CRYSTAL PEAK MINERALS INC.
(Formerly EPM Mining Ventures Inc.)

CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015 and 2014

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April 21, 2016

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying audited consolidated financial statements (the "Financial Statements") of Crystal Peak Minerals (the "Company") (formerly known as EPM Mining Ventures Inc.) are the responsibility of the Company's Board of Directors and management. These Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the Financial Statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. In the opinion of management, the Financial Statements have been prepared within acceptable limits of materiality and are consistent with IFRS appropriate in the circumstances.

Management has established processes that are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that: (i) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or 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 Financial Statements; and (ii) the Financial Statements fairly present in all material respects the Company's financial condition, results of operations, and cash flows, as of the date of, and for the period presented by, the Financial Statements.

The Board of Directors is responsible for reviewing and approving the Financial Statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the Financial Statements, and the auditors' report. The Audit Committee also reviews the Company's Management Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the Financial Statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Financial Statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

April 22, 2016

Independent Auditor's Report

To the Shareholders of
Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)

We have audited the accompanying consolidated financial statements of Crystal Peak Minerals Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

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

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

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

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

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast substantial doubt about Crystal Peak Minerals Inc. and its subsidiaries' ability to continue as a going concern.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)
(An Exploration-Stage Entity)
Consolidated Statements of Financial Position
(Expressed in US Dollars)

As at	December 31 2015	December 31, 2014
ASSETS		
Current		
Cash and cash equivalents	$ 2,566,557	$ 802,594
Receivables (Note 4)	23,544	40,801
Prepaid expenses	20,450	51,963
	2,610,551	895,358
Non-current		
Property, plant and equipment (Note 5)	193,730	219,462
Interest in mineral properties (Note 6)	46,874,219	41,939,262
Investment in associate (Note 7)	6,108,069	6,100,401
	$ 55,786,569	**$ 49,154,483**
LIABILITIES		
Current		
Trade and other payables (Note 8)	$ 758,635	$ 216,852
Interest payable (Note 9)	489,074	-
Current portion of financial liabilities (Note 9)	3,075,000	-
	4,322,709	216,852
Non-current		
Interest payable (Note 9)	-	233,958
Financial liabilities (Note 9)	505,230	3,307,365
Provisions (Note 10)	208,905	234,888
	5,036,844	3,993,063
SHAREHOLDERS' EQUITY		
Voting common shares (Note 11)	56,956,533	50,355,674
Non-voting common shares (Note 11)	906,574	906,574
Share purchase warrants (Note 11)	1,265,898	74,918
Contributed surplus	6,004,673	5,830,517
Accumulated deficit	(14,455,064)	(11,586,888)
Accumulated and other comprehensive loss	71,111	(419,375)
	50,749,725	45,161,420
	$ 55,786,569	**$ 49,154,483**

Going concern (Note 1)
Subsequent events (Note 20)
These audited consolidated statements are authorized for issue by the Board of Directors on April 21, 2016, and signed on the Company's behalf by:

/s/ Theodore Botts
Theodore Botts, Director

/s/ De Lyle Bloomquist
De Lyle Bloomquist, Director

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

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in US Dollars)

	For the year ended December 31, 2015	For the year ended December 31, 2014
EXPENSES (Note 15)		
General and administrative	$ 822,766	$ 895,980
Depreciation	8,551	12,531
Investor relations	161,932	198,996
Professional fees	425,586	510,317
Share-based compensation	153,716	411,561
	(1,572,551)	(2,029,385)
OTHER ITEMS		
Interest income	6,690	578
Finance expenses (Note 12)	(652,480)	(1,215,401)
Net income of equity method investee attributable to owners of CPM	11,898	8,761
Foreign exchange loss	(661,487)	(179,746)
Loss on disposal of asset	(245)	(3,548)
Net loss before income tax recovery	$ (2,868,175)	$ (3,418,741)
Income tax recovery (Note 13)	-	155,387
Net loss for the year	$ (2,868,175)	$ (3,263,354)
OTHER COMPREHENSIVE (LOSS) / INCOME		
Foreign currency translation adjustment	490,486	126,934
Comprehensive loss for the year	$ (2,377,689)	$ (3,136,420)
Basic and diluted loss per share (Note 14)	$ (0.02)	$ (0.04)
Weighted average number of shares outstanding	132,359,925	90,231,448

