



INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2016

Introduction

The following interim Management Discussion & Analysis ("Interim MD&A") of Gensource Potash Corporation (the "Company" or "Gensource") for the three months ended March 31, 2016 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2015. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended December 31, 2015, and December 31, 2014, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended March 31, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of May 16, 2016, unless otherwise indicated.

The following Interim MD&A, particularly under the heading "Liquidity and Capital Resources", contains forward-looking information that involves numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about the industry, business and future financial results. The Company's actual results could differ materially from those discussed in such forward-looking statements.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

Caution Regarding Forward-looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be

achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of Gensource's properties to contain potash deposits.	Financing will be available for future exploration and development of Gensource's properties; the actual results of Gensource's exploration and development activities will be favourable; operating, exploration and development costs will not exceed Gensource's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Gensource, and applicable political and economic conditions will be favourable to Gensource; the price of potash and applicable interest and exchange rates will be favourable to Gensource; no title disputes exist with respect to the Company's properties.	Potash price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Gensource's expectations; availability of financing for and actual results of Gensource's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2017.	The operating and exploration activities of the Company for the twelve-month period ending March 31, 2017, and the costs associated therewith, will be consistent with Gensource's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Gensource.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

<p>The Company's ability to carry out anticipated exploration on its property interests.</p>	<p>The exploration activities of the Company for the twelve-month period ending March 31, 2017, and the costs associated therewith, will be consistent with Gensource's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Gensource.</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits.</p>
<p>Plans, costs, timing and capital for future exploration and development of Gensource's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations.</p>	<p>Financing will be available for Gensource's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Gensource; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions will be favourable to Gensource; the price of potash will be favourable to Gensource; no title disputes exist with respect to Gensource's properties.</p>	<p>Potash price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Gensource's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.</p>
<p>Management's outlook regarding future trends.</p>	<p>Financing will be available for Gensource's exploration and operating activities; the price of potash will be favourable to Gensource.</p>	<p>Potash price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.</p>
<p>Sensitivity analysis of financial instruments.</p>	<p>The aggregate gross credit risk exposure related to cash at March 31, 2016, was \$1,412,641 (December 31, 2015 – \$1,781,257), and was entirely made up of cash held with financial institutions with an "AA High" credit rating or above and securities brokerage firms.</p>	<p>Changes in debt and equity markets; interest rate and exchange rate fluctuations.</p>

Gensource will continue to focus its efforts on securing strategic partners for developing a successful potash production facility.	Strategic partners with the same goal as Gensource will agree to terms favourable to Gensource for the development of a potash production facility.	Management may not find strategic partners; terms may be unfavourable to Gensource.
Prices and price volatility for potash.	The price of potash will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of potash will be favourable.	Changes in debt and equity markets and the spot price of potash; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Gensource's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may 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 Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Gensource's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Gensource is based in Saskatoon, Saskatchewan, and is focused on potash development. Its registered head office is located at Peterson & Company, 390 Bay Street, Suite 806, Toronto, Ontario, M5H 2Y2.

Operational Highlights

Exploration update

In March 2016, the Company began the process of acquiring two potash exploration permits in a prospect area nearby its Lazlo Project Area in central Saskatchewan. These permits are currently being converted to mineral leases by the Government of Saskatchewan. The Company refers to these permit/lease areas as the Vanguard Project Area.

The Vanguard Project

The Vanguard Project is located in central Saskatchewan and the area is the name for the two mineral leases that are the subject of the Asset Purchase Agreement ("APA") with Yancoal Canada Resources ("YCR"), as announced in Gensource's News Release dated April 6, 2016 (see note Subsequent Event).

The NI 43-101 Technical Report, dated April 22, 2016, provides the next step for Gensource in the development of its Vanguard Project. The report documents the geological work completed by YCR on the two permit areas KP 483 and KP 363. Based on this drilling, logging, assay and seismic data as well as the public domain historical regional geological information available, the report defines an initial Inferred resource on the Project Area, together with additional "Exploration Target" quantities.

Updates on the Lazlo Project

The Company will continue to work with its contacts in India and Brazil to attract market partners.

Technical Information

Mike Ferguson, P.Eng., a qualified person pursuant to NI 43-101, has reviewed and approved the technical disclosure in this Interim MD&A.

Trends

Gensource anticipates that it will continue to experience net losses as a result of ongoing cash outflows from investing in its potash assets and operating costs until such time as revenue-generating activity is commenced. The Company's future financial performance is dependent on many external factors. Both the price of and the market for potash are volatile, difficult to predict, and subject to changes in domestic and international political, social, and economic environments. Circumstances and events such as economic conditions and volatility in the capital markets could materially affect the future financial performance of the Company. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

Financial Highlights

Financial Performance

Three months ended March 31, 2016 compared to three months ended March 31, 2015

During the three months ended March 31, 2016, the Company had a consolidated net loss of \$326,036, (three months ended March 31, 2015 – \$181,004).

