and current liabilities of $1,911,345 (December 31, 2011 — $1,850,441).

The Corporation will require additional funds in order to continue funding its operating, drilling and evaluation activities for the eventual development of the Blawn Mountain Project. There can be no assurance that the Corporation will be able to raise funds in the future. At this time, the Corporation has enough cash to pay all of its current liabilities and commitments. The Corporation has no long term debt and has certain minimal commitments to keep the Blawn Mountain Project in good standing, including the option payment pursuant to the Exploration and Option Agreement to be made on April 1, 2013 of US $69,300.

Financing Activities

Since incorporation, the Corporation has raised $19,019,475 in gross proceeds ($17,794,463 in net proceeds after $1,225,012 of issue costs but before taking into account $604,729 in non-cash issue costs) in a series of four rounds of financing.

On February 16, 2011 and April 5, 2011, the Corporation completed private placements for a combined total of 22,000,000 Common Shares at a price of $0.05 per share for aggregate gross proceeds of $1,100,000.

On May 2, 2011, the Corporation completed a private placement of 650,000 Common Shares at a price of $0.05 per share for aggregate gross proceeds of $32,500.

On August 8, 2011, the Corporation completed a private placement of 21,575,000 Units at a price of $0.25 per Unit for aggregate gross proceeds of $5,393,750. Each Unit consists of one Common Share and one half-warrant. Each whole warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.50 per share on or before the second anniversary of the date on which the Corporation becomes a reporting issuer. In connection with the transaction, the Corporation issued 1,685,600 broker unit options. Each broker unit option entitles the holder thereof to acquire one Unit at a price of $0.25 per Unit on or before the second anniversary of the date on which the Corporation becomes a reporting issuer in any province or territory of Canada.

On November 17, 2011, the Corporation completed a private placement of 6,000,000 Common Shares at a price of $0.25 per share for aggregate gross proceeds of $1,500,000.

On December 5, 2011, the Corporation completed a private placement of 2,000,000 Common Shares at a price of $0.25 per share for aggregate gross proceeds of $500,000.

On December 29, 2011, the Corporation completed a private placement of 13,990,966 Common Shares at a price of $0.75 per share for aggregate gross proceeds of $10,493,225. In connection with this transaction, the Corporation issued 839,458 broker warrants. Each broker warrant entitles the holder thereof to purchase one Common Share for $0.75 on or before December 29, 2021.

Uses of Cash

The Corporation used $2,476,688 in operating activities during the nine months ended September 30, 2012 primarily for the payment of operating expenses. In addition, during the nine months ended September 30, 2012, the Corporation used $6,311,430 in investing activities, of which $5,055,652 was for the continuing exploration activities at the Blawn Mountain Project. During the period from February 16, 2011 to September 30, 2011, the Corporation used cash of $92,073 for operating activities and $455,458 for investing activities, of which $392,566 was for exploration activities at the Blawn Mountain Project.

Disclosure of Outstanding Share Data

As at the date hereof, the Corporation has 66,215,966 Common Shares issued and outstanding.

Commitments and Contingencies

Under the terms of the Exploration and Option Agreement, the Corporation is required to pay US$69,300 to SITLA on April 1, 2013. An annual acreage rental fee is also due to SITLA for US$11,550.

A contingent payment of US$1,020,000 is due to SITLA pursuant to the Exploration and Option Agreement if and when a mining lease is granted to the Corporation in relation to the Blawn Mountain Project.

A mining lease is contingent on, amongst other things, a positive prefeasibility study being completed by the Corporation. In addition, SITLA is entitled to a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value for metalliferous minerals (including alumina) as a result of the mining of alunite from the Blawn Mountain Project.

Future minimum payments under operating leases including the Exploration and Option Agreement are as follows:

For the year ended:	Lease Payments
2012	$ 58,269
2013	281,268
2014 and beyond	563,862
Total exploration and evaluation assets	**$903,399**

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Convertible Securities

As at September 30, 2012, the Corporation has the following convertible securities outstanding:

Subscriber Warrants

10,787,500 subscriber warrants to purchase one Common Share each in the Corporation at a price of $0.50 per Common Share were issued as part of the August 8, 2011 financing.

The warrants expire on the second anniversary of the date the Corporation becomes a reporting issuer. The allocated fair value of the warrants issued was $863,000 or $0.04 per warrant and was determined by using the Black Scholes option-pricing model. Key assumptions used were as follows:

Risk-free interest rate	0.81%
Annualized expected volatility	100%
Expected life of warrants	2.5 years
Dividend rate	0%

Broker Unit Options

1,685,600 broker unit options were issued as a finder's fee on the closing of the Second Round of financing on August 8, 2011. Each broker unit option allows the holder to exercise the option at a price of $0.25 per option in exchange for one Common Share as well as one-half warrant, with each whole warrant exercisable by the holder thereof to purchase one Common Share for $0.50 per warrant.

The broker unit options expire on the second anniversary of the date of this prospectus. The fair value of the broker unit options issued was $252,840 or $0.15 per option determined by using the Black Scholes option-pricing model. Key assumptions used were as follows:

Risk-free interest rate	0.81%
Annualized expected volatility	100%
Expected life of broker options	2.5 years
Dividend rate	0%

There were no other issuances of broker unit options during the period.

Incentive Stock Options (Share Based Compensation)

Under the Corporation's amended and restated stock option plan (the "**Stock Option Plan**"), the Corporation may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the Board of Directors, provided that the exercise price is in compliance with any restrictions as set out in the Stock Option Plan. See "*Options to Purchase Securities — Stock Option Plan*". On December 9, 2011, 2,850,000 incentive stock options were granted to members of management and directors with an exercise price of $0.25 per share. These options vested immediately and are exercisable for a period of 10 years from the date of the grant.

During the nine month period ended September 30, 2012, the Corporation granted 1,010,000 incentive stock options to members of management with an exercise price of $0.75. The options vested immediately and are exercisable for a period of up to ten years from the date of grant.

A further 350,000 incentive stock options have been committed for issuance to Jeffrey Hillis upon the earlier to occur of a financing round subsequent to the Offering and July 23, 2013 at the prevailing market price at the time of issuance.

The fair value of options issued is $636,300 determined using the Black Scholes option-pricing model. Key assumptions used were as follows:

Grant	December 2011	January 2012	February 2012
Exercise Price	$0.25	$0.75	$0.75
Risk-free interest rate	0.82%	0.86%	0.89%
Annualized expected volatility	100%	100%	100%
Expected life of options	7.5 years	7.5 years	7.5 years
Dividend rate	0%	0%	0%
Forfeiture rate	0%	0%	0%
Value per option	$0.21	$0.63	$0.63

Of the total share-based compensation of $980,443 for the nine month period ended September 30, 2012, the January and February grants have a calculated fair value of $636,300.

The Corporation has capitalized $601,305 as exploration and evaluation assets and recognized an expense of $379,138 in the consolidated statement of loss and comprehensive loss during the nine month period.

The following table summarizes incentive stock options held by directors, officers, employees and consultants as at September 30, 2012:

Grant Date	Options outstanding[(1)]	Number vested and exercisable	Exercise price	Expiry date	Weighted average remaining actual life
December 9, 2011	2,500,000	2,500,000	$0.25	December 9, 2021	9.2 years
December 9, 2011	350,000	350,000	$0.25	30 days after the Closing Date	
January 26, 2012	600,000	600,000	$0.75	January 26, 2022	9.3 years
January 26, 2012	350,000	350,000	$0.75	30 days after the Closing Date	
February 1, 2012	60,000	60,000	$0.75	February 1, 2022	9.3 years
	3,860,000	3,860,000	$0.38		

Note:

(1) These figures include 700,000 options granted to Paolo De Luca, the former Chief Financial Officer and Corporate Secretary of the Corporation. Mr. De Luca's options expire 30 days after the Closing Date.

Broker Warrants

839,458 broker warrants, each exercisable to purchase one Common Share at a price of $0.75 per Common Share were issued on December 29, 2011 as a finder's fee on the December 29, 2011 private placement.

The fair value of broker warrants issued was $351,889 or $0.42 per broker warrant determined by using the Black Scholes option-pricing model. Key assumptions used were as follows:

Risk-free interest rate	0.82%
Annualized expected volatility	100%
Expected life of broker warrants	2.33 years
Dividend rate	0%

Summary of Subscriber and Broker Warrants

The following table summarizes all warrants outstanding as of the date hereof:

	Number	Weighted average exercise price
Subscriber warrants issued on August 8, 2011	10,787,500	$0.50
Broker unit options issued on August 8, 2011	1,685,600	$0.50
Broker Warrants issued on December 29, 2011	839,458	$0.75
Balance as at December 31, 2011	13,312,558	**$0.52**

Transactions with Related Parties

The Corporation's related parties as defined by International Accounting Standard 24 — "*Related Party Disclosures*" ("IAS 24"), include the Corporation's Utah Alunite subsidiary, executive and non-executive directors, senior officers (Chief Executive Officer and Chief Financial Officer), and entities controlled or jointly-controlled by the Corporation's directors or senior officers. Transactions with related parties during the year ended December 31, 2011 and the nine month period ended September 30, 2012 are summarized below.

Nine Months Ended September 30, 2012

Key management personnel compensation (excluding share-based compensation), including senior officers and directors of the Corporation totaled $1,135,688 for the nine months ended September 30, 2012 (period ended

September 30, 2011 — $51,385), of this amount, $286,124 has been capitalized as exploration and evaluation assets. The Corporation's Chief Executive Officer was paid through his wholly-owned corporation.

During the nine months ended September 30, 2012, share-based compensation with an estimated fair value of $980,443 (period ended September 30, 2011 — Nil) was issued to key management personnel, of this amount, $601,305 has been capitalized as exploration and evaluation assets and $379,138 has been recorded in the consolidated statement of loss and comprehensive loss.

Period from February 16, 2011 to December 31, 2011

The Chief Executive Officer of the Corporation, was paid through his wholly-owned corporation $102,953 in cash compensation and $55,854 in expense reimbursement during the period ended December 31, 2011.

A corporation wholly-owned by Rahoul Sharan, the Chairman of the Board, was paid $32,500 for management services and $10,217 in expense reimbursement during the period ended December 31, 2011.

Philip Williams, a director of the Corporation, was paid $7,500 for consulting services and $6,311 for expense reimbursement during the period ended December 31, 2011.

Indemnities Provided to Directors and Officers

The Corporation has agreed to indemnify each of its directors and officers in respect of certain liabilities and expenses which such directors and officers may incur as a result of acting as a director or officer of the Corporation or its related corporate entities. The indemnity agreements include an indemnification for all costs, charges, expenses, losses, damages, fees (including any legal, professional or advisory fees or disbursements), liabilities and amounts paid to settle or dispose of any civil, criminal or administrative proceeding. The Corporation believes it carries sufficient Directors and Officers insurance to cover any potential claims for indemnity.

Financial Instruments and Risk Management

The Corporation has classified its cash, cash equivalents, short-term deposits and receivables as loans and receivables, which are measured at amortized cost. Payables and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, cash equivalents, short-term deposits, receivables, accounts payable and accrued liabilities reflected in the consolidated statement of financial position approximate fair value because of the short term nature of these instruments.

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

Credit Risk Management

The Corporation's main credit risk arises from its cash, cash equivalents and short-term deposits with banks. All of the Corporation's cash, cash equivalent and short-term deposit balances are with one major Canadian chartered bank, from which management believes the risk of loss to be remote. The Corporation limits its counterparty credit risk on its deposits by dealing only with financial institutions with BBB or above credit ratings.

Liquidity Risk Management

The Corporation's ability to remain liquid over the long term depends on its ability to obtain additional financing through the issuance of additional securities, entering into credit facilities or entering into joint ventures, partnerships or similar arrangements. The Corporation manages liquidity risk by maintaining adequate cash balances in order to meet liabilities as they come due. As at September 30, 2012, the Corporation had cash and cash equivalents balance of $6,896,809 (December 31, 2011 — $16,707,246) and short-term deposits of $1,006,944 (December 31, 2011 — Nil) to settle liabilities of $1,911,345 (December 31, 2011 — $1,850,441).

None of the Corporation's financial liabilities or commitments are interest bearing.

The Corporation regularly monitors actual cash flows to budgets and updates projected cash forecasts as needed. The Corporation will defer discretionary expenditure, as required, in order to manage and conserve its available cash balances for current liabilities and commitments. The Corporation will need to raise additional capital through equity issuances or other available means to continue funding its operations, exploration and evaluation activities and the eventual development of the Blawn Mountain Project.

Foreign Currency Risk Management

Cash, cash equivalents and short-term deposits are comprised of cash at banks and on hand, and short term money market instruments with an original maturity of three months or less. The Corporation's cash and cash equivalents are denominated in the following currencies:

	September 30, 2012	December 31, 2011
Denominated in Canadian dollars	$5,848,566	$15,477,140
Denominated in U.S. dollars	1,048,243	1,230,106
Cash and cash equivalents	$6,896,809	$16,707,246

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 September 30, 2012 was US$0.9832 per Canadian dollar. The Corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

The Corporation's $1,006,944 (December 31, 2011 — Nil) of short-term guaranteed investment certificates are denominated in Canadian dollars.

Interest Rate Risk Management

The Corporation has cash balances that earn interest subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes the interest rate risk is remote as investments generally have maturities of one year or less and the Corporation currently does not carry interest bearing debt at floating rates.

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 exploration and development programs 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.

Significant Accounting Policies

(a) Statement of compliance

The consolidated financial statements have been prepared on 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. The 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 of the Corporation's December 31, 2011 consolidated financial statements. The condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2012 have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 — Interim Financial Reporting ("IAS 34") as issued by IASB The interim consolidated financial statements are condensed and do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Corporation as at and for the period ended December 31, 2011.

(b) Basis of Preparation

The audited consolidated financial statements have been prepared on 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.

The preparation of the condensed interim consolidated financial statements is based on accounting policies consistent with those applied to the audited annual consolidated financial statements as at and for the period from February 16, 2011 to December 31, 2011. The accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

(c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its wholly-owned subsidiary, Utah Alunite. Control is achieved when the Corporation has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(d) Comparative Numbers

Certain classifications of the comparative numbers have been changed to conform to those used in the current period.

(e) Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and consideration issued by the Corporation in exchange for control of the subsidiary. Acquisition-related costs are expensed as incurred.

(f) 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 is Canadian dollars and the functional currency of Utah Alunite 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.

(g) Share Based Compensation

The Corporation has a stock option plan that allows the Corporation's employees, directors and officers to acquire shares in the Corporation. The fair value of options granted to head office executives, directors and personnel is recognized as a share-based compensation expense with a corresponding increase in contributed surplus. The fair value of option grants to executives 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 period. 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.

(h) 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 carryforwards.

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.

(i) Cash and Cash Equivalents

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

(j) Short term deposits

Advances and 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.

(k) 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.

(l) 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.

(m) Exploration and Evaluation Expenditures

Exploration 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 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 will expense those costs as incurred.

(n) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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.

(o) 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. One or more of the following facts and circumstances could give rise to the Corporation testing and evaluating assets for impairment:

(i) the period for which the entity has the right to explore the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

(ii) substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

(iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

(iv) sufficient data exists to indicate that, although a development in the specific area 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.

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. Fair value for mineral assets is often determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate that reflects current market assessments of the time value of money and risks specific to the asset to arrive at a present value of the asset.
- Value in use is determined as the present value of the estimated future 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.

(p) Loss Per Share

The Corporation presents basic and diluted 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 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.

(q) 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.

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.

(r) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Refer to note 16 of the Corporation's December 31, 2011 consolidated financial statements for an analysis of categories of financial liabilities.

Other financial liabilities, including borrowings, are measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

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

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Corporation's accounting policies, which are described in the Corporation's annual consolidated financial statements as at and for the period ended December 31, 2011, 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.

Management applied judgment in the determination of the types of expenses that are capitalized as exploration and evaluation assets for exploration as described in the accounting policy in note 2(f) of the interim consolidated financial statements.

Management estimated 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. Note 9 of the Corporation's September 30, 2012 interim consolidated financial statements describes the significant assumptions applied to these areas of estimation.

Management's Report on Internal Controls

Management of the Corporation is responsible for establishing and maintaining disclosure controls and procedures. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Corporation, including its subsidiary, is made known to the Chief Executive Officer and the Chief Financial Officer.

Risks and Uncertainties

Investing in the Corporation involves risks that should be carefully considered. Potential investors should be aware that there are various risks, including those discussed elsewhere in this prospectus, that could have a materially adverse effect on, among other things, the exploration and development of the Project, and the operating results, earnings, business and condition (financial or otherwise) of the Corporation. See "*Risk Factors*".

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares of which 66,215,966 Common Shares were issued and outstanding as at November 9, 2012. After giving effect to the Offering, there will be ● Common Shares (● Common Shares if the Over-Allotment Option is exercised in full) issued and outstanding.

Common Shares

Holders of Common Shares are entitled to receive notice of any meetings of shareholders, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a *pro rata* basis such dividends, if any, as and when declared by the Board of Directors of the Corporation at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding-up of the Corporation are entitled to receive on a *pro rata* basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a *pro rata* basis with the Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at September 30, 2012 as adjusted to give effect to the material changes in the share and loan capital of the Company both before and after giving effect to the Offering:

Description of Securities	As at September 30, 2012 $	As at September 30, 2012 After Giving Effect to the Offering $
Common Shares	$16,352,423 (66,215,966 Common Shares)	$ ● (● Common Shares)
Broker unit options[(1)]	$ 252,840 (1,685,600 broker unit options)	$ ● (1,685,600 broker unit options)
Broker warrants[(1)]	$ 351,889 (839,458 broker warrants)	$ ● (839,458 broker warrants)
Options[(1)]	$ 1,234,800 (3,860,000 options)	$ ● (● options)
Warrants[(1)]	$ 791,353 (10,787,500 warrants)	● (10,787,500 warrants)
Debt	Nil	Nil
Total Capitalization	$18,983,305	$ ●

Notes:

(1) For terms of the broker unit options, broker warrants, options and warrants see "*Description of the Business — Prior Financings*".

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.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

Pursuant to the Stock Option Plan, the Corporation may grant options ("**Options**") for the purchase of Common Shares to any employee, executive officer, director or consultant of the Corporation or its subsidiaries. The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other services providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Corporation and to benefit from its growth. The maximum number of Common Shares that may be reserved for issuance pursuant to the terms of the Stock Option Plan is up to 10% of the total number of Common Shares issued and outstanding from time to time. The Stock Option Plan was approved by the directors of the Corporation on September 20, 2012.

The aggregate number of Common Shares reserved for issuance pursuant to Options granted to insiders (as defined in the Stock Option Plan) at any given time, or within a 12-month period, shall not exceed 10% of the issued and outstanding Common Shares, unless disinterested shareholder approval is obtained.

The exercise price of the options is fixed by the Board at the date of grant and may not be less than the "market price" on the date of the grant as determined in accordance with the Stock Option Plan and applicable stock exchange rules (generally being the closing sale price of such Common Shares on the TSX (or such other exchange on which the Common Shares are trading) on the last trading day immediately preceding the date of grant). Options vest at the discretion of the Board, which vesting schedule is generally fixed at the time of grant by the Board. Options granted under the Stock Option Plan may have a term of up to 10 years (subject to an extension of the scheduled expiry date in the event the option would otherwise expire during a blackout period).

Options granted under the Stock Option Plan are not transferable or assignable. The administration and operation of the Stock Option Plan may be delegated by the Board to a committee of the Board.

Outstanding Stock Options

The Corporation has granted a number of Options giving the holders thereof the right to purchase Common Shares. The following is a summary of Options which have been granted to directors, officers, employees or consultants as of November 9, 2012, which are to be exercisable, in whole or in part, subject to the terms of Option agreements.

Holder of Options	Number of Optionees	Number of Common Shares Under Option	Exercise Price	Expiry Date
Executive officers and past executive officers of the Corporation	2	2,100,000	$0.25	December 9, 2021
	1	350,000	$0.25	30 days after the Closing Date
	1	350,000	$0.75	30 days after the Closing Date
	1	600,000	$0.75	January 26, 2022
	1	60,000	$0.75	February 1, 2022
Directors and past directors of the Corporation (who are not also executive officers)	2	400,000	$0.25	December 9, 2021
Employees and past employees of the Corporation	Nil	Nil	Nil	Nil
Consultants to the Corporation	Nil	Nil	Nil	Nil

PRIOR SALES

The following table summarizes the issuances by the Corporation of Common Shares or securities convertible into Common Shares in the 12-month period prior to the date of this prospectus:

Date of Issuance/Reserved	Nature of Securities Issued	Aggregate Number of Securities Issued	Price per Security or Exercise Price as Applicable
November 17, 2011	Common Shares	6,000,000	$0.25
December 8, 2011	Common Shares	2,000,000	$0.25
December 9, 2011	Options	2,850,000	$0.25
December 29, 2011	Common Shares	13,990,966	$0.75
December 29, 2011	Broker Warrants(1)	839,458	$0.75
January 26, 2012	Options	950,000	$0.75
February 1, 2012	Options	60,000	$0.75

Note:

(1) Each broker warrant entitles the holder thereof to acquire on Common Share at a price of $0.75 on or prior to December 29, 2021.