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

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)
Consolidated Statements of Changes in Equity
(Expressed in US Dollars)

	Voting common	Non-voting common	Share purchase warrants	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance as at January 1, 2015	**$ 50,355,674**	**$ 906,574**	**$ 74,918**	**$ 5,830,517**	**$ (11,586,888)**	**$ (419,375)**	**$ 45,161,420**
Foreign currency translation adjustment	-	-	-	-	-	490,486	490,486
Net loss for the twelve months ended December 31, 2015	-	-	-	-	(2,868,175)	-	(2,868,175)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(2,868,175)**	**490,486**	**(2,377,689)**
Share-based compensation	-	-	-	174,156	-	-	174,156
Equity issued pursuant to private placement (Note 11)	7,036,983	-	1,269,669	-	-	-	8,306,652
Share issue costs	(436,124)	-	(78,689)	-	-	-	(514,813)
Balance as at December 31, 2015	**$ 56,956,533**	**$ 906,574**	**$ 1,265,898**	**$ 6,004,673**	**$ (14,455,064)**	**$ 71,111**	**$ 50,749,725**
Balance as at January 1, 2014	**$ 49,420,471**	**$ 1,601,611**	**$ -**	**$ 5,319,048**	**$ (8,323,534)**	**$ (546,309)**	**$ 47,471,287**
Foreign currency translation adjustment	-	-	-	-	-	126,934	126,934
Net loss for the twelve months ended December 31, 2015	-	-	-		(3,263,354)	-	(3,263,354)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(3,263,354)**	**126,934**	**(3,136,420)**
Share-based compensation	-	-	-	465,064	-	-	465,064
Share conversions from non-voting to voting	(10,186,291)	10,186,291	-	-	-	-	-
Share conversions from non-voting to voting	10,881,328	(10,881,328)	-	-	-	-	-
Equity issued pursuant to credit agreements, net of tax effects	240,166	-	74,918	-	-	-	315,084
Capital contribution from related parties, net of tax effects	-	-	-	46,405	-	-	46,405
Balance as at December 31, 2014	**$ 50,355,674**	**$ 906,574**	**$ 74,918**	**$ 5,830,517**	**$ (11,586,888)**	**$ (419,375)**	**$ 45,161,420**

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

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)
Consolidated Statements of Cash Flows
(Expressed in US Dollars)

	Year Ended	
	December 31, 2015	December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (2,868,175)	$ (3,263,354)
Adjustments for:		
Depreciation and amortization	8,551	12,531
Share-based compensation	153,716	411,561
Finance expense	272,864	981,441
Net loss of equity method investee	(11,897)	(8,761)
Loss on disposal on asset	245	3,548
Income tax recovery	-	(155,387)
Interest income	-	(578)
Accrued interest payable	254,780	233,960
Unrealized foreign exchange (gain) loss	652,812	196,142
Changes in working capital:		
Receivables	12,672	53,363
Prepaid expenses	30,881	(27,420)
Trade and other payables	37,157	12,561
	(1,456,394)	(1,550,393)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in restricted cash	12	411,540
Additions to property, plant and equipment	(54,884)	(2,929)
Additions to mineral properties	(4,399,308)	(1,633,515)
Interest received	-	578
	(4,454,180)	(1,224,326)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement (Note 11)	8,306,651	2,281,712
Share issue costs	(514,812)	42,694
Proceeds from Extract credit facility (Note 11)	-	343,094
Proceeds from Director credit facility (Note 11)	-	107,025
Credit facility transaction costs (Note 11)	-	66,293
	7,791,839	2,840,818
Net change in cash and cash equivalents	1,881,265	66,099
Effect of exchange rate changes in foreign cash	(117,290)	(28,673)
Cash and cash equivalents, beginning of period	802,582	765,168
Cash and cash equivalents, end of period	$ 2,566,557	$ 802,594

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

1. Nature of Operations and Going Concern

Crystal Peak Minerals Inc. (the "Company") is a public company listed on the TSX Venture Exchange. On June 25, 2015, the Company changed its name from "EPM Mining Ventures Inc." to "Crystal Peak Minerals Inc." The Company's common shares trade on the TSX Venture Exchange under the symbol "CPM" (formerly "EPK"). The Company's common shares also trade on the OTCQX International under the symbol "CPMMF" (formerly "EPKMF"). The Company is domiciled in the Yukon Territory, Canada, and the address of its registered office is 200 – 204 Lambert Street, Whitehorse, Yukon Territory, Y1A 3T2.