Consolidated expenses during the three months ended March 31, 2016, were \$331,870 (three months ended March 31, 2015 - \$183,776), an increase of \$148,094 is primarily because of the reassessed goods and service tax ("GST") of \$114,199 paid to the Canada Revenue Agency following a GST audit for the period from July 1, 2011 to December 31, 2012. The amount of \$114,199 includes interest and penalties up to March 16, 2016, the date of the latest Canada Revenue Agency reassessment. The Company is in the process of appealing the reassessment and will reverse the reassessed GST expense if the appeal is successful.

During the three months ended March 31, 2016, the Company recorded interest income of \$737 (three months ended March 31, 2015 – \$813), unrealized gain on investments of \$1,626 (three months ended March 31, 2015 – unrealized gain of \$1,959) as the Company's portfolio increased in value and a flow-through premium obligation discharged of \$3,471 (three months ended March 31, 2015 - \$nil).

During the three months ended March 31, 2016, overall general and administrative expenses were \$34,270 higher than the comparative period in 2015. The following is a breakdown of general and administrative expenses for the three months ended March 31, 2016 and 2015:

Three Months Ended March 31,	2016	2015	Change
	\$	\$	\$
Wages, benefits and incentive compensation ⁽¹⁾	2,672	2,845	(173)
Sales and marketing ⁽²⁾	43,801	18,184	25,617
Professional fees ⁽²⁾	84,664	73,280	11,384
Office and general ⁽¹⁾	85,372	87,930	(2,558)
Total general and administrative expenses	216,509	182,239	34,270

⁽¹⁾ Costs were lower during the three months ended March 31, 2016, in line with the Company's cost saving initiatives to minimize non-key expenditures

⁽²⁾ Costs were higher during the three months ended March 31, 2016 as a result of the Company's effort to acquire the Vanguard Project area leases.

Consolidated assets

Consolidated assets were \$4,277,305 at March 31, 2016 (December 31, 2015 - \$4,618,622), a decrease of approximately 7%. Exploration and evaluation assets increased by approximately 1% from December 31, 2015. The total amount of exploration and evaluation assets represents approximately 64% of total assets (December 31, 2015 – 59% of total assets). Cash decreased by approximately 21% from December 31, 2015. Further, the Company had a decrease in prepaid expenses and deposit of approximately 17% and a decrease in property, plant and equipment of approximately 6%. At March 31, 2016, the Company had cash of \$1,412,641 (December 31, 2015 - \$1,781,257), the decrease of \$368,616 is primarily a result of the reassessed GST paid in the amount of \$114,199.

Consolidated liabilities

At March 31, 2016, consolidated liabilities were \$175,829 (December 31, 2015 - \$191,110). The variation is primarily because of the decrease in amounts payable and other liabilities.

The Company will continue to attempt to secure additional financing to facilitate the execution of its business plan.

Shareholders' equity

At March 31, 2016, shareholders' equity decreased by \$326,036, the equivalent net loss for the three months ended March 31, 2016, to \$4,101,476 (December 31, 2015 - \$4,427,512).

As at March 31, 2016, the Company had 169,941,205 common shares issued and outstanding, 43,443,096 common share purchase warrants outstanding and 13,610,607 stock options outstanding, which were all vested.

Investment portfolio

The Company's investments consist primarily of resource companies whose principal business is exploration and development. During the three months ended March 31, 2016, there was no change in ownership of these investments but due to the fluctuation of the fair value of these investments, the Company reported an unrealized gain of \$1,626 (three months ended March 31, 2015 – unrealized gain of \$1,959). At March 31, 2016, the market value of the Company's investments was \$5,734 (December 31, 2015 – \$4,108). The Company's cash position at March 31, 2016, was \$1,412,641 (December 31, 2015 - \$1,781,257).

Current and Future Plans Related to the Lothar Project

The following summarizes the Company's current confirmation and development programs at the Lothar project areas, total estimated cost to complete the project development work, and total expenditures incurred to date.

Summary of Completed Activities (Three Months Ended March 31, 2016)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Land acquisition and staking	\$6,306	No specific development plans exist for the Lothar property at this time.	\$nil
Subtotals	\$6,306		\$nil
Total (A+B)			\$6,306

Current and Future Plans Related to the Lazlo Project

The following summarizes the Company's current confirmation and development programs at the Lazlo project areas, total estimated cost to complete the project development work, and total expenditures incurred to date.