PRINCIPAL SHAREHOLDERS

To the best of the knowledge of the directors and officers of the Corporation, the following table sets forth the shareholdings of those persons who, prior to giving effect to the Offering, were the direct or indirect beneficial owners of, or exercised control or direction over, 10% or more of the outstanding Common Shares (the "**Principal Shareholders**"):

Name of Shareholder	Common Shares Beneficially Owned Prior to the Offering		Common Shares Beneficially Owned Immediately After the Offering	
	Number	%	Number	%
Sprott Resource Corp.[1]	13,200,000[2]	19.9[3]	●	●
Pinetree Capital Ltd.	7,000,000[2]	10.6[4]	●	●

Notes:

(1) As disclosed in Sprott Resource Corp.'s proxy circular dated May 5, 2012, the only persons or companies beneficially owning, directly or indirectly, or exercising control or direction over 10% or more of the issued and outstanding common shares of Sprott Resource Corp. are Sprott Asset Management LP, Global Resource Investments, Ltd. and Sprott Asset Management USA Inc.

(2) Held beneficially.

(3) Approximately 15.7% on a fully diluted basis assuming the exercise of 18,015,358 convertible securities held by others.

(4) Approximately 9.8% on a fully diluted basis assuming the exercise of 1,250,000 warrants held by Pinetree Capital Ltd. and 16,765,358 convertible securities held by others.

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 Closing Date.

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[6] Ontario, Canada *President, Chief Executive Officer and Director*	July 15, 2011	President and Chief Executive Officer of the Corporation	400,000 (0.6%)
Jeffrey Hillis[6] Ontario, Canada *Vice-President, Chief Financial Officer and Corporate Secretary*	August 2, 2012	Vice-President, Chief Financial Officer and Corporate Secretary of the Corporation	—
Ross Phillips[6] Alberta, Canada *Vice-President, Development*	December 5, 2011	Vice-President of the Corporation	—
Andrew Paul Hampton Colorado, United States *Vice-President, Project Manager*	February 1, 2012	Vice-President of the Corporation	—
Laura Nelson[8] Utah, United States *Vice-President, Government and Regulatory Affairs*	November 12, 2012	Vice-President of the Corporation	—
Rahoul Sharan[2] British Columbia, Canada *Director, Chairman of the Board*	April 1, 2011	President of KJN Management, Ltd.	3,300,000[7] (5.0%)
Philip Williams[1][3][4] Ontario, Canada *Director*	September 22, 2011	Director, Investment Banking of Dundee Capital Markets Inc.	250,000 (0.4%)
Rocco Rossi[1][2][3][4] Ontario, Canada *Lead Independent Director*	April 10, 2012	Principal of Yellow Arrow Group	—
Navin Dave[1][2][4] Ontario, Canada *Director*	April 10, 2012	President and Chief Executive Officer of Strat-Ops International Inc.	—
Stephen Harapiak[3][4] Ontario, Canada *Director*	April 10, 2012	President and Chief Operating Officer of Victory Nickel Inc.	—
Robert C. Gross[2][4] Utah, United States *Director*	April 10, 2012	President of Robert C. Gross Associates	—

Notes:

(1) Member of the Audit Committee. Navin Dave 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 shares held, the directors and officers hold the following convertible securities (see "*Description of the Business — Prior Financings*" for a description of the securities): Guy Bentinck holds 200,000 warrants and 2,000,000 options, Ross Phillips holds 700,000 options, Andrew Paul Hampton holds 60,000 options, Rahoul Sharan holds 100,000 warrants and 200,000 options and Philip Williams holds 200,000 options.

(6) Guy Bentinck, Jeffrey Hillis 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, Jeffrey Hillis is the Chief Financial Officer and Secretary, Ross Phillips is the Vice-President, Development and Andrew Paul Hampton is the Vice-President, Project Management.

(7) Rahoul Sharan holds 3,100,000 in his own name and 200,000 through KJN Management., Ltd.

(8) Laura Nelson has entered into an employment agreement with the Corporation and her employment as an officer of the Corporation will begin on November 12, 2012.

Immediately after the closing of the Offering, the directors and officers of the Corporation, as a group, will beneficially own, directly or indirectly, or exercise control or direction over, ● Common Shares, representing approximately ● % of the Common Shares outstanding before giving effect to any exercise of the Over-Allotment Option.

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 and Economics from the University of Aberdeen, Scotland. Mr. Bentinck also currently serves as a director of Manabi S.A., a Brazilian company with an iron ore development project in Brazil.

Jeffrey Hillis — Vice-President, Chief Financial Officer and Corporate Secretary

Mr. Hillis has 10 years of experience in the mining sector in senior financial positions of TSX or TSX Venture Exchange reporting issuers. From 2009 to 2012, he was the Chief Financial Officer and Vice-President of Iberian Minerals Corp., a mid-tier producer of copper and zinc concentrates with operations in Spain and Peru. Mr. Hillis executed both senior debt and equity placements ranging from $50 to $100 million. He also led the development of the finance structure from a construction phase through to commercial production. From 2007 to 2009, Mr. Hillis was the Chief Financial Officer of Excellon Resources Inc., a TSX listed junior silver producer with operations in Mexico. Prior to this, Mr. Hillis spent two and a half years with Falconbridge Limited as unit controller of the zinc business whose principal asset was Brunswick Mining and Smelting Corporation Ltd. He was also responsible for the financial evaluation of brown-field zinc projects. Mr. Hillis is a Chartered Accountant (Ontario) and holds a Bachelor of Commerce from the Queen's University School of Business.

Ross Phillips — Vice-President, Development

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 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.

Andrew Paul Hampton — Vice-President, Project Manager

Mr. Hampton is an extractive metallurgical engineer with approximately 30 years of global experience in the engineering, design, operation and management of mineral processing and hydrometallurgical systems and facilities. Mr. Hampton's primary experience relates to the processing of metals and fertilizers, including as Manager of Metallurgy with SNC Lavalin — Kilborn Engineering Pacific, Ltd. in Vancouver, British Colombia from 1993 to 2002, three years as General Manager, Mineral Processing with Washington Group International, Inc. in Denver, Colorado, from 2002 to 2005, four years as General Manager of Outotec (USA) Inc., in Denver, Colorado from 2005 to 2009 and two years as Principal of KSN Mineral Process Associates, LLC, in Denver, Colorado from 2009 to 2012.

Mr. Hampton has a Bachelor of Science in Geology from Southern Illinois University and a Master of Science in Metallurgical Engineering from the University of Idaho. Mr. Hampton is a Professional Engineer with the Association of Professional Engineers and Geoscientists of British Columbia, a QP Member of the Mining and Metallurgical Society of America and a professional member of the Society of Mining, Metallurgy and Exploration Inc.

Laura Nelson — Vice-President, Government and Regulatory Affairs

Dr. Nelson has significant experience in government relations, permitting, power planning, communications and budget management. Dr. Nelson was the Vice-President of Energy and Environment at Red Leaf Resources, Inc. from 2007 until November 2012. While at Red Leaf Resources, Dr. Nelson oversaw the successful permitting of the Red Leaf oil shale project in Utah in 2011. From 2005 to 2007, Dr. Nelson served as the Energy Advisor to Utah Governor Jon Huntsman. During this time, Dr. Nelson participated on numerous boards and committees, including the Federal Task Force on Unconventional Fuels, the Western Interstate Energy Board, the Western Renewable Energy Generation Information System Board and was the Utah lead for the Governor's Frontier Line transmission initiative. Dr. Nelson has worked extensively on energy policy matters, including those related to emerging technologies and cross-cutting environmental issues. Dr. Nelson has considerable knowledge of energy markets and the regulatory and political environment for energy development.

Dr. Nelson holds a Doctor of Philosophy in Economics and a Bachelor of Science in Economics from the University of Utah.

Rahoul Sharan — Chairman and Director

Rahoul Sharan has over 30 years of finance and accounting experience. Mr. Sharan is on the board of directors of Ansell Capital Corp., Parallel Mining Corp. and Galaxy Capital Corp. He was the Chairman and a director of Uranium Power Corp. from 1992 to 2009 and continued as a director of Titan Uranium Inc. until February of 2012 following its merger with Uranium Power Corp. From April 2011 to February 2012 he also served as the Chief Financial Officer of Titan Uranium Inc. From 2006 to 2008, Mr. Sharan served as the President of Cue Resources Ltd. and acted as a director from 2006 to 2010.

Mr. Sharan is also the President of KJN Management, Ltd., a private corporation, which provides a broad range of administrative, management and financial services and has served in this capacity since 1989. Mr. Sharan holds a Bachelor of Commerce from the University of British Columbia and is a member of the Institute of Chartered Accountants of British Columbia.

Philip Williams — Director

Since November 2012, Mr. Williams has served as the Director, Investment Banking at Dundee Capital Markets Inc. From 2008 to 2012, Mr. Williams served as the Vice-President, Business Development of Pinetree

Capital Ltd. and has over 10 years of financial markets experience, including at an institutional brokerage as an equity research analyst prior to his joining Pinetree Capital Ltd. Since 2009, Mr. Williams has also served as Vice-President, Business Development, of Mega Uranium Ltd. Mr. Williams is a Chartered Financial Analyst and holds a Bachelor of Commerce from Ryerson University.

Rocco Rossi — Lead Independent Director

Rocco Rossi has a range of management, business strategy, public policy and media experience. From 2001 to 2002, Mr. Rossi served as President and Chief Operating Officer at MGI Software Corp. and as a director of AMR Technologies Inc., now Neo Material Technologies Inc., from 2003 to 2006. Mr. Rossi was a partner at NPV Associates from 2000 to 2004 and was the Chief Executive Officer of the Heart and Stroke Foundation of Ontario from 2004 to 2009. Mr. Rossi has also held senior positions in a number of companies, including the Boston Consulting Group, Torstar Corporation and InBev/Labatt Breweries.

Mr. Rossi was a candidate for Mayor of Toronto from January 2010 to October 2010. Mr. Rossi was also the National Director of the federal Liberal Party of Canada in 2009 and has managed a variety of campaigns over the years at the federal, provincial and municipal levels. Since January of 2011, Mr. Rossi has acted as the Principal of Yellow Arrow Group Inc. He volunteered on the board of Toronto's Olympic Bid Committee from 1999 to 2001 and the board of United Way of Greater Toronto from 1999 to 2004.

Mr. Rossi has a Bachelor of Arts (Honours) in political science from McGill University and a Masters of Arts in politics from Princeton University.

Navin Dave — Chairman of the Audit Committee and Director

Navin Dave was the Managing Partner for Global Resource Leveraging at KPMG LLP in New York from 2006 to 2011. Prior to this role, from 1994 to 2006, Mr. Dave held several senior positions within KPMG, including Managing Partner — Canadian Regions, Managing Partner — Western Canada and Managing Partner, India. He is currently President and Chief Executive Officer of Strat-Ops International Inc., a consulting firm specializing in sourcing strategic opportunities for companies interested in cross border investment and trade and has been serving in this capacity since 2011.

Mr. Dave holds a Bachelor of Science in mechanical engineering from Kings College, University of London and a Master of Science in production engineering from the University of Birmingham. He is a fellow of the Institute of Chartered Accountants. He has served on numerous professional and not-for-profit boards.

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 has served as the President and Chief Operating Officer of Victory Nickel Inc. since April 2008. 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 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. Since 2009 he has been serving as an adjunct faculty member at Westminster College, where he teaches 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 and conflict resolution-consulting 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.

Corporate Cease Trade Orders and Bankruptcies

Other than as set forth below, 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 of this prospectus, 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.

Rahoul Sharan was a director of Ansell Capital Corp. a capital pool corporation that was suspended from trading by the TSX Venture Exchange on October 16, 2008 for failure to complete a qualifying transaction within the time prescribed by the TSX Venture Exchange Policy 2.4. The qualifying transaction was completed on March 24, 2009 and a final exchange bulletin was issued therefore as a result of which Ansell Capital Corp. resumed trading on the TSX Venture Exchange on March 25, 2009.

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 of this prospectus, 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 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 prospectus, 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 prospectus. 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. Persons considering the purchase of Common Shares pursuant to the Offering under this prospectus must appreciate that they will be required to rely on the judgment and good faith of these persons in resolving any such conflicts of interest that may arise.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation's executive compensation program has three principal components: base salary, stock options and bonuses. In assessing the compensation of its executive officers, the Corporation will not have in place formal objectives, criteria or analysis; instead, it will rely mainly on discussions between the Governance, Compensation and Nominating Committee and the Board.

The Governance, Compensation and Nominating Committee is comprised of Robert C. Gross (Chairman), Rocco Rossi, Rahoul Sharan and Navin Dave. Meetings of the Governance, Compensation and Nominating Committee are held periodically to review compensation policies and to consider the overall compensation to be paid by the Corporation to its employees, executive officers and directors. Following review of data and discussion by members of the Governance, Compensation and Nominating Committee, recommendations are made to the Board.

In making compensation recommendations, the Governance, Compensation and Nominating Committee considers each executive's performance and other relevant factors, including the scope of each executive's position and responsibilities, the achievement of corporate goals, the current business environment and anticipated changes, and executive retention and recruitment considerations. In establishing base salaries, the Governance, Compensation and Nominating Committee relies on its experience and reviews comparable market salary levels for individuals in positions with similar responsibilities and experience.

Option Based Awards

The Corporation's Stock Option Plan is designed to provide an incentive to the directors, officers and employees to achieve the longer-term objectives of the Corporation and is the responsibility of the Governance, Compensation and Nominating Committee. The purpose of the Stock Option Plan is to give suitable recognition to the ability and performance of such persons who contribute materially to the success of the Corporation and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. Generally, the number of options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Corporation, the number of options that have already been granted to the optionee and such other factors as the Governance, Compensation and Nominating Committee may consider relevant. See "*Options to Purchase Securities*".

Bonuses

The Corporation currently does not have a formal incentive bonus plan. Bonuses are payable at the discretion of the Board of Directors. Bonus payments are anticipated to involve significant discretion in the early stages of the Corporation's growth and are expected to provide an incentive for employees to achieve and exceed goals relating to overall corporate and individual performance.

Directors' Compensation

Non-executive directors are paid an annual retainer of $24,000, payable quarterly, and meeting fees of $750 per Board or committee meeting, up to a maximum of $1,500 payable over a two day period. The Chairman of the Board, the Lead Independent Director, the Audit Committee Chair and the Governance, Compensation and Nominating Committee Chair are each paid an additional annual retainer of $4,000, payable quarterly and the Technical Committee Chair is paid an additional annual retainer of $2,000, payable quarterly. Directors may also be reimbursed for all reasonable travel and other expenses incurred by them in the performance of their duties. Upon completion of the Offering, the directors, with the exception of Mr. Bentinck, will each be issued 250,000 options exercisable at a price equal to the Offering Price for a period of 10 years. One-third of the options will vest immediately, one-third will vest one year from the Closing Date and one-third will vest two years from the Closing Date. Upon completion of the Offering, Mr. Bentinck will be granted 300,000 options exercisable at a price equal to the Offering Price for a period of 10 years. One-third of the options will vest immediately, one-third will vest one year from the Closing Date and one-third will vest two years from the Closing Date.

Compensation of Named Executive Officers

The following table sets forth information concerning the compensation earned by the individuals who were, during the 2011 fiscal year, the Corporation's Chief Executive Officer and the Corporation's Chief Financial Officer (such individuals being hereinafter referred to as the "**Named Executive Officers**"). No other individual had a total compensation in excess of $150,000 during the 2011 fiscal year:

					Non-equity incentive plan compensation ($)				
Name and Principal Position	**Year**	**Salary ($)**	**Share-based awards ($)**	**Option-based awards ($)[3]**	**Annual incentive plans**	**Long-term incentive plans**	**Pension value ($)**	**All other compensation ($)**	**Total compensation ($)**
Guy Bentinck . . . . *President, Chief Executive Officer and Director*	2011	102,953[1]	Nil	420,000	Nil	Nil	Nil	Nil	522,953
Paolo De Luca . . . . *Former Chief Financial Officer, Investor Relations and Secretary*	2011	32,135[2]	Nil	73,500	Nil	Nil	Nil	Nil	105,653

Notes:

(1) Amount paid represents consulting fees paid to Refine Corporation, a private company controlled by Mr. Bentinck for the period of July 15, 2011 to December 31, 2011. Mr. Bentinck has not received any compensation for acting as a director. From February 16, 2011 to July 15, 2011, Rahoul Sharan served as the Chief Executive Officer of the Corporation. Mr. Sharan's compensation during the 2011 fiscal year is disclosed under "*Directors' Compensation*".

(2) Amounts paid to Mr. De Luca are for the period from September 12, 2011 to December 31, 2011. Mr. De Luca served as a director of the Corporation from December 8, 2011 to April 10, 2012 but received no compensation for acting in this capacity. Prior to Mr. De Luca's appointment on September 12, 2011, the Corporation did not have a Chief Financial Officer. Mr. De Luca left the Corporation on August 15, 2012.

(3) The dollar value of option awards is estimated using the Black-Scholes-Merton valuation model on the date of grant under the following weighted average assumptions: expected dividend yield — 0%; expected volatility — 100%; risk-free interest rates ranging from — 0.81% to 0.83%; and expected life — 7.5 years. This method of valuation is believed to be the best approximation of fair value.

Incentive Plan Awards

Outstanding option-based awards

The following table sets forth details of all awards outstanding for each Named Executive Officer at the end of the most recently completed financial year.

	Option based awards			
Name and principal position	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Option-based awards — Value vested during the year ($)[3]
Guy Bentinck[1] *President, Chief Executive Officer and Director*	2,000,000	0.25	December 9, 2021	420,000
Paolo De Luca[2] *Former Chief Financial Officer, Investor Relations and Corporate Secretary*	350,000	0.25	30 days after the Closing Date	73,500

Notes:

(1) Compensation is included for the period from July 15, 2011 to December 31, 2011.

(2) Compensation is included for the period from September 22, 2011 to December 31, 2011. Mr. De Luca left the Corporation on August 15, 2012.

(3) The dollar value of option awards is estimated using the Black-Scholes-Merton valuation model on the date of grant under the following weighted average assumptions: expected dividend yield — 0%; expected volatility — 100%; risk-free interest rates ranging from — 0.81% to 0.83%; and expected life — 7.5 years. This method of valuation is believed to be the best approximation of fair value.

Employment and Consulting Agreements

Guy Bentinck (President and Chief Executive Officer)

The Corporation entered into an executive consulting agreement dated July 15, 2011 with Guy Bentinck. Pursuant to the terms of the agreement, the Corporation has agreed to pay Mr. Bentinck $18,500 per month in consideration for Mr. Bentinck acting as the Corporation's President, Chief Executive Officer and as a member of the Board of Directors. Pursuant to the terms of the agreement, Mr. Bentinck is entitled to receive bonus payments as determined by the Board of Directors and the Corporation's Governance, Compensation and Nominating Committee from time to time based on the Corporation achieving pre-defined milestones. Mr. Bentinck has also been granted options to acquire 2,000,000 Common Shares of the Corporation at a price of $0.25 each until December 9, 2021. The agreement will continue in effect indefinitely or until terminated in accordance with the provisions thereof and may be terminated at any time by either party upon 30 days written notice. If the agreement is terminated by the Corporation without cause, the Corporation is required to pay a lump sum payment equal to 12 months of monthly fees. Upon the occurrence of a change of control, either party may terminate the agreement within a year from the date of such change of control (a "**change of control election**"). If such a change of control election is made, Mr. Bentinck is entitled to receive a lump sum payment equal to 24 months of monthly fees plus all cash bonus payments made in the preceding 24 month period.

Jeffrey Hillis (Vice-President, Chief Financial Officer and Corporate Secretary)

The Corporation entered into an employment agreement dated July 5, 2012, with Jeffrey Hillis. Pursuant to the terms of the agreement, the Corporation has agreed to pay Mr. Hillis a semi-monthly salary of $7,500 in consideration for Mr. Hillis acting as the Corporation's Vice-President, Chief Financial Officer and Corporate Secretary. Upon completion of the Offering, Mr. Hillis will be granted 350,000 options exercisable at the Offering Price for a period of 10 years. One-third of the options will vest immediately, one-third will vest one year from the Closing Date and one-third will vest two years from the Closing Date. An additional 350,000 options will be issued to Mr. Hillis upon the earlier to occur of a subsequent financing round and July 23, 2013 at the prevailing market price at the time of issuance. Additional options, bonuses or stock-based compensation may be granted as determined by the Board of Directors and the Corporation's Governance, Compensation and Nominating Committee from time to time based on the Corporation achieving pre-defined milestones. The agreement will continue in effect indefinitely or until terminated in accordance with the provisions thereof and may be terminated at any time by either party upon 30 days written notice. If the agreement is terminated by the Corporation without cause or, upon a change of control, if a change of control election is made, Mr. Hillis is entitled to receive a lump sum payment equal to 12 months' salary plus all cash bonuses paid to Mr. Hillis in the 12 months prior to the termination or change of control as applicable.