The Company, together with its subsidiaries, operates an exploration-stage entity focused on the construction and operation of a potassium sulphate ("SOP") project on the Sevier Playa in southwestern Utah (the "Sevier Playa Project"). The Company is currently engaged in exploration, drilling, engineering, permitting, and financing activities on its Sevier Playa Project with the objective of providing a feasibility study and reserve estimates in accordance with the standards of Canadian National Instrument 43-101, Standards of Disclosure for Mineral Projects. The Company completed a Preliminary Feasibility Study ("PFS") on the Sevier Playa Project in November 2013; but although a PFS has been completed, no claim for mineral reserves has been made at this time pending additional testing planned during the Sevier Playa Project's feasibility study phase.

These audited consolidated financial statements (the "Financial Statements") are prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern that assume the Company will be able to continue to operate for the foreseeable future, realize its assets, and settle its liabilities in the normal course of operations. The use of these principles may ultimately be inappropriate since there is significant doubt about the Company's ability to continue as a going concern. Significant doubt may exist given its history of losses, accumulated deficit, limited operating history in the fertilizer sector, and dependence upon future financing. The Company's future is currently dependent upon its ability to obtain sufficient cash from external financing and related parties in order to fund its liabilities, including the Directors and Extract loans coming due on May 2, 2016 (note 9), ongoing feasibility study work and ultimate project development and construction. Management continues to pursue financing alternatives in connection with the evaluation and development of the Company's Sevier Playa Project. Although the Company has been successful in raising funds in prior reporting periods, there can be no assurance that the steps management is taking, and will continue to take, will be successful in future reporting periods. If the going concern basis were not appropriate, material adjustments may be necessary in the carrying amounts and/or classification of assets and liabilities and these losses reported in these Financial Statements.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These Financial Statements have been prepared in compliance with IFRS as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting. Further, the Financial Statements have been prepared, primarily, under the historical cost convention.

These Financial Statements include the Company's accounts and its wholly owned subsidiary, Peak Minerals Canada Limited ("Peak Minerals Canada"). Peak Minerals Canada's accounts include those of its wholly owned United States (U.S.) subsidiary, Peak Minerals Inc. ("Peak Minerals"). All intercompany accounts and transactions have been eliminated on consolidation. All amounts, unless specifically indicated otherwise, are presented in U.S. dollars.

These Financial Statements were authorized for issuance on April 21, 2016 by the Board of Directors.

(b) Changes in Accounting Policy and Disclosures

New Standards and Interpretations Not Yet Adopted

The following standard is effective for annual periods beginning after January 1, 2014, and has not yet been applied in preparing these Financial Statements:
In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7, *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. This standard becomes effective for annual periods beginning on or after January 1, 2018, and management does not currently anticipate the early adoption of the standard.

(c) Consolidation

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

(d) Segment Reporting

The Company currently has only one operating segment as the Company's operating results are reviewed on a consolidated basis. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Chief Executive Officer.

(e) Presentation and Functional Currency

Presentation Currency

These Financial Statements are presented in the U.S. dollar.

Functional Currency

The Company's functional currency and its subsidiaries is the currency of the primary economic environment in which each entity operates. In the case of the Company and Peak Minerals Canada, the functional currency is the Canadian dollar ("C$"). In the case of Peak Minerals, the functional currency is the U.S. dollar.

Transactions that occur in a foreign currency are recorded in the functional currency using the exchange rates prevailing at the date of the transaction. For reporting purposes, monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rate as at the date of consolidated statement of financial position. Nonmonetary items are not retranslated as at the date of consolidated statement of financial position, but remain translated at historical cost using the exchange rate as at the date of the original transaction. Foreign exchange gains that result from the settlement of transactions and the translation of monetary assets and liabilities are recognized in the consolidated statement of loss.