Summary of Completed Activities (Three Months Ended March 31, 2016)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Land acquisition and staking	\$3,939	At the date of this MD&A, it is more likely, in the immediate term, for the Company to pursue the Vanguard project and therefore the budgeted expenditures are not included here.	\$nil
Geological and project management	\$11,250		
Subtotals	\$15,189		\$nil
Total (A+B)			\$15,189

Current and Future Plans Related to the Vanguard Project

The following summarizes the Company's current confirmation and development programs at the Vanguard project areas, total estimated cost to complete the project development work, and total expenditures incurred to date.

Summary of Completed Activities (Three Months Ended March 31, 2016)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Geological and project management	\$16,515	Drilling, coring and assaying. Feasibility study and environmental and regulatory licensing work. Any expenditure is dependent upon reaching agreements with strategic partners and completing one more financing.	\$9,000,000 - \$11,000,000 ⁽¹⁾
Total (A+B)			\$9,016,515 – \$11,016,515

⁽¹⁾ At the date of this MD&A, the Company has decided, in the immediate term, to focus its resources on the Vanguard project and therefore the budgeted expenditures are included here.

Cash Flow

For the three months ended March 31, 2016, the Company decreased its cash position by \$368,616 (three months ended March 31, 2015 – decreased by \$248,587) as a result of cash used in operating, investing and financing activities as follows:

Cash used in operations, including changes in non-cash working capital, totaled \$330,606 during the three months ended March 31, 2016 (three months ended March 31, 2015 – cash used in operations of \$196,767). The variation is due to a net loss of \$326,036 for the three months ended March 31, 2016 (three months ended March 31, 2015 – net loss of \$181,004), changes in non-cash working capital of \$635 for the three months ended March 31, 2016 (three months ended March 31, 2015 – \$15,341).

Cash used in investing activities during the three months ended March 31, 2016, totaled \$38,010 (three months ended March 31, 2015 – \$155,980), a difference of \$117,970, as a result of less cash used in the acquisition and expenditure of exploration and evaluation assets.

During the three months ended March 31, 2016, the Company received \$nil cash proceeds from its financing activities (three months ended March 31, 2015 – \$104,160).

Liquidity and Financial Position

The activities of the Company, principally the development of resource opportunities, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

The following table summarizes the Company's consolidated working capital position:

Gensource Potash Corporation
Management's Discussion and Analysis
Three Months Ended March 31, 2016
Dated: May 16, 2016



As at	March 31, 2016	December 31, 2015
Consolidated working capital (\$)	1,322,595	1,687,105
Consolidated working capital ratio (%)	8.5:1	9.8:1

The Company includes cash, receivables and investments in its capital management considerations. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders by maximizing investment returns through its potash assets and investment portfolio. The Company manages capital in proportion to risk and manages the investment portfolio and capital structure based on economic conditions and prevailing commodity pricing and trends.

The following table is a summary of quantitative data about what the Company manages as capital:

As at	March 31, 2016 (\$)	December 31, 2015 (\$)	Change (\$)
Cash	1,412,641	1,781,257	(368,616)
Receivables	20,463	18,280	2,183
Investments	5,734	4,108	1,626

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations.

The Company relies on equity financings to maintain adequate liquidity to support its ongoing working capital commitments.

The final 2016 budget will be allocated as follows (see "Caution Regarding Forward-looking Statements"):

Expenditures	Funds Required
General & administrative budget ⁽¹⁾	\$ 2,132,000
Project Development ⁽²⁾	\$9,000,000 - \$11,000,000
Carrying costs to maintain properties in good standing	\$25,000
Miscellaneous	\$106,000
Total Expenditures	\$11,263,000 – 13,263,000

⁽¹⁾ Salaries and Benefits - \$285,000; Contract Services - \$860,000; Legal and Audit Services - \$235,000; Transfer Agent & Regulatory Fees - \$32,000; and Office and Operating Costs - \$720,000.

⁽²⁾ Seismic 3D - \$1,000,000; Drilling - \$3,000,000; and Geology Consultant – \$100,000; engineering – \$4,500,000; Environmental and Regulatory work – \$1,000,000.

Given that Gensource is still in the exploration phase and the Company has not earned any revenue since its inception other than the sale from select portfolio investments, and while the Company intends to spend the funds available to it as stated, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

The Company may not have sufficient funds to meet its 2016 budget and will require a cash injection from either debt, funds from a new partner or from a private placement. The Company's future plans and budgets may be implemented, subject to a cash injection. The Company will need to raise additional funding in order to continue operations at the current level for the nine months period ending December

31, 2016, after the deferral of certain accounts payable to the extent practical. However, to meet long-term business plans, exploring the Gensource potash assets and developing resource opportunities are an important component of the Company's financial success.