Ross Phillips (Vice President, Development)

The Corporation entered into an employment agreement dated December 5, 2011 with Ross Phillips. Pursuant to the terms of the agreement, the Corporation has agreed to pay Mr. Phillips a semi-monthly salary of $7,500 plus the right to purchase 100,000 treasury shares of the Corporation at a price of $0.25 per share in consideration for Mr. Phillips acting as the Corporation's Vice President, Development. Additional options, bonuses or stock-based compensation may be granted annually as determined by the Board of Directors and the Corporation's Governance, Compensation and Nominating Committee from time to time based on the Corporation achieving pre-defined milestones. The agreement will continue in effect indefinitely or until terminated in accordance with the provisions thereof and may be terminated at any time by either party upon 30 days written notice. If the agreement is terminated by the Corporation without cause or, upon a change of control, if a change of control election is made, Mr. Phillips is entitled to receive a lump sum payment equal to 12 months' salary plus all cash bonuses paid to Mr. Phillips in the 12 months prior to the termination or change of control as applicable.

Andrew Paul Hampton (Vice President, Project Management)

The Corporation entered into an employment agreement dated January 16, 2012 with Andrew Paul Hampton. Pursuant to the terms of the agreement, the Corporation has agreed to pay Mr. Hampton an annual salary of $180,000 plus the right to purchase 60,000 treasury shares of the Corporation at a price of $0.75 per share in consideration for Mr. Hampton acting as the Corporation's Vice President Project Management. Upon completion of the Offering, Mr. Hampton will be granted 400,000 options exercisable at the Offering Price for a period of 10 years. One-third of the options will vest immediately, one-third will vest one year from the Closing Date and one-third will vest two years from the Closing Date. Additional options, bonuses or stock-based compensation may be granted as determined by the Board of Directors and the Corporation's Governance, Compensation and Nominating Committee from time to time based on the Corporation achieving pre-defined milestones. The agreement will continue in effect indefinitely or until terminated in accordance with the provisions thereof and may be terminated at any time by either party upon 30 days written notice. If the agreement is terminated by the Corporation without cause or, upon a change of control, if a change of control election is made, Mr. Hampton is entitled to receive a lump sum payment equal to 12 months' salary plus all cash bonuses paid to Mr. Hampton in the 12 months prior to the termination or change of control as applicable.

Laura Nelson (Vice-President, Government and Regulatory Affairs)

The Corporation entered into an employment agreement dated October 16, 2012 with Laura Nelson. Pursuant to the terms of the agreement, the Corporation has agreed to pay Dr. Nelson a semi-monthly salary of $7,500 in consideration for Dr. Nelson acting as the Corporation's Vice President, Government and Regulatory Affairs. Upon completion of the Offering, Dr. Nelson will be granted 350,000 options exercisable at the Offering Price for a period of 10 years. One-third of the options will vest immediately, one-third will vest one year from the Closing Date and one-third will vest two years from the Closing Date. An additional 350,000 options will be issued to Dr. Nelson upon November 12, 2013 at the prevailing market price at the time of issuance. Additional options, bonuses or stock-based compensation may be granted annually as determined by the Board of Directors and the Corporation's Governance, Compensation and Nominating Committee from time to time based on the Corporation achieving pre-defined milestones. The agreement will continue in effect indefinitely or until terminated in accordance with the provisions thereof and may be terminated at any time by either party upon 30 days written notice. If the agreement is terminated by the Corporation without cause or, upon a change of control, if a change of control election is made, Dr. Nelson is entitled to receive a lump sum payment equal to 12 months' salary plus all cash bonuses paid to Dr. Nelson in the 12 months prior to the termination or change of control as applicable.

Directors' Compensation

The following table sets forth the value of all compensation provided to the directors, not including those directors who are also Named Executive Officers, for the Corporation's financial year ended December 31, 2011.

Name and principal positions(1)	Fees Earned ($)	Share-based Awards ($)	Option-based awards ($)(2)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Rahoul Sharan(5) *Chairman and Director*	Nil	Nil	42,000	Nil	Nil	32,500(3)	74,500
Philip Williams(6) *Director*	Nil	Nil	42,000	Nil	Nil	7,500(4)	49,500

Notes:

(1) The director compensation disclosure for Guy Bentinck has been reflected in the "*Compensation of Named Executive Officers*" table above.

(2) The dollar value of option awards is estimated using the Black-Scholes-Merton valuation model on the date of grant under the following weighted average assumptions: expected dividend yield — 0%; expected volatility — 100%; risk-free interest rate — 0.83%; and expected life — 7.5 years. This method of valuation is believed to be the best approximation of fair value.

(3) A corporation wholly-owned by Rahoul Sharan, the Chairman of the Corporation, was paid $56,213 for office rental, management and administrative services from February 16 to December 31, 2011.

(4) Philip Williams, a director of the Corporation, was paid $7,500 for consulting services during the period ended December 31, 2011.

(5) Compensation is included for the period from February 16, 2011 to December 31, 2011.

(6) Compensation is included for the period from September 22, 2011 to December 31, 2011.

Outstanding option-based awards

The following table sets forth details of all awards outstanding for each Director at the end of the most recently completed financial year.

	Option based awards			
Name and principal position(1)	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Option-based awards — Value vested during the year ($)
Rahoul Sharan(2) *Chairman and Director*	200,000	0.25	December 9, 2021	42,000
Philip Williams(3) *Director*	200,000	0.25	December 9, 2021	42,000

Notes:

(1) The director compensation disclosure for Guy Bentinck has been reflected in the "*Compensation of Named Executive Officers*" table above.

(2) Compensation is included for the period from February 16, 2011 to December 31, 2011.

(3) Compensation is included for the period from September 22, 2011 to December 31, 2011.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's directors or officers nor any of their respective associates is indebted to the Corporation or has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

AUDIT COMMITTEE

Overview

The Audit Committee oversees the accounting and financial reporting practices and procedures of the Corporation, and the audits of the Corporation's financial statements. The principal responsibilities of the Audit Committee include: (i) overseeing the quality and integrity of the internal controls and accounting procedures of the Corporation, including reviewing the Corporation's procedures for internal control with the Corporation's auditor and Chief Financial Officer; (ii) reviewing and assessing the quality and integrity of the Corporation's annual and quarterly financial statements and related management discussion and analysis, as well as all other material continuous disclosure documents, such as the Corporation's annual information form; (iii) monitoring compliance with legal and regulatory requirements related to financial reporting; (iv) reviewing and approving the engagement of the auditor of the Corporation and independent audit fees; (v) reviewing the qualifications, performance and independence of the auditor of the Corporation, considering the auditor's recommendations and managing the relationship with the auditor, including meeting with the auditor as required in connection with the audit services provided by the Corporation; (vi) reviewing the Corporation's risk management procedures; (vii) reviewing any significant transactions outside the Corporation's ordinary course of business and any pending litigation involving the Corporation; and (viii) examining improprieties or suspected improprieties with respect to accounting and other matters that affect financial reporting.

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 prospectus 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 Navin Dave (Chairman of the Audit Committee), Philip Williams and Rocco Rossi. 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 period from February 16, 2011 to December 31, 2011 for audit and non-audit related services:

	Audit Fees	Audit-Related Fees	Tax Fees	Other Fees
2011	$31,500(1)	Nil	Nil	Nil

Note:

(1) Aggregate fees billed for the audit of the Corporation's consolidated financial statements as at and for the period ended December 31, 2011.

CORPORATE GOVERNANCE

Overview

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the Board of Directors of the Corporation, the members of whom are elected by and are accountable to the shareholders. Corporate governance takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Corporation. The Board of Directors is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision-making.

In June 2005, National Policy 58-201 — *Corporate Governance Guidelines* ("**NP 58-201**") and National Instrument 58-101 — *Disclosure of Corporate Governance Practices* ("**NI 58-101**") were adopted by the securities regulatory authorities in Canada. NP 58-201 establishes corporate governance guidelines which apply to all public companies and the Corporation expects to implement its own corporate governance practices prior to the completion of the Offering in light of these guidelines. NI 58-101 mandates the disclosure of corporate governance practices in accordance with Form 58-101F1, which disclosure is set out below.

Board of Directors

A majority of the directors (five out of seven) are independent within the meaning of NI 58-101, including Philip Williams, Rocco Rossi, Navin Dave, Stephen Harapiak and Robert C. Gross. Guy Bentinck and Rahoul Sharan are not independent. Mr. Bentinck is the President and Chief Executive Officer of the Corporation and Mr. Sharan was previously President and Chief Executive Officer of the Corporation. Rocco Rossi, Navin Dave, Stephen Harapiak and Robert C. Gross were appointed by shareholders as directors on April 10, 2012. The Board meets on a regular basis. The Corporation will hold regularly scheduled Board meetings at least four times per year. Each of these meetings will include an in-camera session comprised solely of independent directors. Mr. Sharan, as Chairman, is responsible for chairing all meetings of the Board, providing leadership to the Board, managing the Board, acting as liaison between the Board and management and representing the Corporation to external groups. Rocco Rossi, as lead director, will provide leadership to the directors in conjunction with the Chairman, including consulting with the independent directors and representing such directors in discussions with management on governance and other matters.

The following table provides details regarding directorships held by the Corporation's directors in other reporting issuers or the equivalent thereof in foreign jurisdictions. Neither Guy Bentinck, Rocco Rossi, Navin Dave or Robert C. Gross are currently directors of any other reporting issuer.

Name of Director	Name of Other Reporting Issuer	Stock Exchange
Rahoul Sharan	Galaxy Capital Corp.	TSX Venture Exchange
	Ansell Capital Corp.	TSX Venture Exchange
	Parallel Mining Corp.	TSX Venture Exchange
Philip Williams	Terreno Resources Corp.	TSX Venture Exchange
	European Uranium Resources Ltd.	TSX Venture Exchange
	Rock Gate Capital Corp.	TSX
	Stratton Capital Corp.	TSX Venture Exchange
	Macusani Yellowcake Inc.	TSX Venture Exchange
Stephen Harapiak	Khan Resources Inc.	TSX

The following table provides details regarding the attendance record of each director for each meeting of the directors held during the year ended December 31, 2011. A total of 1 meeting was held during this period.

Name of Director	Number of Meetings Attended	Percentage of Meetings Attended
Guy Bentinck	1 out of 1	100%
Rahoul Sharan	1 out of 1	100%
Paolo De Luca	1 out of 1	100%
Philip Williams	1 out of 1	100%

Board Mandate

The Board is responsible for the general supervision of the management of the business as well as for the oversight and review of the strategic planning process of the Corporation. The Board will discharge its responsibilities directly and through its committees, which consist of the Audit Committee, the Technical, Environmental and Safety Committee and the Governance, Compensation and Nominating Committee. The Governance, Compensation and Nominating Committee is responsible for corporate governance issues. The Board meets regularly to review the business operations, corporate governance and financial results of the Corporation. A copy of the Charter of the Board of Directors is attached to this prospectus as Appendix "B".

Position Descriptions

Chairman of the Board

The Chairman of the Board is Rahoul Sharan. The Board has adopted a written position description for the Chairman of the Board, indicating that the Chairman is responsible for, among other things, chairing all meetings of the Board, promoting cohesiveness among the directors, promoting a thorough understanding of the duties and responsibilities of the directors, promoting the proper flow of information to the directors, acting as a liaison between the Board and management to promote open and constructive discussions between directors and management and presiding over meetings of the Corporation's shareholders.

Lead Independent Director

The Lead Independent Director is Rocco Rossi. The Board has adopted a written position description for the Lead Independent Director, indicating that the Lead Independent Director is responsible for, among other things, consulting with the independent directors and representing such directors in discussions with management on governance and other matters and chairing meetings of the Board in the event that the Chairman is not present or able to participate for reasons of conflict.

Chairman of the Audit Committee

The Chairman of the Audit Committee is Navin Dave. The Board of Directors has adopted a written position description for the Chairman of the Audit Committee, indicating that the Chairman of the Audit Committee is responsible for, among other things, chairing all meetings of the committee, promoting cohesiveness among members of the committee, promoting a thorough understanding of the duties and responsibilities of the committee, promoting the proper flow of information to the committee, acting as the liaison between the committee and each of the Corporation's management, the internal auditor and external auditor, promoting open and constructive discussions between members of the committee, management, the internal auditor and the external auditor and reporting to the Board on the activities of the committee.

Chairman of the Governance, Compensation and Nominating Committee

The Chairman of the Governance, Compensation and Nominating Committee is Robert C. Gross. The Board has adopted a written position description for the Chairman of this committee, indicating that the Chairman of the Governance, Compensation and Nominating Committee is responsible for, among other things, chairing all committee meetings, promoting cohesiveness among members of the committee, promoting a thorough understanding of the duties and responsibilities of the committee, promoting the proper flow of information to the committee, acting as the liaison between the committee and each of the Corporation's management, compensation consultants and other outside advisors, promoting open and constructive discussions between members of the committee, management, compensation consultants and other outside advisors and reporting to the Board on the activities of the committee.

Chief Executive Officer

The Board of Directors has adopted a position description for the Chief Executive Officer whose primary role is to take overall supervisory and managerial responsibility for the day-to-day operations of the Corporation's business and manage the Corporation in order to achieve the goals and objectives determined by the Board in the context of the Corporation's strategic plan. The Chief Executive Officer's position description sets forth responsibilities including, but not limited to: (i) fostering a corporate culture that promotes ethical practices and encourages individual integrity; (ii) maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees at all levels; (iii) developing a long-term strategy and vision for the Corporation that leads to the creation of shareholder value; (vi) developing an annual operating plan and financial budget that support the Corporation's long-term strategy; (v) strategy and implementation for major mergers, acquisitions and divestitures; (vi) designing or supervising the design and implementation of effective disclosure and internal controls; (vii) formulating and overseeing the implementation of major corporate policies; (viii) serving as the chief spokesperson for the Corporation and establishing the Corporation's communications framework and strategy; and (ix) ensuring that the Corporation has an effective management team and has an active plan for its development and succession.

Orientation and Continuing Education

The Corporation has established a formal orientation process for new directors. Before their first Board meeting, new directors are provided with a tour of the Corporation's significant project sites. They are also provided with a Board member manual that includes the by-laws, articles of incorporation, minutes of meetings, significant corporate policies, list of Board committees and mandates, a project overview and strategic plan, a list of Board members and their contact information, the latest financial statements and the current budget/forecast of the Corporation. This material is supplemented by a meeting between the new director and management to discuss the nature and operations of the Corporation. The new director is also introduced to all current Board members. The Chairman and lead director are responsible for ensuring that the new director understands his or her responsibilities as a member of the Board and any committees that they may join and ensuring that directors maintain the skill and knowledge necessary to meet their obligations as directors.

Ethical Business Conduct

The Corporation has adopted a code of ethics and business practices (the "**Code**"). A copy of the Code will be obtainable from the Corporation's website at www.potashridge.com and will also be available at www.sedar.com under the Corporation's profile. The Board intends that it will review compliance with the Code on an annual basis until the Corporation has grown to a size that warrants more frequent monitoring.

The Code requires that any transactions and agreements in respect of which a director or executive officer has a material interest be reviewed and approved solely by disinterested members of the Governance, Compensation and Nominating Committee.

Governance, Compensation and Nominating Committee

The Corporation's Governance, Compensation and Nominating Committee is comprised of Robert C. Gross (Chairman), Rocco Rossi, Navin Dave and Rahoul Sharan, and is responsible for, among other things, making recommendations regarding appropriate compensation for the Corporation's directors and executive officers, developing and recommending to the Board a set of corporate governance principles applicable to the Corporation, overseeing the evaluation of the Board and senior management and identifying individuals qualified to become Board members. Robert C. Gross and Rocco Rossi are independent within the meaning of NI 58-101. Rahoul Sharan is not independent, however, he is not paid a salary by the Corporation. Accordingly, the committee will be able to ensure an objective process in determining compensation. Initial management is being compensated based on current competitive rates. On a going-forward basis, the Governance, Compensation and Nominating Committee will review peer group practices when determining compensation for senior management.

Compensation

The Board of Directors, with the assistance of the Governance, Compensation and Nominating Committee, is responsible for reviewing the compensation of members of the Board of Directors to ensure that compensation realistically reflects the responsibilities and risks involved in being a director and for reviewing the compensation of members of senior management to ensure that compensation is competitive within the industry and aligns the interests of such individual with those of the Corporation.

Nomination of Directors

The Board of Directors, with the assistance of the Governance, Compensation and Nominating Committee, is responsible for the nomination of directors. The Governance, Compensation and Nominating Committee identifies the individuals qualified to become new directors and recommends to the Board new nominees for election by shareholders or for appointment by the Board to fill any vacancy on the Board. In making its recommendations to the Board, the committee considers: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competencies and skills that the Board considers each existing director to possess; and (iii) the competencies and skills each new nominee would bring to the boardroom.

Technical, Environmental and Safety Committee

The Corporation has established a Technical, Environmental and Safety Committee whose purpose is to assist Board oversight of technical, environmental and safety matters with respect to: (i) the planning, development and construction of the Corporation's major capital projects; (ii) material technical commercial arrangements; and (iii) the development, implementation and monitoring of all health, safety, environmental and social responsibility policies and programs of the Corporation.

Board Assessments

The Board of Directors will be responsible for reviewing, on an annual basis, the requisite competencies and skills of prospective members of the Board of Directors as well as the composition of the Board of Directors as a whole. It is anticipated that the Governance, Compensation and Nominating Committee will be responsible for implementing an assessment process which assessment will include each member's contribution, qualification as an independent director, as well as diversity, skills and experience in the context of the needs of the Board of Directors.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated ● , 2012 (the "**Underwriting Agreement**") between the Corporation and the Underwriters, the Corporation has agreed to sell, and the Underwriters have agreed to purchase, as principals, on the Closing Date, ● Offered Shares at the Offering Price, subject to compliance with all of the necessary legal requirements and to the conditions contained in the Underwriting Agreement.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, severally obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. The Corporation has agreed to indemnify the Underwriters against certain liabilities, including liabilities under Canadian securities legislation in certain circumstances, or to contribute to payments the Underwriters may be required to make because of such liabilities.

The Offered Shares are being offered to the public under this prospectus in all of the provinces of Canada. There is currently no market through which the Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this prospectus. The Corporation has applied to list the Offered Shares on the TSX. Such listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX.

The Offering Price and other terms of the Offering were determined by negotiation between the Corporation and the Underwriters. The Corporation has agreed to pay the Underwriters an aggregate cash underwriting fee of $ ● , or $ ● per Offered Share. The Corporation has also granted the Underwriters the Over-Allotment Option, exercisable in whole or in part at the sole discretion of the Underwriters at any time until the date which is 30 days after the Closing Date, to purchase up to an additional ● Offered Shares (equal to 15% of the Offered Shares sold in this Offering), at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public will be $ ● , the Underwriter's Fee will be $ ● and the net proceeds to the Corporation will be $ ● (before deducting the expenses of this Offering). This prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Offered Shares issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Shares forming part of the Over-Allotment Option acquires such Over-Allotment Shares under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Closing will take place on the Closing Date, or such other date as may be agreed upon by the Corporation and the Underwriters, but not later than ● , 2012. Offered Shares registered to CDS or its nominee will be deposited electronically with CDS on a NCI basis on the closing of the Offering. No certificates evidencing the Offered Shares will be issued to Canadian resident purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Canadian resident purchasers of Offered Shares will receive only a customer confirmation from the registered dealer from or through whom a beneficial interest in the Offered Shares is purchased.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Offered Shares ends and all stabilization arrangements relating to the Offered Shares are terminated, bid for or purchase Offered Shares. The foregoing restrictions are subject to certain exceptions including: (i) a bid for or purchase of Offered Shares if the bid or purchase is made through the facilities of the TSX, in accordance with the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; (ii) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. The Underwriters may engage in market stabilization or market balancing activities on the TSX where the bid for or purchase of the Offered Shares is for the purpose of maintaining a fair and orderly market in the Offered Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to offer the Offered Shares initially at the public offering price on the cover page of this prospectus. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at the price specified herein, the offering price may be decreased, and further changed from time to time, to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters and the Corporation.