Translation of Foreign Operations

In accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*, company entities and operations whose functional currencies differ from the presentation currency are translated into U.S. dollars as follows:

- assets and liabilities are translated at the closing rate as at the date of the consolidated statement of financial position;
- income and expenses are translated at the average rate of exchange for the reporting period;
- translation gains are recognized in consolidated other comprehensive income and are reported as such in accumulated other comprehensive income; and
- upon disposal of a foreign subsidiary, the cumulative amount of the exchange differences relating to that foreign subsidiary, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit and loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

(f) Cash and Cash Equivalents

The Company considers cash and cash equivalents to include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(g) Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The costs of property, plant, and equipment are composed of purchase price plus all costs directly attributable to bringing the assets to the location and condition necessary for their intended operation. Property, plant, and equipment are depreciated to their estimated residual value over their useful lives, beginning in the month following completion of the capital spending on a project or the month following the time when the assets become available for use. The Company depreciates its property, plant, and equipment on a straight-line basis as follows:

Computers and equipment	2-5 years
Furniture and fixtures	2-5 years
Project equipment	2-5 years
Buildings	35 years

(h) Interest in Mineral Properties

All costs related to the acquisition, exploration, evaluation, and development of mineral properties are capitalized by property where there is an expectation that the costs will be recovered. These costs are capitalized until the beginning of commercial production and will be subsequently amortized on a unit-of-production basis over the total reserves or will be written down to the recoverable amount if exploration and evaluation activities prove unsuccessful, if the mineral property is abandoned or if the costs are no longer recoverable.

These capitalized activities include:

- acquisition of property rights or rights to explore, including all ongoing ownership costs;
- researching and analyzing historical exploration and evaluation data;
- gathering exploration data through topographical, geochemical, and geophysical studies;
- exploratory drilling, trenching, and sampling;
- determining and examining the volume and grade of the resources;
- surveying transportation and infrastructure requirements;
- field operations and expenditures;
- project permitting;

- environmental rehabilitation obligations; and
- activities involved in evaluating the technical and commercial feasibility of extracting mineral resources. This includes the costs incurred in determining the most appropriate mining and processing methods.

(i) Impairment of Non-financial Assets

Assets that are subject to depreciation and/or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Interests in mineral properties are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of an asset's fair value less any costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognized in the consolidated statement of loss.

An impairment loss is reversed if there is an indication that the impairment no longer exists or may have decreased. Such a reversal is limited to an amount not higher than the carrying amount that would have been determined had no impairment loss been recognized in previous periods.

(j) Investment in Associate

Associates represent investments in entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting whereby the investment is initially recognized in the consolidated statement of financial position at cost and subsequently adjusted for the Company's share of an associate's profit less any impairment in the value of the investment. The investment's carrying value is increased by the Company's proportionate share of the profit of the associate and decreased by all dividends received by the Company from the associate. The Company's share of profit of an associate is recognized in the consolidated statement of loss and its share of other comprehensive income of an associate is included in other comprehensive income. Losses in excess of the Company's interest in an associate are recognized only to the extent that the Company has incurred legal or constructive obligations on behalf of the associate.

(k) Financial Assets

Classification

Financial assets are classified into one of the following categories: at fair value through profit and loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the balance sheet.

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the consolidated statement of loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated statement of loss within 'other items' in the period in which they arise. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated statement of loss.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the consolidated statement of loss as part of finance income. Dividends on available-for-sale equity instruments are recognized in the consolidated statement of loss as part of other income when the group's right to receive payments is established.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of the Company's default, insolvency or bankruptcy.

(m) Impairment of Financial Assets

At each reporting date, the carrying amounts of the Company's financial assets are reviewed for impairment when there is objective evidence of impairment. For debt securities, objective evidence may include a debtor experiencing significant financial difficulty, default, or delinquency in payments and when observable data indicate that there is a measurable decrease in the estimated future cash flows. For equity securities, objective evidence may include a significant or prolonged decline in the fair value of the security below its cost. If such evidence exists, the Company recognizes an impairment loss as follows:

- Financial assets carried at amortized cost – the impairment loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

- Available-for-sale financial assets – the impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the consolidated statement of loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net loss.

Impairment losses on financial instruments carried at amortized cost can be reversed if the impairment loss decreases and that decrease can be related objectively to an event occurring after the impairment loss was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

The Company reviews its investment in associate for impairment whenever events or changes in circumstances indicate that the recoverable amount (higher of value in use and fair value less costs of disposal) may be greater than the carrying amount of an investment. In determining the value in use of the investment, the Company estimates:

- its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

(n) Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(o) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; the difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of loss over the term of the borrowings using the effective interest method.