Transactions with Related Parties

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-related entities on an arm's length basis.

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

- a) Included in general and administrative expenses and exploration and evaluation assets for the three months ended March 31, 2016, are short term employee salaries and benefits to key management and director compensation of \$90,000 (three months ended March 31, 2015 - \$90,000). Key management compensation consists of the following:

During the three months ended March 31, 2016, compensation, salaries and benefits of \$67,500, (three months ended March 31, 2015 - \$67,500) were paid to a director and officers of the Company or related companies controlled by the director, officers and former officers of the Company.

During the three months ended March 31, 2016, the Company also paid compensation of \$22,500 to the VP Corporate Services (three months ended March 31, 2015 - \$22,500).

	Three Months Ended March 31, 2016 (\$)	Three Months Ended March 31, 2015 (\$)
FCON Consulting ^{(1)(**)}	45,000	45,000
Rob Theoret ^{(2)(*)}	22,500	22,500
Deborah Morsky ^{(3)(*)}	22,500	22,500
Total	90,000	90,000

⁽¹⁾ Controlled by Chief Executive Officer.

⁽²⁾ Compensation to the Chief Financial Officer.

⁽³⁾ VP, Corporate Services.

^(*) Included in general and administrative expenses.

^(**) \$22,500 is included in exploration and evaluation assets and \$22,500 is included in general and administrative expenses.

- b) To the knowledge of the directors and executive officers of the Company as of March 31, 2016, the common shares of the Company were widely held, which includes various small holdings which were owned by directors and officers of Gensource. These holdings can change at any time at the discretion of the owner.

The related party transactions were recorded at the exchange amount, which is the amount agreed to by the related parties.

Outlook

For the immediate future, the Company intends to raise additional financing to continue with day-to-day operation, confirmation drilling and other resource confirmation activities as well as engineering and environmental studies as part of project development. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Disclosure Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate filed by the Company, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the

section entitled "Risk Factors" in the Company's MD&A for the fiscal year ended December 31, 2015, available on SEDAR at www.sedar.com.

Subsequent Events

(i) On April 6, 2016, the Company announced that it has entered into a definitive Asset Purchase Agreement ("APA") which includes an off-take term sheet ("Term Sheet") for the sale of potash. Collectively, these transactions offer the Company the opportunity to advance its business plan of becoming a future potash producer in Saskatchewan. The agreement is between the Company and Yancoal Canada Resources Co. Ltd. ("YCR").

The APA defines the terms for the purchase by the Company of two potash exploration permits ("Permit" or "Permits") conditional upon their conversion into mineral production leases ("Lease" or "Leases") and also contains a Term Sheet that defines key terms for the future sale of potash product from the proposed facility. Key terms of the transaction include a purchase price of \$2,480,000, payable as two installments: \$1,240,000 in cash at closing within 30 days of the effective date of the APA; and, (ii) a convertible debenture to YCR in the principal amount of \$1,240,000 that is due on the later of 90 days of the effective date of the APA and the close of the transaction, payable in cash or convertible to shares in the Company if sufficient funds are not raised. The shares will be issued at an exercise price equal to the 20 day VWAP prior to the maturity date. The company will require a financing to close, which will be completed as a private placement on terms to be announced. The Company has paid approximately \$300,000 for the Lease conversion costs, which it understands may be refunded if the permits are not converted to leases. The transaction is subject to regulatory approval.

On May 5, 2016, the first instalment of \$1,240,000 was delivered to YCR.

(ii) On April 20, 2016, the Company announced that it granted an aggregate of 1,500,000 stock options to certain directors of the Company. The options were granted under the Company's Stock Option Plan and each stock option entitles the holder to acquire one common share at an exercise price of \$0.07 and vest immediately.

(iii) On May 6 and May 11, 2016, the Company announced that it has completed the first and the second tranche of the non-brokered private placement financing, respectively, consisting of the aggregate sale of 26,812,443 units ("Units") at \$0.07 per Unit for aggregate gross proceeds of \$1876,871.

Each Unit consisted of one (1) common share and one-half (1/2) of one common share purchase warrant ("Warrant"). Each whole Warrant shall entitle the holder to acquire an additional common share at a price of \$0.12 for a period of twenty-four (24) months from the date of issuance.

The Company also paid a total of \$62,513.50 in finders fees and has issued 893,050 broker warrants ("Broker Warrant") in connection with these private placements. Each Broker Warrant will entitle the holder thereof to purchase one Unit at an exercise price of \$0.07 for a period of 24 months following the closing date of the private placements.