The Offered Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws and may not be offered, or sold in the United States unless the Offered Shares are registered under the 1933 Act or an exemption from the registration requirements of the 1933 Act is available and in compliance with any applicable state securities laws. The Underwriters have agreed that they will not offer or sell the Offered Shares within the United States except in accordance with the Underwriting Agreement to "Qualified Institutional Buyers" (as defined in Rule 144A under the 1933 Act), pursuant to an exemption from the registration requirements of the 1933 Act provided by Rule 144A thereunder, and in compliance with applicable state securities laws. In addition, the Underwriting Agreement provides that the Underwriters may arrange for the Corporation to sell Offered Shares to "accredited investors" who satisfy at least one of the criteria set forth in Rules 501(a)(1) through (7) of Regulation D under the 1933 Act ("**Regulation D**"), as substituted purchasers, pursuant to the exemption from the registration requirements of the 1933 Act provided by Rule 506 of Regulation D and/or Section 4(a)(2) of the 1933 Act, and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in reliance on Rule 144A.

Pursuant to the Underwriting Agreement, the directors and officers of the Corporation and shareholders holding in the aggregate a minimum of 50% of the issued and outstanding Common Shares, prior to giving effect to the Offering, and their respective associates have executed lock-up agreements in favour of the Underwriters in which they have agreed that they will not, for a period of 120 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, lend, swap or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any securities of the Corporation held by such directors, officers and principal shareholders (and the associates thereof), directly or indirectly, without the prior written consent of National Bank Financial Inc. and Clarus Securities Inc. on behalf of the Underwriters.

Philip Williams, a director of the Corporation, is an officer of Dundee Capital Markets Inc., an affiliate of Dundee Securities Corporation, one of the Underwriters. Consequently, the Corporation may be considered to be a connected issuer of Dundee Securities Corporation for the purposes of applicable Canadian securities laws. The decision to distribute the Offered Shares, including the determination of the terms of the Offering, was made through negotiations between the Corporation and the Underwriters. Dundee Securities Corporation will not receive any net proceeds resulting from the Offering other than its relative share of the underwriting fees disclosed in this prospectus.

RISK FACTORS

The acquisition of the Offered Shares involves significant risk. Any prospective investor should carefully consider the following risk factors and all of the other information contained in this prospectus before purchasing any Offered Shares. 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.

Risks Related to the Corporation's Business

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

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 periods ended September 30, 2012 and December 31, 2011 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 incurred a net loss for the period ended December 31, 2011 of $1,129,365 and $2,675,250 during the nine month period ended September 30, 2012 and reported an accumulated comprehensive deficit of $3,810,903 as at September 30, 2012. As at September 30, 2012, the Corporation had $7,903,753 in cash, cash equivalents and short-term deposits which it believes may not be sufficient to finance its currently planned operating, exploration and evaluation expenditures. 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 and exploration expenditures as it proceeds to expand exploration activities at the Project, continues to develop the 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 Project may therefore depend on the Corporation's ability to obtain additional required financing. In particular, any potential development of 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 Project, or in a loss of 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. The purpose of the Offering is to raise funds to carry out exploration and development, with the objective of establishing economic quantities of mineral deposits at the Blawn Mountain Project. 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.

The Corporation has not yet demonstrated the economic feasibility of the Project

The Corporation has not completed pre-feasibility or feasibility level work and analysis that would allow it to declare proven or probable mineral reserves at the Project, and no assurance can be given that the Corporation will ever be in a position to declare a proven or probable mineral reserve on the Project. While a Preliminary Economic Assessment of the Project has been prepared, it is an early stage estimate that does not have sufficient certainty to constitute a pre-feasibility study or a feasibility study, and thereby enable the Corporation to declare mineral reserves. In particular, the Preliminary Economic Assessment contains the Corporation's estimated capital costs and operating costs which are based upon anticipated tonnage and grades of resources to be mined and processed, the expected recovery rates and other factors, none of which have been completed to date to a pre-feasibility study or a feasibility study level. Whether the Corporation completes a feasibility study on the Project and thereby delineates proven or probable mineral reserves depends on a number of factors, including: (i) the particular attributes of the deposit (including its size, grade, geological formation and proximity to infrastructure); (ii) commodity prices, which are highly cyclical; (iii) government regulations (including regulations relating to taxes, royalties, land tenure, land use and permitting); and (iv) environmental protection considerations. The Corporation cannot determine at this time whether any of these estimates will ultimately be correct or that the Project will prove to be economically viable. Therefore, it is possible that mineral reserves will never be identified at the Project, which would inhibit the Corporation's ability to develop the Project into a commercial mining operation, and in turn would have a material adverse effect on the Corporation's business, financial condition, results of operations or prospects.

Dependence on the Blawn Mountain Project

The only material 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 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*".

Uncertainty of inferred and estimated mineral resources and historical information

The figures for mineral resources contained in this prospectus are estimates only based on a number of assumptions. in respect of the Project and, in particular, Area 1. 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 could be mined or processed profitably. The estimation of mineral resources is a subjective process and the accuracy of estimates is a function of 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 are actually mined and processed, no assurance can be given that the indicated level of mineral resources will be produced. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Corporation's control. Fluctuations in the price of potash or by-products may render mineral resources containing lower grades of mineralization uneconomic. Market price fluctuations of potash may render the present mineral resources 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 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 Offered Shares.

Inferred mineral resources that are not mineral reserves do not have demonstrated economic viability and are considered too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. The estimates of mineral resources contained in this prospectus contain estimates of inferred mineral resources. Due to the uncertainty that may attach to inferred mineral resources, there is no assurance that the estimated tonnage and grades as stated will be achieved or that they will be upgraded to measured and indicated mineral resources or proven and probable mineral reserves as a result of continued exploration.

The historical information acquired by the Corporation in respect of the NG alunite property relates to the development and production of an alumina mine and therefore not all of the information may be comparable for the purposes of SOP production. This information may also be incomplete and out of date. The historical resource estimates relating to the NG alunite property relied on by the Corporation for the Blawn Mountain Project may not be accurate and are difficult to relate to current resource assessments primarily due to the focus of past programs on alumina production with potash as a secondary product. Historical cut-off grades were based on Al_2O_3 content and therefore skew the K_2O estimates contained in this prospectus since potassium was not optimized. None of the historical resource estimates are NI 43-101 compliant.

The Corporation will employ a combination of technologies and processes

The Corporation will employ a combination of proven technologies to produce SOP. 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 Project.

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 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 Project. 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 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 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) 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. Further, in connection with Beaver County's ROW application, if as a result of the EA, the BLM determines that there is significant potential environmental effect, the BLM may proceed to conduct an EIS which could delay the receipt of the ROW.

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 broad 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 exercise or be in a position to exercise the Lease Option. Until such time as the Lease Option has been exercised under the Exploration and Option Agreement and a lease issued, the Corporation's activities on the 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 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 Project, 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 Project may not be adequate and there is no assurance that such infrastructure can be upgraded to meet the needs of the 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 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 and sulphuric 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 Blawn Mountain Project, including the Corporation's ability to secure additional financing that will be necessary for continued exploration activities.

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 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 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 Project does not guarantee that further environmental studies will not be required or that the environmental impacts of the exploration and development of the 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 flow and results of operations.

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 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 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, officers and experts are resident outside of Canada

Some of the Corporation's directors, officers and experts named in this prospectus 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, officers or experts who are not residents of Canada, or to realize in foreign jurisdictions upon judgments obtained in Canada.

Risks Relating to the Potash Industry

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. 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.

Risks Related to this Offering

The Common Shares are a highly speculative investment

The Corporation, and thus the securities of the Corporation, should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this prospectus prior to making an investment in the Corporation.

There is no existing market for the Common Shares and one may not develop to provide the holder thereof with adequate liquidity

The securities of the Corporation are not currently listed on any stock exchange and there is no assurance that the securities of the Corporation will be listed or if listed, will provide a liquid market for the securities of the Corporation. Until the securities are listed on a stock exchange, holders of the Offered Shares may not be able to sell their securities of the Corporation. Even if a listing is obtained, there can be no assurance that an active public market for the Corporation's securities will develop or be sustained after this Offering. The Offering Price, which was determined by negotiation between the Corporation and the Underwriters, is based upon several factors and may bear no relationship to the price that will prevail in the public market. The holding of securities of the Corporation involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The securities of the Corporation should not be purchased by persons who cannot afford the loss of their entire investment.

You will incur immediate and substantial dilution in the net tangible book value of the Common Shares you purchase in the Offering

Prior investors have paid less per share than the Offering Price. The Offering Price is substantially higher than the net tangible book value per share of the outstanding Common Shares immediately after the Offering. Therefore, based on an Offering Price of $ ● per share, if you purchase Offered Shares in the Offering, you will suffer immediate and substantial dilution of approximately $ ● per share. If all outstanding options and warrants to purchase Common Shares that are exercisable are exercised, you will suffer immediate and substantial dilution of approximately $ ● per share. Any future equity issuances may result in even further dilution to holders of Common Shares.

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 Offered Shares will be 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.

MATERIAL CONTRACTS

The only material contracts, which the Corporation or its subsidiaries have entered into in the past two years, or will enter into prior to the Closing Date, other than in the ordinary course of business, are as follows:

(i) Exploration and Option Agreement — see "*Description of the Business — Blawn Mountain Project*";

(ii) Underwriting Agreement — see "*Plan of Distribution*"; and

(iii) Utah Alunite Acquisition Agreements — see "*Potash Ridge Corporation — Corporate Structure*".

Copies of the material contracts set out above may be inspected at the offices of the Corporation located at Suite 600, 3 Church Street, Toronto, Ontario, M5E 1M2 during normal business hours during the period of distribution of the Common Shares offered hereunder, or they may be viewed on the Internet at www.sedar.com.

LEGAL PROCEEDINGS

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.

REGULATORY ACTIONS

In the past three years, 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 the Principal Shareholders, as described in this prospectus, none of the directors or executive officers of the Corporation or Principal Shareholders, nor any associate or affiliate of any of them, has or had a direct or indirect material interest in any transaction within the three years prior to the date of this prospectus or proposed transaction which has materially affected or will materially affect the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, 18 York Street, Suite 2600, Toronto, ON, M5J 0B2, who have prepared an independent auditor's report dated March 30, 2012 in respect of the Corporation's consolidated financial statements as at December 31, 2011 and for the period from February 26, 2011 to December 31, 2011. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

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

EXPERTS

The scientific and technical information in this prospectus regarding the Blawn Mountain Project is derived from the Technical Report prepared by Norwest by Steven B. Kerr, Lawrence D. Henchel, Jason N. Todd, Robert I. Nash and L. Ravindra Nath. Neither Norwest nor Steven B. Kerr, Milton E. Holter, Jason N. Todd and Robert I. Nash own any securities of the Corporation. The Corporation has relied on the work of Serecon with respect to certain information relating to the fertilizer industry. Serecon does not own any securities of the Corporation.

LEGAL MATTERS

In connection with the Offering, certain legal matters relating to the issue and sale of the Offered Shares will be passed upon by Davies Ward Phillips & Vineberg LLP on behalf of the Corporation, and by Wildeboer Dellelce LLP, Canadian counsel, and Dorsey Whitney LLP, US counsel, on behalf of the Underwriters. The partners and associates of each firm are expected to own less than one percent (1%) of the Common Shares on the Closing Date.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt, or deemed receipt, of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies of rescission or, in some jurisdictions, revisions of the price or damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. Purchasers should refer to any applicable provisions of the securities legislation of their province or territory for the particulars of these rights or consult with a legal advisor.

GLOSSARY OF TERMS

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

"**1933 Act**" means the United States Securities Act of 1933.

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

"**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.

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

"**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.

"**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.

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

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

"**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.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Closing Date**" means the closing date of the Offering which is expected to occur on or about ● , 2012 or such other date as the Corporation and the Underwriters may agree, but in any event no later than ● , 2012.

"**Code**" means the code of ethics and business practices to be adopted by the Board of Directors.

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

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

"**CRU**" means the CRU Group.

"**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 SITLA 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.

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

"**EA**" means an Environmental Assessment.

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

"**EIS**" means an Environmental Impact Statement.

"**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.

"**FAO**" means The Food and Agriculture Organization of the United Nations.

"**FOB**" means free on board.

"**FVTPL**" means fair value through profit or loss.

"**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.

"**Hazen**" means Hazen Research, Inc.

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

"**IAS 24**" means International Accounting Standard 24 — "*Related Party Disclosures*".

"**IASB**" means International Accounting Standards Board.

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

"**IFA**" means The International Fertilizer Industry Association.

"**IFRS**" means International Financial Reporting Standards.

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

"**ITA**" means the *Income Tax Act* (Canada).

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

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

"**K+S**" means K+S Kali GmbH.

"**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 a mineral lease at any time during the Option Period.

"**Luobupo**" means SDIC Xinjiang Luobupo Potash Co., Ltd.

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

"**Mannheim Process**" means the secondary SOP production method involving the reaction of KCl with sulphuric acid.

"**Mannheim Furnace**" means the high-cost furnaces used in the Mannheim Process to convert MOP to SOP.

"**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.

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

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

"**Named Executive Officers**" means the Corporation's Chief Executive Officer and Chief Financial Officer.

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

"**NCI**" means non-certificated inventory.

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

"**NOI**" means a Notice of Intent.

"**Norwest**" means Norwest Corporation.

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

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

"**NI 58-101**" means National Instrument 58-101 — *Disclosure of Corporate Governance Practices*.

"**NP 58-201**" means National Policy 58-201 — *Corporate Governance Guidelines*.

"**NPDES**" means a National Pollutant Discharge Elimination System.

"**NPK**" means nitrogen, phosphates and potassium.

"**NPKS**" means nitrogen, phosphates, potassium and sulphur.

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

"**Offered Shares**" means the Common Shares issued and sold pursuant to the Offering.

"**Offering**" means the distribution of ● Offered Shares of Potash Ridge to be issued and sold at the Offering Price per Offered Share.

"**Offering Price**" means the offering price of the Offered Shares pursuant to the Offering, being $ ● per Offered Share.

"**Option**" means an option granted pursuant to the Stock Option Plan.

"**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.

"**Over-Allotment Option**" means the option granted to the Underwriters exercisable, in whole or in part, at the sole discretion of the Underwriters, until the date that is 30 days from the date of the closing of the Offering to purchase up to an additional ● Offered Shares (being equal to 15% of the Offered Shares sold in the Offering) at the Offering Price.

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

"**Potash Corp**" means Potash Corporation of Saskatchewan Inc.

"**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.

"**PowerOne**" means PowerOne Capital Markets Limited.

"**Preliminary Economic Assessment**" means 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.

"**Principal Shareholders**" means those persons who, prior to giving effect to the Offering, were the direct or indirect beneficial owners of, or exercised control or direction over, 10% or more of the outstanding Common Shares.

"**RRIF**" means a registered retirement income fund.

"**RRSP**" means a registered retirement savings plan.

"**Serecon**" means Serecon Consulting Group.

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

"**Southwire**" means Southwire Company.

"**Stock Option Plan**" means the Corporation's amended and restated stock option plan approved by the Corporation's directors on September 20, 2012.

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

"**Technical Report**" means the technical report dated November 5, 2012 entitled "*Preliminary Economic Assessment — Blawn Mountain Project, Beaver County, Utah*" prepared by Norwest.

"**TFSA**" means a tax-free savings account.

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

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

"**Underwriters**" means collectively, National Bank Financial Inc., Clarus Securities Inc., GMP Securities L.P., Scotia Capital Inc., Cormark Securities Inc. and Dundee Securities Ltd.

"**Underwriting Agreement**" means the underwriting agreement dated ● , 2012 between the Corporation and the Underwriters.

"**Units**" means the units issued pursuant to a private placement on August 8, 2011 consisting of one Common Share and one half-warrant.

"**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.

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

"**World Bank**" means The World Bank Group.

AUDITOR'S CONSENT

We have read the prospectus of Potash Ridge Corporation (the Corporation) dated November ● , 2012 relating to the qualification for distribution of common shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Corporation on the consolidated statement of financial position of the Corporation as at December 31, 2011 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the period February 16, 2011 to December 31, 2011. Our report is dated March 30, 2012.

We also consent to the use in the above-mentioned prospectus of our report to the directors of Utah Alunite Corporation (Utah Alunite) on the statements of financial position of Utah Alunite as at December 31, 2010 and 2009 and the statements of loss and comprehensive loss, changes in members' equity, and cash flows for each of the years in the two-year period ended December 31, 2010. Our report is dated November ● , 2012.

●
Chartered Accountants, Licensed Public Accountants
Toronto, Ontario
● , 2012

INDEX TO FINANCIAL STATEMENTS

Potash Ridge Audited Consolidated Financial Statements For the Period from February 16, 2011 to December 31, 2011

Independent Auditor's Report F-5

Consolidated Statement of Financial Position as at December 31, 2011 . . . . F-7

Consolidated Statement of Loss and Comprehensive Loss F-8

Consolidated Statement of Changes in Equity F-9

Consolidated Statement of Cash Flows F-10

Notes to the Consolidated Financial Statements F-11

Potash Ridge Condensed Interim Consolidated Financial Statements (Unaudited)

Condensed Interim Consolidated Statement of Financial Position as at September 30, 2012 and December 31, 2011 . . . . F-26

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss for the three months and nine months ended September 30, 2012, the three months ended September 30, 2011 and the period from February 16 to September 30, 2011 . . . . F-27

Condensed Interim Consolidated Statements of Changes in Equity for the three months and nine months ended September 30, 2012, the three months ended September 30, 2011 and the period from February 16 to September 30, 2011 . . . . F-28

Condensed Interim Consolidated Statements of Cash Flows for the nine months ended September 30, 2012 and the period from February 16 to September 30, 2011 . . . . F-29

Notes to the Condensed Interim Consolidated Financial Statements September 30, 2012 . . . . F-30

Utah Alunite, LLC Financial Statements

Independent Auditor's Report F-39

Statement of Financial Position as at March 31, 2011, December 31, 2010 and 2009 . . . . F-41

Statement of Loss and Comprehensive Loss for the years ended December 31, 2010 and 2009 and for the three month periods ended March 31, 2011 and March 31, 2010 . . . . F-42

Statement of Members' Equity for the years ended December 31, 2010 and 2009 and for the three month periods ended March 31, 2011 and March 31, 2010 . . . . F-43

Statement of Cash Flows for the years ended December 31, 2010 and 2009 and for the three month periods ended March 31, 2011 and March 31, 2010 . . . . F-44

Notes to the Financial Statements F-45

Consolidated financial statements of

Potash Ridge Corporation

For the period from February 16, 2011
(date of incorporation)
to December 31, 2011

TABLE OF CONTENTS

	Page
Management's responsibility for financial reporting	F-4
Independent Auditor's Report	F-5
Consolidated statement of financial position	F-7
Consolidated statement of loss and comprehensive loss	F-8
Consolidated statement of changes in equity	F-9
Consolidated statement of cash flows	F-10
Notes to the consolidated financial statements	F-11 — F-23

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, timely and comprehensive financial information is prepared. However, any system of internal control 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 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.