(p) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(q) Compound financial instruments

Compound financial instruments issued by the Company comprise of borrowings that have both a liability and equity component, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at fair value. The equity component is recognized as the difference between the proceeds received from the compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(r) Repurchase obligation

As part of the May 2, 2014 financing transaction (See Note 11), the Company agreed to pay the lenders a production fee based on future production of SOP; however, the production fee agreement may be repurchased by the Company at any time for a specified amount based on the timing of repayment of the loan.

The Company intends to repurchase the production fee agreement just prior to beginning commercial production. Because the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can been reliably estimated. Therefore, the Company has recorded a repurchase obligation for the production fee repurchase agreement.

The amount recorded for the repurchase obligation has been measured at the present value of the expenditure expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Increases in the repurchase obligation due to the passage of time are recognized as finance expenses.

(s) Environmental Rehabilitation Obligations

Environmental rehabilitation obligations arise from the exploration, evaluation, development, construction, and normal operation of mining property, plant, and equipment as mining activities are subject to various laws and regulations governing the protection of the environment. Generally, these laws and regulations are continually changing, and management has made, and intends to continue to make, expenditures to comply with such laws and regulations.

The Company records the estimated present value of rehabilitation obligations in the year in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and depreciated over the life of the asset. The liability is reviewed and adjusted each period for changes in the discount rates and in the estimate of the amount, timing, and cost of the rehabilitation work to be carried out.

(t) Share-based Compensation

The Company operates an equity-settled, share-based compensation plan, under which the Company receives services from employees, officers, Directors, and consultants as consideration for equity options. The fair value of common share options granted is recognized as a share-based compensation expense or capitalized to the mineral property for employees dedicated to the exploration, evaluation, and development of mineral properties, with a corresponding increase in contributed surplus. The fair value is measured using the Black-Scholes option-pricing model as at the grant date and is recognized over the vesting period using a graded (accelerated) amortization schedule. At each financial reporting date, the share-based compensation expense is adjusted to reflect the actual number of common share options that are expected to vest.

Upon exercise of a common share option, the consideration received is credited to share capital along with the contributed surplus previously recognized.

(u) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of prior years.

In general, deferred tax is recognized respecting temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill; and deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the

reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined on a nondiscounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities within the consolidated statement of financial position.

(v) Comprehensive Income

Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from nonowner sources and includes such things as cumulative translation adjustments. The components of comprehensive income are disclosed in the consolidated statement of comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income, which is presented as a separate category in equity attributable to the Company's owners.

(w) Basic and Diluted Earnings per Share

Basic earnings per common share is calculated by dividing the net earnings from operations by the weighted-average number of common shares outstanding for the period. Diluted per-share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. In a loss-making year, potentially dilutive common shares are excluded from the loss per-share calculation as the effect would be antidilutive.

(x) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of loss over the period of the lease.

3. Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Significant estimates and judgments made by management relate to the following:

(a) Impairments

The determination of asset impairment indicators for property, plant, and equipment, mineral properties, and investments requires judgment regarding variables such as expected future cash flows and reasonable discount rates. The determination of the commercial viability and economic recoverability of the Company's mineral property interests and evaluation and exploration costs requires judgment based on current and expected data as well as expectations of future events that are believed to be reasonable under the circumstances.

The Company's impairment analysis for its investment in mineral property on the Sevier Playa Project was based on significant estimates and judgments as contained in the PFS, which was filed on November 18, 2013. The PFS, which investigated both technical and economic aspects of the Sevier Playa Project, established important estimates and assumptions for annual production rates, mine life, capital and operating costs, product pricing, and

effective tax rates. Actual annual production rates, mine life, capital and operating costs, product pricing, and effective tax rates may differ from those contained in the PFS and estimated by management, thereby affecting the value of the Sevier Playa Project.

(b) Environmental Obligations

The determination of provisions for environmental rehabilitation and reclamation obligations arising from the Company's evaluation and exploration activities requires the use of estimates and management judgment. Future rehabilitation costs in relation to changes in estimates are accrued based on management's best estimate at the end of each period of the discounted cash costs expected to be incurred. Accounting for rehabilitation obligations requires management to make estimates of the future costs the Company will incur to complete the rehabilitation work required to comply with existing laws and regulations. These estimates are dependent upon labor and materials costs, known environmental impacts, the effectiveness of rehabilitation measures, inflation rates, and pre-tax interest rates that reflect a current market assessment of time value for money and the risk specific to the obligation. The Company also estimates the timing of the outlays, which is subject to change depending on continued exploitation and newly discovered mineral resources.

Actual rehabilitation costs incurred may differ from those amounts estimated by management. Moreover, future changes to environmental laws and regulations could increase the extent of rehabilitation work required to be performed by the Company, therefore increasing future costs.

(c) Fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and makes assumptions that are based on market conditions. The Company has used discounted cash flow analyses to determine the initial fair value of borrowings.

The Company had no material changes in accounting estimates during the reporting period or that are expected to have an effect on future periods.

4. Receivables

Trade and other receivables are as follows:

As at	December 31, 2015	December 31, 2014
Tax-related receivables	23,544	39,369
Other receivables	-	1,432
	$ 23,544	$ 40,801

5. Property, Plant, and Equipment

The property, plant, and equipment balance consists of:

	Computers & Equipment	Furniture & Fixtures	Project Equipment	Buildings	Total
As at January 1, 2015					
Cost	$ 31,583	$ 20,091	$ 297,359	$ 98,187	$ 447,220
Accumulated depreciation	(23,191)	(14,939)	(180,320)	(9,308)	(227,758)
Net book amount	**$ 8,392**	**$ 5,152**	**$ 117,039**	**$ 88,879**	**$ 219,462**
Period ended December 31, 2015					
Opening net book amount	8,392	5,152	117,039	88,879	219,462
Additions	888	-	54,796	-	55,684
Disposals	(800)	-	-	-	(800)
Depreciation	(5,062)	(2,933)	(69,789)	(2,805)	(80,589)
Exchange differences		-	(27)	-	(27)
Closing net book amount	**$ 3,418**	**$ 2,219**	**$ 102,019**	**$ 86,074**	**$ 193,730**
As at December 31, 2015					
Cost	$ 31,671	$ 20,091	$ 352,128	$ 98,187	$ 502,077
Accumulated depreciation	(28,253)	(17,872)	(250,109)	(12,113)	(308,347)
Net book amount	**$ 3,418**	**$ 2,219**	**$ 102,019**	**$ 86,074**	**$ 193,730**

As at January 1, 2014					
Cost	$ 31,583	$ 21,079	$ 297,051	$ 98,187	$ 447,900
Accumulated depreciation	(15,392)	(10,207)	(116,325)	(6,503)	(148,427)
Net book amount	**16,191**	**10,872**	**180,726**	**91,684**	**299,473**
Period ended December 31, 2014					
Opening net book amount	16,191	10,872	180,726	91,684	299,473
Additions		-	3,871	-	3,871
Disposals		(942)	(3,548)	-	(4,490)
Depreciation	(7,799)	(4,732)	(63,995)	(2,805)	(79,331)
Exchange differences	-	(46)	(15)	-	(61)
Closing net book amount	**8,392**	**5,152**	**117,039**	**88,879**	**219,462**
As at December 31, 2014					
Cost	31,583	20,091	297,359	98,187	447,220
Accumulated depreciation	(23,191)	(14,939)	(180,320)	(9,308)	(227,758)
Net book amount	**$ 8,392**	**$ 5,152**	**$ 117,039**	**$ 88,879**	**$ 219,462**

During the year ended December 31, 2015, the Company recognized depreciation of $80,589 (year ended December 31, 2014 – $79,331), of which $8,551 (year ended December 31, 2014 – $12,531) was recognized as expense in the consolidated statement of loss and $72,038 (year ended December 31, 2014 – $66,800) was capitalized in interest in mineral properties.