INDEPENDENT AUDITOR'S REPORT

To the Directors of Potash Ridge Corporation

We have audited the accompanying consolidated financial statements of Potash Ridge Corporation (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statement of loss and comprehensive loss, changes in equity, and cash flows for the period from February 16, 2011 to December 31, 2011, 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 audit. We conducted our audit 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 audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Potash Ridge Corporation as at December 31, 2011 and its financial performance and its cash flows for the period from February 16, 2011 to December 31, 2011, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP, Chartered Accountants
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca

Emphasis of matter

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

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants, Licensed Public Accounts

March 30, 2012

POTASH RIDGE CORPORATION
(An Exploration Stage Entity)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In Canadian dollars)

	As at December 31, 2011
ASSETS	
Current	
Cash and cash equivalents (Note 5)	$16,707,246
Receivables (Note 6)	41,671
Prepaid expenses	3,120
	16,752,037
Property, plant and equipment (Note 7)	5,688
Exploration and evaluation assets (Note 4 & 8)	2,356,696
Total assets	**$19,114,421**
LIABILITIES	
Current	
Accounts payable and accrued liabilities	$ 1,850,441
SHAREHOLDERS' EQUITY	
Share capital (Note 9)	16,398,381
Contributed surplus (Note 9)	1,994,582
Deficit	(1,129,365)
Accumulated other comprehensive income	382
	17,263,980
	$19,114,421

Nature of Operations and Going Concern (Note 1)

Approved by the Board of Directors on March 30, 2012

(Signed) GUY BENTINCK
Director

(Signed) PHIL WILLAMS
Director

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

POTASH RIDGE CORPORATION
(An Exploration Stage Entity)

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

(In Canadian dollars)

	For the period from February 16, 2011 to December 31, 2011
EXPENSES	
Share-based compensation (Note 10)	$ 577,500
General and administrative	261,375
Director, management and employee costs excluding share-based compensation (Note 8)	158,917
Professional and consulting fees	120,004
Prospecting expenses (Note 8)	28,899
Depreciation	1,138
	(1,147,833)
OTHER ITEMS	
Interest income	594
Foreign exchange gain	17,874
Net loss for the period	**(1,129,365)**
OTHER COMPREHENSIVE INCOME	
Foreign currency translation adjustment	382
Comprehensive loss for the period	**$ (1,128,983)**
Weighted average number of common shares outstanding	**30,183,458**
Basic and diluted loss per common share	**$ (0.04)**

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

POTASH RIDGE CORPORATION
(An Exploration Stage Entity)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In Canadian dollars)

	Number	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income	Total shareholders' equity
Opening Balances at February 16, 2011		$ —	$ —	$ —	$—	$ —
Private placements:						
Net proceeds (Note 9)	66,215,966	17,003,110	—	—	—	17,003,110
Subscriber warrants (Note 9)	10,787,500	—	791,353			791,353
Broker unit options (Note 9)	1,685,600	(252,840)	252,840	—	—	—
Broker warrants (Note 9)	839,458	(351,889)	351,889	—	—	—
Share-based compensation (Note 10)	2,850,000	—	598,500	—	—	598,500
Comprehensive loss		—	—	(1,129,365)	382	(1,128,983)
Balances at December 31, 2011		**$16,398,381**	**$1,994,582**	**$(1,129,365)**	**$382**	**$17,263,980**

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

POTASH RIDGE CORPORATION
(An Exploration Stage Entity)

CONSOLIDATED STATEMENT OF CASH FLOWS

(In Canadian dollars)

	For the period from February 16, 2011 to December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss for the period	$(1,129,365)
Items not affecting cash:	
Depreciation	1,138
Share-based compensation	577,500
Changes in non-cash working capital items:	
Increase in receivables	(41,671)
Increase in prepaid expenses	(3,120)
Increase in accounts payable and accrued liabilities	141,909
Net cash used in operating activities	(453,609)
CASH FLOWS USED IN INVESTING ACTIVITIES	
Acquisition of property, plant and equipment	(6,826)
Acquisition of Utah Alunite, LLC (Note 4)	(325,145)
Cash settled expenditures on exploration and evaluation assets	(1,065,737)
Net cash used in investing activities	(1,397,708)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net proceeds from issuance of share capital and subscriber warrants	18,558,181
Increase in cash and cash equivalents for the period	16,706,864
Effect of foreign exchange rate changes on cash and cash equivalents	382
Cash and cash equivalents, beginning of the period	—
Cash and cash equivalents, end of the period	$16,707,246

Supplemental disclosure with respect to cash flows (Note 17)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Potash Ridge Corporation (the "Corporation") is a privately held corporation operating under the Ontario Business Corporation Act. Its registered office is located in Toronto, Canada at 130 King Street West, Suite 2210, The Exchange Tower, Toronto, Ontario, M5X 1E4. The Corporation was originally incorporated on February 16, 2011 in British Columbia as 0903095 B.C. Ltd., and did not become operational until April 1, 2011. On May 24, 2011 the Corporation changed its name to New Earth Potash Corp. On October 21, 2011 the Corporation was continued in Ontario under the name Potash Ridge Corporation.

The principal activity of the Corporation is the exploration, evaluation and future development of its Blawn Mountain alunite property in Utah. The Blawn Mountain property is located on lands belonging to the State of Utah, managed by the State of Utah School and Institutional Trust Lands Administration ("SITLA"). The Corporation has also filed potash prospecting permit applications with the U.S. Department of the Interior Bureau of Land Management (the "BLM") for certain other alunite properties referred to as "Pine Valley". Pine Valley is located approximately 16 miles from the Blawn Mountain property.

The Corporation was financed with $19,019,475 of gross proceeds over four separate offerings since inception (see Note 9).

On April 18, 2011, the Corporation purchased 100% of the interest in Utah Alunite, LLC ("Utah Alunite") a limited liability corporation incorporated in Utah (see Note 4).

The Corporation has not yet achieved profitable operations. The Corporation incurred a net comprehensive loss for the period from February 16 to December 31, 2011 of $1,128,983 and reported an accumulated deficit of $1,129,365 as at December 31, 2011. As at December 31, 2011, the Corporation had $16,707,246 in cash and cash equivalents which, according to management's projections, will not be sufficient to finance its currently planned operating, exploration and evaluation expenditures. Accordingly, the Corporation will need 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 properties. There can be no assurance it will be able to raise funds in the future. These circumstances, along with other risks relevant to exploration companies, such as continuing losses and dependence upon key individuals lend significant doubt as to the ability of the Corporation to fulfill its exploration and development activities and, accordingly, the appropriateness ultimately of the use of the accounting principles applicable to a going concern. These condensed interim 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 that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

These consolidated financial statements do not give effect to adjustments 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 30, 2012.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The Corporation's consolidated financial statements have been prepared following International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b) Basis of preparation

The consolidated financial statements have been prepared on 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 judgement in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgement 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 subsidiary Utah Alunite. Control is achieved when the Corporation has to power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and consideration issued by the Corporation in exchange for control of the subsidiary. Acquisition related costs are expensed as incurred.

e) 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 is Canadian dollars and the functional currency of Utah Alunite 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.

f) Share based compensation

The Corporation has a stock option plan that allows the Corporation's employees, directors and consultants to acquire 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 executives 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.

g) 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 carryforwards.

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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

h) Cash and cash equivalents

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

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) Exploration and evaluation expenditures

Exploration 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 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 will expense those costs as incurred.

k) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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.

l) 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. One or more of the following facts and circumstances could give rise to the Corporation testing and evaluation assets for impairment:

i. the period for which the entity has the right to explore the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

ii. substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

iii. exploration for and evaluation of mineral resources in the specific area have not led to the discover of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

iv. sufficient data exists to indicate that, although a development in the specific area 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.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Fair value for mineral assets is often determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate that reflects current market assessments of the time value of money and risks specific to the asset to arrive at a present value of the asset.
- Value in use is determined as the present value of the estimated future 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 taken 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.

m) Loss per share

The Corporation presents basic and diluted 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 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.

n) 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.

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.

o) 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, with interest recognized on an effective yield basis.

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

p) Future accounting standard and pronouncements

<u>IFRS 9 'Financial Instruments' ("IFRS 9")</u>

Effective for annual periods beginning on or after January 1, 2013, IFRS 9 addresses the classification and measurement of financial assets, and is the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement' ("IAS 39"). IFRS 9 will replace the multiple category model previously contained in IAS 39 with a new measurement model having two

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

categories — amortized cost and fair value. Based on the Corporation's existing operations, management does not believe that this standard will have a material impact on the Corporation's consolidated financial statements.

IFRS 10 'Consolidation' ("IFRS 10")

Effective for annual periods beginning on or after January 1, 2013, IFRS 10 requires an entity to consolidate an investee when it 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. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 'Consolidation — Special Purpose Entities' and parts of IAS 27 'Consolidated and Separate Financial Statements'. Based on the Corporation's existing operations, management does not believe that this standard will have a material impact on the Corporation's consolidated financial statements.

IFRS 11 'Joint Arrangements' ("IFRS 11")

Effective for annual periods beginning on or after January 1, 2013, IFRS 11 requires an entity to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the entity will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 will supersede IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities — Non-monetary Contributions'. Based on the Corporation's existing operations, management does not believe that this standard will have a material impact on the Corporation's consolidated financial statements.

IFRS 12 'Disclosure of Interests in Other Entities' ("IFRS 12")

Effective for annual periods beginning on or after January 1, 2013, IFRS 12 establishes disclosure requirements for interest in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. IFRS 12 carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. Management does not believe that, based on the Corporation's existing operations, that this standard will have a material impact on the Corporation's consolidated financial statements.

IFRS 13 'Fair Value Measurement' ("IFRS 13")

Effective for annual periods beginning on or after January 1, 2013, IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the various standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. Management is currently analyzing the impact that any future implementation of this standard will have on the consolidated financial statements.

IAS 28 'Investments in Associates and Joint Ventures' ("IAS 28")

Effective for annual periods beginning on or after January 1, 2013, IAS 28 will be amended to provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. Management does not believe that, based on the Corporation's existing operations, that this standard will have a material impact on the Corporation's consolidated financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS 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 judgements, 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical accounting estimates and judgements

The Corporation applied judgement in the determination of the types of expenses that are capitalized as mineral rights for exploration as described in the accounting policy in note 2(j).

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(f) and 2(i) as well as Note 10 for further details of significant assumptions applied to these areas of estimation.

4. ACQUISITION OF UTAH ALUNITE

On April 18, 2011, the Corporation acquired all of the interests in Utah Alunite from its founding members for an aggregate purchase price of US$347,370. The purchase price comprised of US$262,370 advanced to Utah Alunite on April 1, 2011 to acquire its exclusive right to explore and an option to lease the Blawn Mountain property from the State of Utah School and Institutional Trust Lands Administration (“SITLA”), and US$85,000 payable to the vendors of Utah Alunite. The Corporation paid US$60,000 to the vendors on April 18, 2011 with the remaining US$25,000 payable on April 18, 2012. A further US$75,000 will become payable if and when Utah Alunite signs a mineral lease with SITLA relating to the Blawn Mountain alunite properties presently held. Accordingly, the US$75,000 has not been recorded in these consolidated financial statements at December 31, 2011. Utah Alunite had no other assets or liabilities at the time of the acquisition. Accordingly, the purchase was considered an asset acquisition and the full purchase price was allocated to Exploration and Evaluation assets. As at December 31, 2011, the Corporation holds a 100% ownership in its subsidiary Utah Alunite.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of $5,226,611 in Canadian dollar denominated current accounts, $975,790 in U.S. dollar denominated current accounts, a $250,529 Canadian dollar denominated fixed term deposit maturing on January 11, 2012 and bearing an interest rate of 0.5%, a $254,315 U.S. dollar denominated fixed term deposit maturing on January 11, 2012 and bearing an interest rate of 0.05%, a $3,000,000 guaranteed investment certificate (“GIC”) maturing on January 30, 2012 and bearing an interest rate of 1.20%, and a $7,000,000 GIC maturing on March 29, 2012 and bearing an interest rate of 1.35%. All accounts and GICs are with a Canadian chartered bank with an AA credit rating from DBRS and AA- from Standard & Poor’s.

6. RECEIVABLES

Receivables of $41,671 consist entirely of goods and services tax (“GST”) and harmonized sales tax (“HST”) receivables.

7. PROPERTY, PLANT AND EQUIPMENT

The Corporation’s property, plant and equipment consist entirely of computer equipment where a useful life of three years is used for the purposes of depreciation.

	Property, Plant and Equipment
Cost	
Balance as at February 16, 2011	$ —
Additions	6,826
Balance as at December 31, 2011	$6,826
Accumulated depreciation	
Balance as at February 16, 2011	$ —
Depreciation expense	1,138
Balance as at December 31, 2011	$1,138
Carrying amount as at December 31, 2011	**$5,688**

(In Canadian dollars, except where otherwise noted)

8. EXPLORATION AND EVALUATION ASSETS

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

	Blawn Mountain
Balance, beginning of period	$ —
Additions during the period:	
Drilling	1,335,569
Professional and labour	265,825
Acquisition of land mineral lease (Note 4)	351,845
Data acquisition	137,295
Preliminary economic reports	100,002
Equipment rentals	56,848
Transportation	41,463
Field expenditures	23,465
Share-based compensation (non-cash)	21,000
Permit application and acquisition	20,737
Other	2,647
Total exploration and evaluation assets, December 31, 2011	**$2,356,696**

The Corporation is also prospecting and has applied for prospecting permits for Pine Valley. The Corporation has incurred $28,899 of costs in connection with Pine Valley that have been charged to the statement of loss. These costs consist primarily of permit application and geological professional and labour fees.

9. ISSUED CAPITAL

a) *Authorized: the Corporation is authorized to issue an unlimited number of common shares.*

b) *Issued and outstanding common shares:*

Since inception the Corporation raised $19,019,475 in gross proceeds ($17,794,463 in net proceeds after $1,225,012 of cash issue costs but before taking into account $604,729 in non-cash issue costs) in a series of four rounds of financing.

i. "First Round" of financing: On February 16, 2011, the Corporation was incorporated with the issuance of one common share for $0.05. On April 5, 2011 and May 2, 2011, the Corporation collectively issued 22,649,999 common shares at $0.05 per share for total proceeds of $1,129,723, net of other issue costs of $2,777. No finders' fees (cash or otherwise) were paid or otherwise incurred on the financing.

ii. "Second Round" of financing: On August 8, 2011 the Corporation completed a private placement of 21,575,000 units at $0.25 per unit for gross proceeds of $5,393,750. Each unit consisted of one common share and one-half of a warrant to purchase one common share at an exercise price of $0.50 for a period of up to two years beginning after the date the Corporation becomes a reporting issuer. Finder's fees and other issue costs of $447,796 were incurred. In addition, 1,685,600 broker unit options (see Note 10(b)) were issued to the agents. Each broker unit option allows the holder to exercise each option at a price of $0.25 per unit in exchange for one common share and one-half warrant to purchase a common share for $0.50 per share. The warrants expire on the second anniversary of the date on which the Corporation becomes a reporting issuer (see note 9(a) and 9(b)). $0.21 of the $0.25 received per unit has been allocated to share capital (before consideration of issue costs) or $4,530,750 in aggregate with the remaining $0.04 per unit or $863,000 in aggregate allocated to the subscriber warrant (before consideration of issue costs) based on their relative fair values at the time of issuance.

iii. "Third Round" of financing: On two separate closings: November 17, 2011 and December 5, 2011, the Corporation collectively issued 8,000,000 common shares at $0.25 per common share for $2,000,000 in gross proceeds. $120,000 (or 6% of the gross proceeds raised) was incurred by the Corporation as a finder's fee to the agent involved in the financing and remains payable as at December 31, 2011.

(In Canadian dollars, except where otherwise noted)

9. ISSUED CAPITAL (Continued)

iv. "Fourth Round" of financing: On December 29, 2011, the Corporation completed a private placement of 13,990,996 common shares at $0.75 per share for gross proceeds of $10,493,225. The Corporation incurred $654,439 of finder's fees and other issue costs relating to the issuance of which, $643,718 remains payable as at December 31, 2011. In addition, 839,458 broker warrants were issued to the agents (see note 10(d)). Each broker warrant entitles the holder to purchase one common share of the Corporation at an exercise price of $0.75 per common share. The warrants expire on the earlier of the second anniversary that the Corporation becomes a reporting issuer or ten years from the date of issuance.

c) *Summary of financings and securities issued:*

A summary of all the financings and securities issued (including incentive stock compensation discussed in note 10) is provided below.

	Common Shares			Convertible Securities					
	Note	Number of Common Shares Issued	Share Capital	Note	Number of Subscriber Warrants	Number of Broker Options	Number of Incentive Options	Number of Broker Warrants	Contributed Surplus
Opening Balance at February 16, 2011			$ —						$ —
Private placements — First Round									
Feburary 16, 2011	9b)(i)	1	—		—	—	—	—	—
April 5, 2011	9b)(i)	21,999,999	1,100,000		—	—	—	—	—
May 2, 2011	9b)(i)	650,000	32,500		—	—	—	—	—
Issue costs — cash		—	(2,777)		—	—	—	—	—
Private placements — Second Round									
August 8, 2011	9b)(ii)	21,575,000	4,530,750	10a)	10,787,500	—	—	—	863,000
Issue costs — cash		—	(376,149)		—	—	—	—	(71,647)
Issue costs — broker options		—	(252,840)	10b)	—	1,685,600	—	—	252,840
Private placements — Third Round									
November 17, 2011	9b)(iii)	6,000,000	1,500,000		—	—	—	—	—
December 5, 2011	9b)(iii)	2,000,000	500,000		—	—	—	—	—
Issue costs		—	(120,000)		—	—	—	—	—
Share-based compensation			—	10c)	—	—	2,850,000	—	598,500
Private placement — Fourth Round									
December 29, 2011	9b)(iv)	13,990,966	10,493,225		—	—	—	—	—
Issue costs		—	(654,439)		—	—	—	—	—
Issue costs — broker warrants		—	(351,889)	10d)	—	—	—	839,458	351,889
Balance at December 31, 2011		**66,215,966**	**$16,398,381**		**10,787,500**	**1,685,600**	**2,850,000**	**839,458**	**$1,994,582**

10. CONVERTIBLE SECURITIES

During the 2011 fiscal year the Corporation issued convertible securities for the following purposes:

a) *Subscriber warrants*

10,787,500 subscriber warrants were issued to purchase one common share in the Corporation at a price of $0.50 per common share as part of the Second Round of financing of August 8, 2011.

(In Canadian dollars, except where otherwise noted)

10. CONVERTIBLE SECURITIES (Continued)

The allocated fair value of the warrants issued was $863,000 or $0.04 per warrant determined by using the Black Scholes option-pricing model. Key assumptions used were as follows:

Risk-free interest rate	0.81%
Annualized expected volatility	100%
Expected life of warrants	2.5 years
Dividend rate	0%

b) *Broker unit options*

1,685,600 broker unit options were issued as finders' fees on the closing of the Second Round of financing which closed on August 8, 2011. Each broker unit option allows the holder to exercise each option at a price of $0.25 per unit in exchange for one common share in the Corporation as well as one-half warrant to purchase a common share in the Corporation for $0.50 per share.

The warrants expire on the second anniversary of the date in which the Corporation becomes a reporting issuer.

The fair value of the broker options issued during the year was $252,840 or $0.15 per option determined by using the Black Scholes option-pricing model. Key assumptions used were as follows:

Risk-free interest rate	0.81%
Annualized expected volatility	100%
Expected life of broker unit options	2.5 years
Dividend rate	0%

There were no other issuances of broker options during the period.

c) *Incentive stock options (share based compensation)*

The Corporation has an incentive stock option plan (the "Plan") whereby the Corporation may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided that the exercise price is in compliance with any restrictions as set out in the Plan.

2,850,000 incentive stock options were issued to members of management and the board of directors on December 9, 2011 with a strike price of $0.25. The options vested immediately and are exercisable for a period of ten years from the date of grant.

The fair value of options issued was $598,500 or $0.21 per option determined by using the Black Scholes option-pricing model. Key assumptions used were as follows:

Risk-free interest rate	0.83%
Annualized expected volatility	100%
Expected life of options	7.5 years
Dividend rate	0%
Forfeiture rate	0%

The following table summarizes incentive stock options outstanding at December 31, 2011:

Number outstanding	Number vested and exercisable	Exercise price	Exipry date	Weighted average remaining actual life
2,850,000	2,850,000	$0.25	December 9, 2021	9.9

d) *Broker warrants*

839,458 broker warrants to purchase one common share in the Corporation at a price of $0.75 per common share were issued on December 29, 2011 as finders' fees on the Fourth Round of financing.

(In Canadian dollars, except where otherwise noted)

10. CONVERTIBLE SECURITIES (Continued)

The fair value of warrants issued was $351,889 or $0.42 per warrant determined by using the Black Scholes option-pricing model. Key assumptions used were as follows:

Risk-free interest rate	0.82%
Annualized expected volatility	100%
Expected life of broker warrants	2.33 years
Dividend rate	0%

e) Summary of subscriber and broker warrants

The following table summarizes all warrants outstanding as at December 31, 2011:

	Number	Weighted average exercise price
Subscriber warrants issued on August 8, 2011	10,787,500	$0.50
Broker warrants issued on December 29, 2011	839,458	0.75
Balance as at December 31, 2011	11,626,958	$0.52

The warrants expire on the second anniversary of the date in which the Corporation becomes a reporting issuer.

11. INCOME TAXES

The Corporation has a Canadian tax loss of $825,637 that expires in 2031, a U.S. tax loss of $92,178 that expires in 2031, and other deductible temporary differences of $1,463,793, 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 tax rate to accounting loss before taxes as follows:

	2011
Consolidated loss before taxes	$(1,129,365)
Expected tax recovery at combined statutory rate of 28.25%	319,046
Impact of differences between Canada and United States	8,987
Non-deductible expenses	(163,144)
Losses not recognized	(164,889)
Total tax recovery	$ —

12. SEGMENTED INFORMATION

The Corporation operates in one reportable segment, that being the exploration, evaluation and development of mineral properties. All of the Corporation's Exploration and Evaluation properties are located in the United States of America. During the period ended December 31, 2011, the Corporation incurred $92,178 of expenses for exploration of the Pine Valley properties and other costs in the United States. The Corporation incurred other net operating expenses of $1,055,655 in Canada.

13. RELATED PARTY TRANSACTIONS

The Corporation's related parties as defined by IAS 24 "Related Party Disclosures" ("IAS 24"), include the Corporation's subsidiary, executive and non-executive directors, senior officers (Chief Executive Officer and Chief Financial Officer), and entities controlled or jointly-controlled by Corporation directors or senior officers.

Guy Bentinck, the Chief Executive Officer and director of the Corporation, was paid through his wholly-owned corporation $102,953 in cash compensation and $55,854 in expense reimbursement during the period ended December 31, 2011. Mr. Bentinck also received 2,000,000 stock options as part of the December 9, 2011 grant with a fair value of $420,000.

13. RELATED PARTY TRANSACTIONS (Continued)

Paolo De Luca, Chief Financial Officer was paid $32,135 in cash compensation and $3,682 in expense reimbursement during the period ended December 31, 2011. Mr. De Luca also received 350,000 stock options as part of the December 9, 2011 grant with a fair value of $73,500.

A corporation wholly-owned by Rahoul Sharan, the Chairman of the Corporation, was paid $32,500 for management services and $10,217 in expense reimbursement during the period ended December 31, 2011. Mr. Sharan also received 200,000 stock options as part of the December 9, 2011 grant with a fair value of $42,000.

Phil Williams, a director of the Corporation, was paid $7,500 for consulting services and $6,311 for expense reimbursement during the period ended December 31, 2011. Mr. Williams also received 200,000 stock options as part of the December 9, 2011 grant with a fair value of $42,000.

14. COMMITMENTS AND CONTINGENCIES

The Corporation was required to pay U.S.$200,000 as an initial bonus payment plus U.S.$62,370 as an option payment on April 1, 2011 (the effective date of the mineral lease agreement) to Utah Alunite to initially acquire the exploration rights to the Blawn Mountain properties. Additional payments are required on each of the first and second (April 1, 2012 and April 1, 2013 respectively) anniversaries of executing the exploration agreement in the amount of US $62,370 each.

	Not later than 1 year	Later than 1 year and not later than 5 years	Total
		(in U.S. dollars)	
Commitments for:			
Maintenance and acquisition of property rights	$62,370	$62,370	**$124,740**
Total commitments for expenditure	$62,370	$62,370	**$124,740**

The vendors of Utah Alunite are also entitled to a contingent payment of US$75,000 at the time the Corporation signs a mineral lease relating to the alunite properties presently held. See Note 18(b).

A further contingent payment of U.S.$1,000,000 is due to SITLA if and when a mining lease is granted to the Corporation in relation to Blawn Mountain as well as U.S.$10,394 in annual acreage rental fees. A mining lease is contingent on, amongst other things, a Positive Prefeasibility Study (as defined in the agreement between Utah Alunite and STILA) being completed by the Corporation.

In addition, the SITLA is entitled to a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value for metalliferous minerals (including alumina) as a result of the mining of alunite from the Blawn Mountain properties.

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 exploration and development programs 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.

15. RISK MANAGEMENT (Continued)

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, 2011 the Corporation had a cash and cash equivalents balance of $16,707,246 to settle liabilities of $1,850,441 and other commitments of $124,740. None of the Corporation's financial liabilities or commitments are interest bearing.

The Corporation regularly monitors actual cash flows to budgets and updates projected cash forecasts as needed. The Corporation will defer discretionary expenditure, as required, in order to manage and conserve its available cash balances for current liabilities and commitments. The Corporation's currently planned exploration and evaluation expenditures of approximately $29.7 million will require additional capital through debt, equity issuances or other available means (see also Note 1).

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. As at December 31, 2011 the cash and cash equivalents balance was $16,707,246. The Corporation's cash and cash equivalents are denominated in the following currencies:

	2011
Denomination in Canadian dollars	$15,477,140
Denomination in U.S. dollars	1,230,106
Cash and cash equivalents	$16,707,246

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, 2011 was US$0.98 per Canadian dollar. Based on the balances at December 31, 2011, income will increase or decrease by approximately $62,000 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. All of the Corporation's cash and cash equivalent balances are with one major Canadian chartered bank. The Corporation limits its counterparty credit risk on its deposits by dealing only with financial institutions with AA or above credit ratings.

16. CATEGORIES OF FINANCIAL INSTRUMENTS

	2011 Carrying amount
Financial assets	
Cash and cash equivalents	$16,707,246
Accounts receivables	$ 41,671
Financial liabilities	
Accounts payable and accrued liabilities	$ 1,850,441

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

17. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended December 31, 2011 the Corporation made cash payments for Canadian HST/GST of $41,743.

18. SUBSEQUENT EVENTS

a) *Issuance of incentive stock options*

On January 26, 2012 the Corporation granted certain officers of the Corporation 950,000 incentive stock options, valued at $598,500, to purchase common shares at a price of $0.75 per common share. The stock options vested immediately and are exercisable for a period of up to ten years from the date of grant.

On February 1, 2012 the Corporation granted an officer of the Corporation 60,000 incentive stock options, valued at $37,800, to purchase common shares at a price of $0.75 per common share. The stock options vested immediately and are exercisable for a period of up to ten years from the date of grant.

b) *Utah Alunite LLC*

On March 15, 2012, the Corporation and the vendors of Utah Alunite agreed to waive the condition for payment of US$75,000 to the vendors upon signing a mineral lease. Accordingly, US$75,000 became immediately payable to the vendors.

Condensed interim consolidated financial statements of

Potash Ridge Corporation

As at and for the three and nine month periods ended
September 30, 2012 and the three month period ended September 30, 2011
and the period from February 16, 2011 to September 30, 2011
(Unaudited)

TABLE OF CONTENTS

	Page
Condensed interim consolidated statements of financial position	F-26
Condensed interim consolidated statements of loss and comprehensive loss	F-27
Condensed interim consolidated statements of changes in equity	F-28
Condensed interim consolidated statements of cash flows	F-29
Notes to the condensed interim consolidated financial statements	F-30 — F-36

POTASH RIDGE CORPORATION
(An Exploration Stage Entity)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2012 and December 31, 2011
(In Canadian dollars)
(unaudited)

	2012	2011
ASSETS		
Current		
Cash and cash equivalents (Note 3)	**$ 6,896,809**	$16,707,246
Short term deposits (Note 4)	**1,006,944**	—
Receivables (Note 5)	**190,817**	41,671
Prepaid share issuance costs (Note 2(d))	**294,589**	—
Other current assets	**190,247**	3,120
	8,579,406	16,752,037
Exploration and evaluation assets (Note 7)	**8,384,943**	2,292,127
Reclamation surety bonds (Note 6)	**209,835**	64,569
Property, plant and equipment	**183,197**	5,688
Other non-current assets	**77,179**	—
	$17,434,560	$19,114,421
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 1,911,345**	$ 1,850,441
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	**16,352,423**	16,398,381
Contributed surplus (Note 8)	**2,975,025**	1,994,582
Deficit	**(3,810,903)**	(1,129,365)
Accumulated other comprehensive income	**6,670**	382
	15,523,215	17,263,980
	$17,434,560	$19,114,421

Nature of Operations and Going Concern (Note 1)

Approved by the Board of Directors on November xx, 2012

(Signed) Rahoul Sharan
Director

(Signed) Navin Dave
Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

POTASH RIDGE CORPORATION
(An Exploration Stage Entity)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three and nine month periods ended September 30, 2012, the three months ended September 30, 2011 and the period from February 16 to September 30, 2011
(In Canadian dollars)
(unaudited)

	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Period from February 16 to September 30, 2011
EXPENSES				
Management, employee, director, general and administrative expenses (Note 11)	**$ 693,910**	$ 72,205	**$ 1,369,827**	$ 79,671
Professional fees	**291,236**	42,944	**804,379**	44,057
Share-based compensation (Note 9)	**158,638**	—	**379,138**	—
Prospecting	**—**	13,377	**11,389**	20,960
Depreciation	**4,574**	—	**6,196**	—
Loss before other items	**(1,148,358)**	(128,526)	**(2,570,929)**	(144,688)
OTHER ITEMS				
Interest income	**27,418**	281	**92,295**	281
Foreign exchange gain (loss)	**(282,399)**	73,959	**(202,904)**	69,571
Net loss for the period	**(1,403,339)**	(54,286)	**(2,681,538)**	(74,836)
OTHER COMPREHENSIVE (LOSS) INCOME				
Foreign currency translation adjustment	**7,722**	(4,095)	**6,288**	(1,131)
Comprehensive loss for the period	**$ (1,395,617)**	$ (58,381)	**$ (2,675,250)**	$ (75,967)
Weighted average number of common shares outstanding	**66,215,966**	35,313,587	**66,215,966**	22,915,639
Basic and diluted loss per common share	**$ (0.02)**	$ (0.00)	**$ (0.04)**	$ (0.00)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

POTASH RIDGE CORPORATION
(An Exploration Stage Entity)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three and nine month periods ended September 30, 2012, the three months ended September 30, 2011 and the period from February 16 to September 30, 2011
(In Canadian dollars)
(unaudited)

	Number of shares	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance at June 30, 2012	**66,215,966**	**$16,352,417**	**$2,630,882**	**$(2,407,564)**	**$(1,052)**	**$16,574,683**
Net loss	**—**	**—**	**—**	**(1,403,339)**	**—**	**(1,403,339)**
Effect on foreign currency translation	**—**	**—**	**—**	**—**	**7,722**	**7,722**
Share based compensation	**—**	**—**	**344,143**	**—**	**—**	**344,143**
Transaction costs	**—**	**6**	**—**	**—**	**—**	**6**
Balance at September 30, 2012	**66,215,966**	**$16,352,423**	**$2,975,025**	**$(3,810,903)**	**$ 6,670**	**$15,523,215**
Balance at June 30, 2011	22,650,000	$ 1,129,723	$ —	$ (20,550)	$ 2,964	$ 1,112,137
Private placement (Note 8)	21,575,000	3,901,761	1,044,193	—	—	4,945,954
Net loss	—	—	—	(54,286)	—	(54,286)
Effect on foreign currency translation	—	—	—	—	(4,095)	(4,095)
Balance at September 30, 2011	44,225,000	$ 5,031,484	$1,044,193	$ (74,836)	$(1,131)	$ 5,999,710

	Number of shares	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance at January 1, 2012	**66,215,966**	**$16,398,381**	**$1,994,582**	**$(1,129,365)**	**$ 382**	**$17,263,980**
Net loss	**—**	**—**	**—**	**(2,681,538)**	**—**	**(2,681,538)**
Effect on foreign currency translation	**—**	**—**	**—**	**—**	**6,288**	**6,288**
Share based compensation (Note 9)	**—**	**—**	**980,443**	**—**	**—**	**980,443**
Transaction costs	**—**	**(45,958)**	**—**	**—**	**—**	**(45,958)**
Balance at September 30, 2012	**66,215,966**	**$16,352,423**	**$2,975,025**	**$(3,810,903)**	**$ 6,670**	**$15,523,215**
Balance at February 16, 2011	—	$ —	$ —	$ —	$ —	$ —
Private placement (Note 8)	44,225,000	5,031,484	1,044,193	—	—	6,075,677
Net loss	—	—	—	(74,836)	—	(74,836)
Effect on foreign currency translation	—	—	—	—	(1,131)	(1,131)
Balance at September 30, 2011	44,225,000	$ 5,031,484	$1,044,193	$ (74,836)	$(1,131)	$ 5,999,710

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

POTASH RIDGE CORPORATION
(An Exploration Stage Entity)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine months ended September 30, 2012 and the period from February 16 to September 30, 2011
(In Canadian dollars)

	Nine months ended September 30 2012	Period from February 16 to September 30 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	**$ (2,681,538)**	$ (74,836)
Items not affecting cash:		
Depreciation	**6,196**	—
Stock-based compensation	**379,138**	—
Foreign exchange loss	**42,324**	2,754
Non-cash interest income	**(33,180)**	—
Changes in non-cash working capital items:		
Increase in receivables	**(149,146)**	(20,126)
Increase in other current assets	**(179,668)**	—
Increase in other non-current assets	**(76,509)**	—
Increase in reclamation surety bonds	**(147,411)**	(65,376)
Increase in accounts payable and accrued liabilities	**363,106**	65,511
Net cash used in operating activities	**(2,476,688)**	(92,073)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(183,694)**	—
Short term deposits	**(5,000,000)**	—
Maturity of short term deposits	**4,026,236**	—
Payment for acquisition of Utah Alunite	**(98,320)**	(62,892)
Cash settled expenditures on exploration and evaluation assets	**(5,055,652)**	(392,566)
Net cash used in investing activities	**(6,311,430)**	(455,458)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital and subscriber warrants	**—**	6,526,250
Cash share issuance costs	**(986,282)**	(450,573)
Net cash (used in) provided by financing activities	**(986,282)**	6,075,677
Increase (Decrease) in cash and cash equivalents for the period	**(9,774,400)**	5,528,146
Effect of foreign exchange rate changes on cash and cash equivalents	**(36,037)**	(3,885)
Cash and cash equivalents, beginning of the period	**16,707,246**	—
Cash and cash equivalents, end of the period	**$ 6,896,809**	$5,524,261

The accompanying notes are an integral part of these unaudited condensed interim consoldidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Potash Ridge Corporation (the "Corporation") is a corporation operating under the Ontario Business Corporation Act. Its registered office is located in Toronto, Canada at 3 Church Street, Suite 600, Toronto, Ontario, M5E 1M2. The Corporation was originally incorporated on February 16, 2011 in British Columbia as 0903095 B.C. Ltd., and was primarily inactive until April 1, 2011. On May 24, 2011 the Corporation changed its name to New Earth Potash Corp. On October 21, 2011 the Corporation was continued in Ontario under the name Potash Ridge Corporation.

The principal activity of the Corporation is the exploration, evaluation and future development of its Blawn Mountain alunite property in Utah. The Blawn Mountain property is located on lands belonging to the State of Utah, managed by the State of Utah School and Institutional Trust Lands Administration ("SITLA"). In April 2011 the Corporation signed a Mining Exploration Agreement with Option to Lease with SITLA (the "Exploration Agreement") for the Blawn Mountain property, which covered 10,394.20 acres. In June 2012 the Exploration Agreement was amended and the acreage was expanded to 11,549.20 acres. The Exploration Agreement was further amended on August 21, 2012 to include a water right application with the Utah Division of Water Rights.

From inception to September 30, 2012, the Corporation was financed with $19,019,475 of gross proceeds over four separate offerings since incorporation (see Note 8).

On April 18, 2011, the Corporation purchased a 100% interest in Utah Alunite, LLC a limited liability corporation incorporated in Utah.

On April 17, 2012, Utah Alunite Corporation, a wholly-owned subsidiary of the Corporation, was incorporated in Delaware. All assets and liabilities of Utah Alunite, LLC were merged with the newly formed Utah Alunite Corporation on May 8, 2012.

The Corporation has not yet achieved profitable operations. The Corporation incurred a comprehensive loss for the nine months ended September 30, 2012 of $2,675,250 (period from February 16 to September 30, 2011 — $75,967) and reported an accumulated comprehensive deficit of $3,810,903 as at September 30, 2012 (December 31, 2011 — $1,129,365). As at September 30, 2012, the Corporation had $7,903,753 (December 31, 2011 — $16,707,246) in cash and cash equivalents and short term deposits which, according to management's projections, will not be sufficient to finance its currently planned operating, exploration and evaluation expenditures. Accordingly, the Corporation will need 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 properties. On September 25, 2012 the Corporation publically filed a preliminary prospectus for a possible initial public offering of its equity. There can be no assurance it will be able to raise funds in the future. These circumstances, along with other risks relevant to exploration companies, such as continuing losses and dependence upon key individuals lend significant doubt as to the ability of the Corporation to fulfill its exploration and development activities and, accordingly, the appropriateness ultimately of the use of the accounting principles applicable to a going concern. These condensed interim 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 that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

These condensed interim 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 condensed interim consolidated financial statements were approved and authorized by the Board of Directors of the Corporation on November 4, 2012.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34 — Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These statements are condensed and do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Corporation as at and for the period ended December 31, 2011.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation

The condensed interim consolidated financial statements have been prepared on 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 judgement in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 of the audited consolidated financial statements of the Corporation as at and for the period ended December 31, 2011.

The preparation of these condensed interim consolidated financial statements is based on the accounting policies consistent with those applied to the audited annual consolidated financial statements as at December 31, 2011 and for the period from February 16, 2011 to December 31, 2011. The accounting policies have been applied consistently to all periods presented in these interim consolidated financial statements.

Certain classifications of the comparative numbers have been changed to conform to those used in the current period.

c) Short term deposits

Advances and 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.

d) 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.

e) Exploration and evaluation expenditures

Exploration 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 projects are capitalized. Mineral rights for exploration and evaluation are carried at cost less any accumulated impairment losses.

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

f) Share based compensation

The Corporation has a stock option plan that allows the Corporation's employees, directors and officers to acquire shares in the Corporation. The fair value of options granted to head office executives, directors and personnel is recognized as a share based compensation expense with a corresponding increase in contributed surplus. The fair value of option grants to executives 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 period. 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.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of $5,848,566 (December 31, 2011 — $15,477,140) in Canadian dollar denominated current accounts and $1,048,243 (December 31, 2011 — $1,230,106) in U.S. dollar denominated current accounts.

4. SHORT TERM DEPOSITS

Short term deposits is comprised of a $1,000,000 GIC maturing on December 24, 2012, and accrued interest of $6,944. The GIC bears an interest rate of 1.37% per annum.

5. RECEIVABLES

Receivables of $190,817 (December 31, 2011 — $41,671) consist entirely of harmonized sales tax (“HST”) receivables.

6. RECLAMATION SURETY BONDS

The Corporation has paid $209,835 (December 31, 2011 — $64,569) relating to reclamation surety bonds being held by SITLA on account of the Corporation’s phase 1 and 2 drilling programs. The Corporation is expected to receive these amounts back under the terms of the reclamation contracts.

7. EXPLORATION AND EVALUATION ASSETS

The following table is a summary of exploration and evaluation expenditures related to the Corporation’s Blawn Mountain alunite property that have been capitalized:

	Blawn Mountain	
	September 30, 2012	**December 31, 2011**
Drilling	**$3,297,967**	$1,271,000
Preliminary economic assessment	**2,143,986**	100,002
Professional and labour	**995,908**	265,825
Acquisition of land mineral lease	**494,411**	351,845
Employee share based compensation (non-cash)	**622,305**	21,000
Employee salary and benefits	**286,124**	—
Data acquisition	**133,732**	137,295
Transportation	**150,326**	41,463
Equipment rentals	**154,205**	56,848
Field expenditures	**79,790**	23,465
Permit application and acquisition	**20,195**	20,737
Other	**5,994**	2,647
Total exploration and evaluation assets	**$8,384,943**	$2,292,127

8. ISSUED CAPITAL

a) *Authorized: the Corporation is authorized to issue an unlimited number of common shares.*

b) *Issued and outstanding common shares:*

Since inception to September 30, 2012, the Corporation raised $19,019,475 in gross proceeds ($17,794,463 in net proceeds after $1,225,012 of cash issue costs but before taking into account $604,729 in non-cash issue costs) in a series of four rounds of financing.

i. “First Round” of financing: On February 16, 2011, the Corporation was incorporated with the issuance of one common share for $0.05. On April 5, 2011 and May 2, 2011, the Corporation collectively issued 22,649,999 common shares at $0.05 per share

8. ISSUED CAPITAL (Continued)

for total proceeds of $1,129,723, net of issue costs of $2,777. No finder's fees (cash or otherwise) were paid or otherwise incurred on the financing.

ii. "Second Round" of financing: On August 8, 2011 the Corporation completed a private placement of 21,575,000 units at $0.25 per unit for gross proceeds of $5,393,750. Each unit consisted of one common share and one-half of a warrant to purchase one common share at an exercise price of $0.50 for a period of up to two years beginning after the date the Corporation becomes a reporting issuer. Finder's fees and other issue costs of $447,796 were incurred. In addition, 1,685,600 broker unit options were issued to the agents. Each broker unit option allows the holder to exercise each option at a price of $0.25 per unit in exchange for one common share and one-half warrant to purchase a common share for $0.50 per share. The warrants expire on the second anniversary of the date on which the Corporation becomes a reporting issuer. $0.21 of the $0.25 received per unit has been allocated to share capital (before consideration of issue costs) or $4,530,750 in aggregate with the remaining $0.04 per unit or $863,000 in aggregate allocated to the subscriber warrant (before consideration of issue costs) based on their relative fair values at the time of issuance.

iii. "Third Round" of financing: On two separate closings: November 17, 2011 and December 5, 2011, the Corporation collectively issued 8,000,000 common shares at $0.25 per common share for $2,000,000 in gross proceeds. $120,000 (or 6% of the gross proceeds raised) was incurred by the Corporation as a finder's fee to the agent involved in the financing.

iv. "Fourth Round" of financing: On December 29, 2011, the Corporation completed a private placement of 13,990,966 common shares at $0.75 per share for gross proceeds of $10,493,225. The Corporation incurred $654,439 of finder's fees and other issue costs relating to the issuance. In addition, 839,458 broker warrants were issued to the agents. Each broker warrant entitles the holder to purchase one common share of the Corporation at an exercise price of $0.75 per common share. The warrants expire on the earlier of the second anniversary that the Corporation becomes a reporting issuer or ten years from the date of issuance.

(In Canadian dollars, except where otherwise noted)

8. ISSUED CAPITAL (Continued)

c) *Summary of financings and securities issued:*

A summary of all the financings and securities issued (including share based compensation discussed in Note 9) is provided below:

	Common Shares			Convertible Securities					
	Note	Number of Common Shares Issued	Share Capital	Note	Number of Subscriber Warrants	Number of Broker Options	Number of Incentive Options	Number of Broker Warrants	Contributed Surplus
Opening Balance at February 16, 2011			$ —						$ —
Private placements — First Round									
February 16, 2011	8b)(i)	1	—		—	—	—	—	—
April 5, 2011	8b)(i)	21,999,999	1,100,000		—	—	—	—	—
May 2, 2011	8b)(i)	650,000	32,500		—	—	—	—	—
Issue costs — cash		—	(2,777)		—	—	—	—	—
Private placements — Second Round									
August 8, 2011	8b)(ii)	21,575,000	4,530,750		10,787,500	—	—	—	863,000
Issue costs — cash		—	(376,149)		—	—	—	—	(71,647)
Issue costs — broker options		—	(252,840)		—	1,685,600	—	—	252,840
Private placements — Third Round									
November 17, 2011	8b)(iii)	6,000,000	1,500,000		—	—	—	—	—
December 5, 2011	8b)(iii)	2,000,000	500,000		—	—	—	—	—
Issue costs		—	(120,000)		—	—	—	—	—
Share-based compensation		—	—	9	—	—	2,850,000	—	598,500
Private placement — Fourth Round									
December 29, 2011	8b)(iv)	13,990,966	10,493,225		—	—	—	—	—
Issue costs		—	(654,439)		—	—	—	—	—
Issue costs — broker warrants		—	(351,889)		—	—	—	839,458	351,889
Balance at December 31, 2011		**66,215,966**	**$16,398,381**		**10,787,500**	**1,685,600**	**2,850,000**	**839,458**	**$1,994,582**
Share-based compensation		—	—	9	—	—	1,010,000	—	980,443
Transaction costs		—	(45,958)		—	—	—	—	—
Balance at September 30, 2012		**66,215,966**	**$16,352,423**		**10,787,500**	**1,685,600**	**3,860,000**	**839,458**	**$2,975,025**

9. INCENTIVE STOCK OPTIONS (SHARE BASED COMPENSATION)

The Corporation has an incentive stock option plan (the "Plan") whereby the Corporation may grant stock options to eligible employees, officers and directors at an exercise price to be determined by the Board of Directors.

During the nine month period ended September 30, 2012, the Corporation granted 1,010,000 incentive stock options to members of management with a strike price of $0.75. The options vested immediately and are exercisable for a period of up to ten years from the date of grant. The Corporation has made contractual commitments to certain officers and employees whereby it will grant 835,000 incentive stock options on the completion of the next financing round. The options to be issued will have a strike price equal to the share issuance price of the next financing round, which has not yet been determined, will be exercisable for 10 years and will vest on the following expected schedule: ⅓ on grant, ⅓ a year after grant, ⅓ two years after grant.

A further 350,000 incentive stock options have been committed for issuance in July 2013.

The fair value of options issued was $636,300 determined by using the Black Scholes option-pricing model. The estimated fair-value of options to be granted based on expected vesting provisions to September 30, 2012 was $344,143.

(In Canadian dollars, except where otherwise noted)

9. INCENTIVE STOCK OPTIONS (SHARE BASED COMPENSATION) (Continued)

Key assumptions used were as follows:

Grant	Grants at next financing round	January 2012	February 2012
Strike price	$ 1.10 est.	$ 0.75	$ 0.75
Risk-free interest rate	0.95%	0.86%	0.89%
Annualized expected volatility	100%	100%	100%
Expected life of options	7.5 years	7.5 years	7.5 years
Dividend rate	0%	0%	0%
Forfeiture rate	0%	0%	0%
Value per option	$ 0.92	$ 0.63	$ 0.63

Of the total share-based compensation of $980,443 for the nine month period ended September 30, 2012, the January and February grants have a calculated fair value of $636,300, while the awards committed for granting have an estimated fair value of $344,143.

The Corporation has capitalized $601,305 as exploration and evaluation assets and recognized an expense of $379,138 in the consolidated statement of loss and comprehensive loss during the nine month period.

The following table summarizes incentive stock options outstanding at September 30, 2012:

Grant date	Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Weighted average remaining actual life
December 2011	2,500,000	2,500,000	$0.25	December 9, 2021	9.2 years
December 2011	350,000	350,000	0.25	30 days after Closing Date	
January 2012	600,000	600,000	0.75	January 26, 2022	9.3 years
January 2012	350,000	350,000	0.75	30 days after Closing Date	
February 2012	60,000	60,000	0.75	February 1, 2022	9.3 years
	3,860,000	3,860,000	$0.38		

10. SEGMENTED INFORMATION

The Corporation operates in one reportable segment, that being the exploration, evaluation and development of mineral properties. All of the Corporation's Exploration and Evaluation properties are located in the United States of America. The Corporation incurred expenses of $2,404,489 in Canada (period ended September 30, 2011 — $117,806).

11. RELATED PARTY TRANSACTIONS

The Corporation's related parties as defined by IAS 24 "Related Party Disclosures", include the Corporation's subsidiary, executive and non-executive directors, senior officers (Chief Executive Officer and Chief Financial Officer), and entities controlled or jointly-controlled by Corporation directors or senior officers.

Key management personnel compensation (excluding share-based compensation), including senior officers and directors of the Company totalled $1,135,688 for the nine months ended September 30, 2012 (period ended September 30, 2011 — $51,385), of this amount, $286,124 has been capitalized as exploration and evaluation assets. The Company's Chief Executive Officer was paid through his wholly-owned corporation.

During the nine months ended September 30, 2012, share-based compensation with an estimated fair value of $980,443 (period ended September 30, 2011 — Nil) was issued to key management personnel, of this amount, $601,305 has been capitalized as exploration and evaluation assets and $379,138 has been recorded in the consolidated statement of loss and comprehensive loss.

12. COMMITMENTS AND CONTINGENCIES

Under the terms of the amended Exploration Agreement with SITLA dated August 21, 2012, the Corporation is required to pay US$69,300 on the second anniversary (April 1, 2013) of executing the Exploration Agreement.

(In US dollars)	Not later than 1 year	Later than 1 year not later than 5 years	Total
Options for:			
Maintenance and acquisition of property rights	$69,300	$ —	**$69,300**
Total options for expenditure	$69,300	$ —	**$69,300**

A further contingent payment of US$1,020,000 is due to SITLA if and when a mining lease is granted to the Corporation, but no later than March 31, 2014, in relation to Blawn Mountain as well as US$11,550 in ongoing annual acreage rental fees. A mining lease is contingent on, amongst other things, a Positive Prefeasibility Study (as defined in the Exploration Agreement) being completed by the Corporation.

In addition, SITLA is entitled to a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value for metalliferous minerals (including alumina) as a result of the mining of alunite from the Blawn Mountain property.

The future minimum payments under operating leases are as follows:

	Lease Payments
For the year ending:	
2012	$ 58,269
2013	213,132
2014 and beyond	563,862
Total	**$835,263**

Financial statements of

Utah Alunite Corporation
(formerly Utah Alunite, LLC)

As at March 31, 2011, December 31, 2010 and December 31, 2009
and for the years ended December 31, 2010 and 2009
and the three month periods ended March 31, 2011 and March 31, 2010

TABLE OF CONTENTS

	Page
Independent Auditor's Report	F-39
Statements of financial position	F-41
Statements of loss and comprehensive loss	F-42
Statements of changes in members' equity	F-43
Statements of cash flows	F-44
Notes to the financial statements	F-45 — F-49

INDEPENDENT AUDITOR'S REPORT

To the Directors of Utah Alunite Corporation (formerly Utah Alunite, LLC)

We have audited the accompanying financial statements of Utah Alunite, LLC (the Company), which comprise the statements of financial position as at December 31, 2010 and 2009 and the statements of loss and comprehensive loss, statements of members' equity, and statements of cash flows for the years ended December 31, 2010 and 2009, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2010 and 2009 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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Emphasis of matter

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

Chartered Accountants, Licensed Public Accounts

November ● , 2012

UTAH ALUNITE CORPORATION (formerly Utah Alunite, LLC)
(An Exploration Stage Entity)

STATEMENTS OF FINANCIAL POSITION

as at March 31, 2011, December 31, 2010 and 2009
(In United States dollars, except where otherwise noted)

	As at March 31, 2011 (unaudited)	As at December 31, 2010	As at December 31, 2009
ASSETS			
Current assets	$ —	$ —	$—
Total assets	**$ —**	**$ —**	**$—**
LIABILITIES			
Current			
Accounts payable and accrued liabilities (Note 5)	$ 20,240	$ 20,240	$—
MEMBERS' DEFICIT			
Share capital	—	—	—
Contributed surplus (Notes 5 and 8)	288	288	138
Deficit	(20,528)	(20,528)	(138)
Total liabilities and members' deficit	**$ —**	**$ —**	**$—**

Nature of operations and going concern (Note 1)

GUY BENTINCK

JEFFREY HILLIS

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

UTAH ALUNITE CORPORATION (formerly Utah Alunite, LLC)
(An Exploration Stage Entity)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

for the years ended December 31, 2010 and 2009
And for the three month periods ended March 31, 2011 and March 31, 2010
(In United States dollars, except where otherwise noted)

	Three months ended March 31, 2011 (unaudited)	Three months ended March 31, 2010 (unaudited)	Year ended December 31, 2010	Year ended December 31, 2009
EXPENSES				
General and administrative expenses	$—	$—	$ 150	$138
Prospecting expenses (Notes 4 & 8)	—	—	20,240	—
Net comprehensive loss for the period	$—	$—	$20,390	$138

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

UTAH ALUNITE CORPORATION (formerly Utah Alunite, LLC)
(An Exploration Stage Entity)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

for the years ended December 31, 2010 and 2009
And for the three month periods ended March 31, 2011 and March 31, 2010
(In United States dollars, except where otherwise noted)

	Share capital	Contributed surplus	Deficit	Total
Balance, January 1, 2009	$ —	$—	$ —	$ —
Expenses paid by Members	—	138	—	138
Net loss	—	—	(138)	(138)
Balance, December 31, 2009	**—**	**138**	**(138)**	**—**
Expenses paid by Members	—	—	—	—
Net loss	—	—	—	—
Balance, March 31, 2010 (unaudited)	**—**	**138**	**(138)**	**—**
Expenses paid by Members	—	150	—	150
Net loss	—	—	(20,390)	(20,390)
Balance, December 31, 2010	**—**	**288**	**(20,528)**	**(20,390)**
Expenses paid by Members	—	—	—	—
Net loss	—	—	—	—
Balance, March 31, 2011 (unaudited)	**$ —**	**$288**	**$(20,528)**	**$(20,390)**

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

UTAH ALUNITE CORPORATION (formerly Utah Alunite, LLC)
(An Exploration Stage Entity)

STATEMENTS OF CASH FLOWS

for the years ended December 31, 2010 and 2009
And for the three month periods ended March 31, 2011 and March 31, 2010
(In United States dollars, except where otherwise noted)

	Three months ended March 31, 2011 (unaudited)	Three months ended March 31, 2010 (unaudited)	Year ended December 31, 2010	Year ended December 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	$ —	$ —	$ — (20,390)	$ — (138)
Changes in non-cash working capital items:				
Increase in accounts payable and accrued liabilities	—	—	20,240	—
Net cash used in operating activities	**—**	**—**	**(150)**	**(138)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Expenditures paid by Members	—	—	150	138
Net cash provided byfinancing activities	**—**	**—**	**150**	**138**
Change in cash and cash equivalents for the period	—	—	—	—
Cash and cash equivalents, beginning of period	—	—	—	—
Cash and cash equivalents, end of period	**$ —**	**$ —**	**$ —**	**$ —**

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

UTAH ALUNITE CORPORATION (formerly Utah Alunite, LLC)
(An Exploration Stage Entity)

NOTES TO THE FINANCIAL STATEMENTS

As at and for the years ended December 31, 2010 and 2009
As at March 31, 2011 and for the three month periods ended March 31, 2011 and 2010
(In United States dollars, except where otherwise noted)
(unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Utah Alunite, LLC ("UAL" or the "Company") was organized as a limited liability company in the State of Utah, United States of America on September 8, 2008. The Company was organized from inception through to April 18, 2011 with Mr. O. Jay Gatten ("Mr. Gatten") and Mr. Kal Malhi ("Mr. Malhi") as managing members for the Company. On April 18, 2011, the Company became a wholly owned subsidiary of Potash Ridge Corporation (formerly, 0903095 B.C. Ltd.) ("Potash Ridge") (see note 12). On May 8, 2012, the Company amalgamated with Utah Alunite Corporation, a Delaware corporation incorporated on April 17, 2012. The Company was inactive from September 2008 to December 2010.

The principal activity of the Company up until April 1, 2011 was the prospecting of a property in Utah known as "Pine Valley". Specifically, the Company has filed potash prospecting permit applications with the U.S. Department of the Interior Bureau of Land Management (the "BLM") for certain parcels of land in Pine Valley.

On April 1, 2011 the Company changed its focus to another property located approximately 16 miles from Pine Valley called Blawn Mountain. The Blawn Mountain property is located on lands belonging to the State of Utah managed by the State of Utah School and Institutional Trust Lands Administration ("SITLA").

The Company has not yet achieved profitable operations. The Company incurred net losses during the years ended December 31, 2010 and 2009 of $20,390 and $138, respectively, and had no operations or losses during the three-month periods ended March 31, 2010 and 2009. The Company has an accumulated deficit of $20,528 as at March 31, 2011. As at March 31, 2011, the Company had no cash balances or other assets and reported $20,240 in current liabilities. Therefore, the Company's ability to continue to meet its obligations as they come due is uncertain and is dependent on its ability to raise funds. To date, the Company's expenditures and obligations have been met through payments made by the Company's Members on its behalf. The Company has not raised any funds from its Members through equity infusion and it is expected that the Company will continue to remain dependent on its Members for additional funding. However, there can be no assurance the Company will receive additional funding from its Members. The accompanying financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The eventual profitability of the Company and its ability to continue as a going concern is dependent upon many factors, including its ability to obtain sufficient financing, the continued payment of its obligations by Members, the successful development of its projects, and receiving regulatory approvals. These circumstances lend significant doubt as to the ability of the Company to fulfill its exploration and evaluation objectives and to realize its assets and settle its liabilities and, accordingly, the appropriateness ultimately of the use of accounting principles applicable to a going concern.

These 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 Company be unable to continue to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

These financial statements were approved and authorized by the Directors of the Company on November ● , 2012.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company's financial statements have been prepared following International Financial Reporting Standards as issued by the International Accounting Standards Board and International Accounting Standard 34, *Interim Financial Reporting* (together, "IFRS"). These statements have been prepared on the historical cost convention, modified by the revaluation of any financial assets and 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 its judgment in the process of applying the Company's accounting policies. These areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The accounting policies in these financial statements are based on IFRS issued and outstanding as of March 30, 2012, the date the Company's officers approved these financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Foreign currencies

The Company maintains its financial records in the currency of the primary economic environment in which it operates (its "Functional currency"). The Functional Currency of the Company, as determined by management, is the United States dollar.

Transactions in currencies other than the Company'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.

b) Income taxes

The Company is a limited liability company and was treated as a partnership for income tax reporting purposes up until March 31, 2011. The Internal Revenue Code ("IRC") provides that any income or loss is passed through to the individual members for federal income tax purposes. Accordingly, the Company has not provided for federal or state income taxes.

c) Members' equity

Members' equity interest in the Company is classified as share capital. Expenditures incurred by the Company's members on behalf of the Company that are not repayable to the members are classified and recorded as contributed surplus.

d) Prospecting expenses

Costs incurred to prospect or for the preparation or application for prospecting rights are expensed as incurred.

e) 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.

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.

The Company currently has no financial assets.

f) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Refer to note 11 for analysis of categories of financial liabilities.

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

g) Future accounting standard and pronouncements

<u>IFRS 9 'Financial Instruments' ("IFRS 9")</u>

Effective for annual periods beginning on or after January 1, 2013, IFRS 9 addresses the classification and measurement of financial assets, and is the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement' ("IAS 39"). IFRS 9 will replace the multiple category model previously contained in IAS 39 with a new measurement model having two

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

categories — amortized cost and fair value. Based on the Company's existing operations, management does not believe that this standard will have a material impact on the Company's consolidated financial statements.

IFRS 10 'Consolidation' ("IFRS 10")

Effective for annual periods beginning on or after January 1, 2013, IFRS 10 requires an entity to consolidate an investee when it 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. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 'Consolidation — Special Purpose Entities' and parts of IAS 27 'Consolidated and Separate Financial Statements'. Based on the Company's existing operations, management does not believe that this standard will have a material impact on the Company's consolidated financial statements.

IFRS 11 'Joint Arrangements' ("IFRS 11")

Effective for annual periods beginning on or after January 1, 2013, IFRS 11 requires an entity to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the entity will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 will supersede IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities — Non-monetary Contributions'. Based on the Company's existing operations, management does not believe that this standard will have a material impact on the Company's consolidated financial statements.

IFRS 12 'Disclosure of Interests in Other Entities' ("IFRS 12")

Effective for annual periods beginning on or after January 1, 2013, IFRS 12 establishes disclosure requirements for interest in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. IFRS 12 carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. Management does not believe that, based on the Company's existing operations, that this standard will have a material impact on the Company's consolidated financial statements.

IFRS 13 'Fair Value Measurement' ("IFRS 13")

Effective for annual periods beginning on or after January 1, 2013, IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the various standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. Management is currently analyzing the impact that any future implementation of this standard will have on the consolidated financial statements.

IAS 28 'Investments in Associates and Joint Ventures' ("IAS 28")

Effective for annual periods beginning on or after January 1, 2013, IAS 28 will be amended to provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. Management does not believe that, based on the Company's existing operations, that this standard will have a material impact on the Company's consolidated financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2 above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

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.

Management has applied judgement in determining that the use of the going concern basis of accounting is appropriate based on the facts and circumstances of the Company.

4. EXPLORATION AND EVALUATION ASSETS

The Company is currently in the process of prospecting and applying for prospecting permits. The Company has incurred $20,390 (December 31, 2009 — $138) in connection with its prospecting activities that have been charged to the statement of loss. These costs consist primarily of permit application and geological fees. No such costs were incurred during the three month periods ended March 31, 2011 or 2010.

5. MEMBER'S EQUITY

a) Members' equity interest

The Company has one class of members' equity interest. Each member exercises proportionate votes based on the percentage of membership interest held. The Company has not received any capital contributions to date from its Members. Mr. Gatten and Mr. Kal Malhi were managing members of the Company through to April 18, 2011.

b) Contributed surplus

Certain prospecting expenses, paid on behalf of the Company by its Members, where no repayment is required by the Company on behalf of the Company, are recorded as contributed surplus. Prospecting fees incurred directly by the Company's Members and which are expected to be repaid to the members have been recorded as payables. (see Note 8 — Related Party Transactions).

6. INCOME TAXES

The Company is a limited liability company and is treated as a partnership for income tax reporting purposes. The Internal Revenue Code ("IRC") provides that any income or loss is passed through to the individual members for federal income tax purposes. Accordingly, the Company has not provided for federal or state income taxes (see Note 12 — Subsequent Events).

7. SEGMENTED INFORMATION

The Company operates in one segment, that being the prospecting, exploration and evaluation of mineral properties. All of the Company's mineral exploration properties are located in the United States of America.

8. RELATED PARTY TRANSACTIONS

The Company's related parties as defined by IAS 24 "Related Party Disclosures" ("IAS 24"), include the Company's members, the Company's manager, and entities controlled or jointly-controlled by the Company's members, manager or senior officers. Related party transactions are recorded at the exchange amount, which is the amount of consideration agreed to by the parties.

North American Exploration, Inc. ("NAE"), a corporation controlled by Mr. Gatten, one of the Company's managing members paid prospecting expenses of $20,390, $138, nil and nil on behalf of the Company during the years ended December 31, 2010, December 31, 2009 and the three month periods March 31, 2011 and 2010, respectively. Of these, $288 has been recorded as contributed surplus as at March 31, 2011 and December 31 2010 and $138 as at March 31, 2009. Amounts payable to NAE were nil, $20,240 and $20,240 as at December 31, 2009, December 31, 2010 and March 31, 2011 respectively.

Mr. Gatten and Mr. Malhi, as managing members of the Company, are considered key management personnel. Mr. Gatten and Mr. Malhi received compensation of nil for the period from September 8, 2008 through to March 31, 2011.

9. COMMITMENTS AND CONTINGENCIES

On April 1, 2011, the Company acquired an exclusive right to explore the Blawn Mountain property for minerals, as well as an exclusive option to lease all or a portion of the property. The option to lease expires on March 31, 2014. The Company can exercise the option to lease after it has successfully submitted a pre-feasibility study and provided written notice to SITLA. As part of this acquisition, the Company made an initial payment of $262,270 on April 1, 2011, as advanced by Potash Ridge as part of its April 18, 2011 acquisition of the Company (see note 12). The Company is required to make additional option payments of $62,370 due on each of April 1, 2012 and 2013 in order to maintain its exclusive rights to explore the Blawn Mountain property.

A further payment of $1,000,000 is due to SITLA if and when a mining lease is granted to the Company in relation to Blawn Mountain. In addition, annual acreage rental fees of $10,394 will be payable. A mining lease is contingent on, amongst other things, completion of a Positive Prefeasibility Study, defined as per the mining exploration agreement with option to lease, dated April 1, 2011, between the Company and SITLA.

In addition, SITLA is entitled to a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value for metalliferous minerals (including alumina) as a result of the mining of alunite from Blawn Mountain.

10. RISK MANAGEMENT

Capital risk management

The Company defines capital as total Members' equity including share capital, contributed surplus and deficit. The Company manages its capital to ensure that funds are available or are scheduled to be raised to carry out the Company's exploration and development programs and to meet its ongoing administrative costs.

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

Liquidity risk management

The Company does not have any cash or cash equivalent balances. All expenditures required for the Company's permitting and exploration activities have been, and are expected to continue to be, paid by its Member(s). The Company will require additional funds to through equity contributions or the issuance of debt capital in order to carry out any further permitting and exploration activities

Credit risk management

The Company has no credit risk.

11. CATEGORIES OF FINANCIAL INSTRUMENTS

The Company does not have any financial assets as at instruments as at December 31, 2009, December 31, 2010 or March 31, 2011. The Company has accounts payable of $20,240 as at March 31, 2011 and December 31, 2010. The carrying amounts for accounts payable are equal to their fair value.

12. SUBSEQUENT EVENTS

a) *Acquisition of the Company by Potash Ridge Corporation*

On April 18, 2011, the Company became a wholly owned subsidiary of Potash Ridge Corporation when Potash Ridge acquired 100% of the Company's membership interests for an aggregate purchase consideration of $347,370, comprising of $262,270 advanced to the Company on April 1, 2011 (see note 9), and $85,000, payable over a period of time, to the Company's members. Potash Ridge paid $60,000 in aggregate, to the members on April 18, 2011, with the additional $25,000 payable April 18, 2012. A further $75,000 is payable to the members if and when the Company is successful in signing a mineral lease with SITLA in relation to the Blawn Mountain property.

b) *Income tax election*

On March 15, 2012, the Company filed an election with the Internal Revenue Service to be classified as an association taxable as a corporate entity effective from April 1, 2011.

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.

APPENDIX B

POTASH RIDGE CORPORATION
CHARTER OF THE BOARD OF DIRECTORS

GENERAL

1. PURPOSE AND RESPONSIBILITY OF THE BOARD

By approving this Charter, the Board explicitly assumes responsibility for the stewardship of Potash Ridge Corporation (the "**Corporation**") and its business. This stewardship function includes responsibility for the matters set out in this Charter, which form part of the Board's statutory responsibility to manage or supervise the management of the Corporation's business and affairs.

2. REVIEW OF CHARTER

The Board shall review and assess the adequacy of this Charter annually and at such other times as it considers appropriate and shall make such changes as it considers necessary or appropriate.

3. DEFINITIONS AND INTERPRETATION

3.1 Definitions

In this Mandate:

(a) "Board" means the board of directors of the Corporation;

(b) "CEO" means the Corporation's chief executive officer;

(c) "Chair" means the chair of the Board;

(d) "Charter" means this charter, as amended from time to time;

(e) "Corporation" means Potash Ridge Corporation;

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

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

(h) "Stock Exchanges" means, at any time, the Toronto Stock Exchange and any other stock exchange on which any securities of the Corporation are listed for trading at the applicable time.

3.2 Interpretation

This Charter is subject to and shall be interpreted in a manner consistent with the Corporation's articles, by-laws, the OBCA and any other applicable legislation.

CONSTITUTION OF THE BOARD

4. ELECTION AND REMOVAL OF DIRECTORS

4.1 Number of Directors

The Board shall consist of such number of Directors as the Board may determine from time to time, within the range set out in the Corporation's articles of incorporation at such time.

4.2 Election of Directors

Directors shall be elected by the shareholders annually for a one year term, but if Directors are not elected at any annual meeting, the incumbent directors shall continue in office until their successors are elected.

4.3 Vacancies

The Board may appoint a member to fill a vacancy which occurs in the Board between annual elections of Directors, to the extent permitted by the OBCA.

4.4 Ceasing to Be a Director

A Director will cease to hold office upon:

(i) delivering a resignation in writing to the Corporation (or at such later date as may be specified in the resolution);

(ii) being removed from office by an ordinary resolution of the shareholders at a special meeting;

(iii) his or her death; or

(iv) becoming disqualified from acting as a Director under the OBCA.

5. Criteria for Directors

5.1 Qualifications of Directors

Every Director shall be an individual who is at least 18 years of age, has not been determined by a court to be of unsound mind and does not have the status of bankrupt.

5.2 Residency

At least one-quarter of the Directors shall be resident Canadians.

5.3 Officers as Directors

At least one-third of the Directors shall not be officers or employees of the Corporation or any of its affiliates.

5.4 Independence of Directors

At least a majority of the Directors shall be independent for the purposes of all applicable regulatory and Stock Exchange requirements.

5.5 Other Criteria

The Board may establish other criteria for Directors as contemplated in this Charter.

6. Board Chair

6.1 Board to Appoint Chair

The Board shall appoint a Chair who may or may not be independent. If the Board appoints a Chair that is not independent, the Board shall also appoint an independent lead Director.

6.2 Chair to Be Appointed Annually

The Board shall appoint the Chair annually at the first meeting of the Board after a meeting of the members at which Directors are elected. If the Board does not so appoint a Chair, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

6.3 Position Description

Having regard to the recommendations of the Governance, Compensation and Nominating Committee, the Board shall adopt a position description for the Chair.

7. REMUNERATION OF DIRECTORS AND RETAINING ADVISORS

7.1 Remuneration

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

7.2 Retaining and Compensating Advisors

Each Director shall have the authority to retain outside counsel and any other external advisors from time to time as appropriate with the approval of the chair of the Governance, Compensation and Nominating Committee.

MEETINGS OF THE BOARD

8. MEETINGS OF THE BOARD

8.1 Time and Place of Meetings

Meetings of the Board shall be called and held in the manner and at the location contemplated in the Corporation's by-laws.

8.2 Frequency of Board Meetings

Subject to the Corporation's by-laws, the Board shall meet at least four times per year on a quarterly basis.

8.3 Quorum

In order to transact business at a meeting of the Board at least a majority of Directors then in office shall be present.

8.4 Secretary of the Meeting

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

8.5 Right to Vote

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

8.6 Invitees

The Board may invite any of the Corporation's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

9. IN CAMERA SESSIONS

9.1 *In Camera* Sessions of Non-Management Directors

In connection with each meeting of the Board, the non-management Directors shall meet without any member of management being present (including any Director who is a member of management).

9.2 *In Camera* Sessions of Independent Directors

To the extent that non-management Directors include Directors who are not independent Directors as contemplated in this Charter, the independent Directors shall meet at the conclusion of each meeting of the Board with only independent Directors present.

DELEGATION OF DUTIES AND RESPONSIBILITIES OF THE BOARD

10. DELEGATION AND RELIANCE

10.1 Delegation to Committees

The Board may establish and delegate to committees of the Board any duties and responsibilities of the Board which the Board is not prohibited by law from delegating. However, no committee of the Board shall have the authority to make decisions which bind the Corporation, except to the extent that such authority has been specifically delegated to such committee by the Board.

10.2 Requirement for Certain Committees

The Board shall establish and maintain the following committees of the Board, each having mandates that incorporate all applicable legal and Stock Exchange listing requirements and with such recommendations of relevant securities regulatory authorities and Stock Exchanges as the Board may consider appropriate:

(a) Audit Committee;

(b) Governance, Compensation and Nominating Committee; and

(c) Technical, Environmental and Safety Committee.

10.3 Composition of Committees

The Board will appoint and maintain in office members of each of its committees such that the composition of each such committee is in compliance with listing requirements of the Stock Exchanges and with such recommendations of relevant securities regulatory authorities and Stock Exchanges as the Board may consider appropriate and having regard to the recommendations of the Governance, Compensation and Nominating Committee with respect to such matters.

10.4 Review of Charters

On an annual basis, the Board will review the recommendations of the Governance, Compensation and Nominating Committee with respect to the charters of each committee of the Board. The Board will approve those changes to the charters that it determines are appropriate.

10.5 Delegation to Management

(a) General. Subject to the Corporation's articles and by-laws, the Board may designate the offices of the Corporation, appoint officers, specify their duties and delegate to them powers to manage the business and affairs of the Corporation, except to the extent that such delegation is prohibited under the OBCA or limited by the articles or by-laws of the Corporation or by any resolution of the Board or policy of the Corporation.

(b) CEO Position Description. Having regard to recommendations of the Governance, Compensation and Nominating Committee, and in consultation with the CEO, the Board shall adopt a position description for the CEO which sets out the overall corporate goals and objectives that the CEO is responsible for meeting, taking into consideration goals and obligations relevant to CEO compensation approved by the Governance, Compensation and Nominating Committee.

10.6 Position Descriptions

Having regard to recommendations of the Governance, Compensation and Nominating Committee, the Board shall adopt position descriptions for the chairs of each committee.

10.7 Reliance on Management

The Board is entitled to rely in good faith on the information and advice provided to it by the Corporation's management.

10.8 Reliance on Others

The Board is entitled to rely in good faith on information and advice provided to it by advisors, consultants and such other persons as the Board considers appropriate.

10.9 Oversight

The Board retains responsibility for oversight of any matters delegated to any committee of the Board or to management.

DUTIES AND RESPONSIBILITIES

11. DUTIES OF INDIVIDUAL DIRECTORS

11.1 Fiduciary Duty and Duty of Care

In exercising his or her powers and discharging his or her responsibilities, a Director shall:

(a) act honestly and in good faith with a view to the best interests of the Corporation; and

(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

11.2 Compliance with OBCA and Constating Documents

A Director shall comply with the OBCA and the regulations to the OBCA as well as with the Corporation's articles and by-laws.

11.3 Compliance with the Corporation's Policies

A Director shall comply with all policies of the Corporation applicable to members of the Board as approved by the Board.

12. RESPONSIBILITIES OF DIRECTORS

12.1 Responsibilities Set out in Charter

A Director shall review and participate in the work of the Board necessary in order for the Board to discharge the duties and responsibilities set out in accordance with the Charter.

12.2 Orientation and Education

A Director shall participate in the orientation and continuing education programs developed for the Directors.

12.3 Meeting Preparation and Attendance

In connection with each meeting of the Board and each meeting of a committee of the Board of which the Director is a member, a Director shall:

(a) review thoroughly the material provided to the Director by management in connection with the meeting, provided that such review is practicable in view of the time at which such material was delivered to the Director; and

(b) attend each meeting in person to the extent practicable (unless the meeting is scheduled to be held by phone or video-conference).

12.4 Assessment

A Director shall participate in such processes as may be established by the Board for assessing the Board, its committees and individual Directors.

12.5 Other Responsibilities

A Director shall perform such other functions as may be delegated to that Director by the Board or any committee of the Board from time to time.

13. BOARD RESPONSIBILITY FOR SPECIFIC MATTERS

13.1 Responsibility for Specific Matters

The Board explicitly assumes responsibility for the matters set out below, recognizing that these matters represent in part responsibilities reflected in requirements and recommendations adopted by applicable securities regulators and the Stock Exchanges and do not limit the Board's overall stewardship responsibility or its responsibility to manage or supervise the management of the Corporation's business and affairs.

13.2 Delegation to Committees

Whether or not specific reference is made to committees of the Board in connection with any of the matters referred to below, the Board may direct any committee of the Board to consider such matters and to report and make recommendations to the Board with respect to these matters.

14. CORPORATE GOVERNANCE GENERALLY

14.1 Governance Practices and Principles

The Board shall be responsible for developing the Corporation's approach to corporate governance.

14.2 Governance Principles

(a) Governance Principles. The Board shall review and approve, if appropriate, a set of governance principles and guidelines appropriate for the Corporation (the "**Governance Principles**") having regard to the recommendations of the Governance, Compensation and Nominating Committee.

(b) Amendments. The Board shall review the Governance Principles at least annually and shall adopt such changes to the Governance Principles as it considers necessary or desirable from time to time having regard to the recommendations of the Governance, Compensation and Nominating Committee.

14.3 Governance Disclosure

(a) Approval of Disclosure. The Board shall approve disclosure about the Corporation's governance practices in any document before it is delivered to the Corporation's shareholders or filed with securities regulators or with the Stock Exchanges having regard to the recommendations of the Governance, Compensation and Nominating Committee.

(b) Determination that Differences Are Appropriate. If the Corporation's governance practices differ from those recommended by Canadian securities regulators or the Stock Exchanges, the Board shall consider these differences and why the Board considers them to be appropriate having regard to the recommendations of the Governance, Compensation and Nominating Committee.

14.4 Delegation to Governance, Compensation and Nominating Committee

The Board may direct the Governance, Compensation and Nominating Committee to consider the matters contemplated in this Section 14 and to report and make recommendations to the Board with respect to these matters.

15. RESPONSIBILITIES RELATING TO MANAGEMENT

15.1 Integrity of Management

The Board shall, to the extent feasible, satisfy itself:

(a) as to the integrity of the CEO and other executive officers; and

(b) that the CEO and other executive officers create a culture of integrity throughout the organization.

15.2 Succession Planning

(a) General. The Board shall be responsible for succession planning, including appointing, training and monitoring senior management.

(b) CEO Succession. The Board shall:

(i) adopt policies and principles for CEO selection and performance review with respect to successors to the CEO; and

(ii) policies regarding succession in the event of an emergency or the retirement of the CEO.

15.3 CEO Goals and Objectives

The Board shall receive recommendations of the Governance, Compensation and Nominating Committee and with respect to the corporate goals and objectives that the CEO is responsible for meeting and shall approve those goals and objectives as appropriate.

15.4 Executive Compensation Policy

The Board shall receive recommendations of the Governance, Compensation and Nominating Committee and make such determinations as it considers appropriate with respect to:

(a) CEO's compensation level;

(b) non-CEO officer compensation;

(c) director compensation;

(d) incentive-compensation plans; and

(e) equity-based plans.

16. OVERSIGHT OF THE OPERATION OF THE BUSINESS

16.1 Risk Management

Taking into account the reports of management and such other persons as the Board may consider appropriate, the Board shall identify the principal risks of the Corporation's business and satisfy itself as to the implementation of appropriate systems to manage these risks.

16.2 Strategic Planning Process

The Board shall adopt a strategic planning process and shall approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation's business.

16.3 Internal Control and Management Information Systems

The Board shall review the reports of management and the Audit Committee concerning the integrity of the Corporation's internal control and management information systems. Where appropriate, the Board shall require management (overseen by the Audit Committee as appropriate) to implement changes to such systems to ensure integrity of such systems.

16.4 Communications Policy and Feedback Process

(a) The Board shall adopt a communication policy for the Corporation for communicating with shareholders, the investment community, the media, governments and their agencies, employees and the general public, having regard to the recommendations of the Governance, Compensation and Nominating Committee. Such policy shall be developed with reference to requirement recommendations of applicable securities laws and Stock Exchanges. The Board shall consider, among other things, the recommendations of management and the Governance, Compensation and Nominating Committee with respect to this policy.

(b) The Board shall establish a process pursuant to which the Board can receive feedback from securityholders.

16.5 Financial Statements

(a) The Board shall receive as required reports from the Audit Committee with respect to the integrity of the Corporation's financial reporting system and its compliance with all regulatory requirements relating to financial reporting.

(b) The Board shall review the recommendation of the Audit Committee with respect to the annual financial statements of the Corporation to be delivered to shareholders. If appropriate, the Board shall approve such financial statements.

16.6 Capital Management

The Board shall receive as required reports from management on the structure and management of the Corporation's capital.

16.7 Pension Plan Matters

If applicable, the Board shall receive and review reports from management and from the Governance, Compensation and Nominating Committee covering administration, investment performance, funding, financial impact, actuarial reports and other pension plan related matters.

16.8 Code of Business Conduct and Ethics

(a) Adoption of Code. The Board will adopt a Code of Business Conduct and Ethics for the Corporation having regard to the recommendations of the Governance, Compensation and Nominating Committee. In adopting this code, the Board will consider the recommendations of the Governance, Compensation and Nominating Committee concerning its compliance with applicable legal and Stock Exchange listing requirements and with such recommendations of relevant securities regulatory authorities and Stock Exchanges as the Board may consider appropriate.

(b) Compliance and Disclosure. The Board will direct the Governance, Compensation and Nominating Committee to monitor compliance with the Code of Business Conduct and Ethics and recommend disclosures with respect thereto. The Board will consider any report of the Governance, Compensation and Nominating Committee concerning these matters, and will approve, if determined appropriate, the disclosure of the Code of Business Conduct and Ethics.

(c) Waivers. The Board shall consider any report of the Governance, Compensation and Nominating Committee with respect to any waiver granted to a director or senior officer of the Corporation from complying with the Code of Business Conduct and Ethics and shall approve or reject such request as it deems appropriate.

17. NOMINATION OF DIRECTORS

17.1 Nomination and Appointment of Directors

(a) The Board shall nominate individuals for election as directors by the shareholders, having regard to the recommendations of the Governance, Compensation and Nominating Committee.

(b) The Board shall adopt a process (having regard to the recommendations of the Governance, Compensation and Nominating Committee) pursuant to which the Board shall:

(i) consider what competencies and skills the Board, as a whole, should possess;

(ii) assess what competencies and skills each existing Director possesses;

(iii) consider the personality and other qualities of each Director; and

(iv) consider the appropriate size of the Board, with a view to facilitating effective decision-making.

18. BOARD EFFECTIVENESS

18.1 Position Descriptions

The Board shall review and, if determined appropriate, approve the recommendations of the Governance, Compensation and Nominating Committee concerning formal position descriptions for:

(a) the Chair of the Board and for the Chair of each committee of the Board; and

(b) the CEO.

18.2 Director Orientation and Continuing Education

The Board shall review and, if determined appropriate, approve the recommendations of the Governance, Compensation and Nominating Committee concerning:

(a) an orientation program for new Directors; and

(b) a continuing education program for all Directors.

18.3 Board, Committee and Director Assessments

The Board shall adopt a process having regard to the recommendation of the Governance, Compensation and Nominating Committee for assessing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis.

18.4 Annual Assessment of the Board

Each year, the Board shall assess its performance and effectiveness and review this Charter in accordance with the process established by the Governance, Compensation and Nominating Committee.

CERTIFICATE OF THE CORPORATION

Date: November 9, 2012

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the provinces of Canada.

By: (Signed) GUY BENTINCK President and Chief Executive Officer	By: (Signed) JEFFREY HILLIS Vice-President, Chief Financial Officer and Corporate Secretary

On behalf of the Board of Directors

By: (Signed) NAVIN DAVE Director	By: (Signed) PHILIP WILLIAMS Director

CERTIFICATE OF THE UNDERWRITERS

Date: November 9, 2012

To the best of our knowledge, information and belief, this amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the provinces of Canada.

NATIONAL BANK FINANCIAL INC.	CLARUS SECURITIES INC.
By: (Signed) NOAM SILBERSTEIN	By: (Signed) ROD CAMPBELL
GMP SECURITIES L.P.	SCOTIA CAPITAL INC.
By: (Signed) RON D'AMBROSIO	By: (Signed) ELIAN TERNER
CORMARK SECURITIES INC.	DUNDEE SECURITIES LTD.
By: (Signed) JEFF FALLOWS	By: (Signed) DAVID G. ANDERSON

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