6. Interest in mineral properties

The interest in mineral properties balance consists of:

	Acquisition costs	Planning and design	Field operations and expenses	Legal costs and environmental obligations	Technical reports and permitting activities	Total
As of January 1, 2015						
Cost	$ 22,480,628	$ 654,167	$ 9,022,229	$ 1,150,588	$ 8,631,650	$ 41,939,262
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**22,480,628**	**654,167**	**9,022,229**	**1,150,588**	**8,631,650**	**41,939,262**
Twelve months ended December 31, 2015						
Opening net book amount	22,480,628	654,167	9,022,229	1,150,588	8,631,650	41,939,262
Additions	387,361	2,135	1,023,993	46,929	3,530,301	4,990,719
Exchange differences	(55,762)	-	-	-	-	(55,762)
Closing net book amount	**22,812,227**	**656,302**	**10,046,222**	**1,197,517**	**12,161,951**	**46,874,219**
As of December 31, 2015						
Cost	22,812,227	656,302	10,046,222	1,197,517	12,161,951	46,874,219
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**$ 22,812,227**	**$ 656,302**	**$ 10,046,222**	**$ 1,197,517**	**$ 12,161,951**	**$ 46,874,219**
As of January 1, 2014						
Cost	$ 22,412,975	$ 652,009	$ 8,475,326	$ 1,112,416	$ 8,391,418	$ 41,044,144
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**22,412,975**	**652,009**	**8,475,326**	**1,112,416**	**8,391,418**	**41,044,144**
Twelve months ended December 31, 2014						
Opening net book amount	22,412,975	652,009	8,475,326	1,112,416	8,391,418	41,044,144
Additions	98,915	2,158	546,903	38,172	240,232	926,380
Exchange differences	(31,262)	-	-	-	-	(31,262)
Closing net book amount	**22,480,628**	**654,167**	**9,022,229**	**1,150,588**	**8,631,650**	**41,939,262**
As of December 31, 2014						
Cost	22,480,628	654,167	9,022,229	1,150,588	8,631,650	41,939,262
Accumulated amortization and impairment	-	-	-	-	-	-
Net book amount	**$ 22,480,628**	**$ 654,167**	**$ 9,022,229**	**$ 1,150,588**	**$ 8,631,650**	**$ 41,939,262**

7. Investment in Associate

In 2011, Peak Minerals acquired a 40% interest in Emerald Peak Minerals, LLC ("Emerald Peak") by contributing to equity certain Emerald Peak notes it held. Emerald Peak is a privately held company and is domiciled in Utah, U.S. Lance D'Ambrosio, the Company's Chief Executive Officer and a Director, and Jeff Gentry, a former Director, own the remaining 60% of Emerald Peak. The Company's investment in Emerald Peak is accounted for using the equity method. On April 18, 2011, Peak Minerals entered into an agreement (the "Commercial Agreement") with Emerald Peak, whereby both parties agreed to commit the acreage associated with the Emerald Peak state leases to development and operation by Peak Minerals. Emerald Peak will make no payments for the development of these state leases and will receive no net revenues from the production from these state leases – all revenues and costs incurred under the Emerald Peak Agreement will be for the benefit of Peak Minerals. The contract commits Peak Minerals to pay Emerald Peak the greater of $40,000 per year or a 7.5% overriding royalty on all SOP production allocated to the state leases and stipulates that Peak Minerals will be the designated unit operator upon the approval of a unitization agreement between Emerald Peak, Peak Minerals, a third party, LUMA Minerals, LLC, ("LUMA"), the U.S. Bureau of Land Management ("BLM") and the State Institutional Trust Lands Administrations ("SITLA").

Investment as at January 1, 2014	**$ 6,094,011**
Share of net income	8,761
Effects of foreign currency translation	(2,371)
Investment as at December 31, 2014	**$ 6,100,401**
Share of net income	11,897
Effects of foreign currency translation	(4,229)
Investment as at December 31, 2015	**$ 6,108,069**

Emerald Peak's summarized balance sheet as at December 31, 2015, and December 31, 2014, is included below:

As at	December 31, 2015	December 31, 2014
Current		
Cash and cash equivalents	$ 5,276	$ 3,677
Total current assets	5,276	3,677
Trade and other payables	-	(2,500)
Total current liabilities	-	(2,500)
Non-current		
Interest in mineral properties	1,266,131	1,240,487
Net assets	1,271,407	1,241,664
Ownership interest (40%)	508,563	496,666
Fair value increment on acquisition of interest, net of foreign currency effects	5,599,506	5,603,735
Carrying value of investment	**$ 6,108,069**	**$ 6,100,401**

A summary of Emerald Peak's comprehensive income for the year ended December 31, 2015, and December 31, 2014, is included below:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Revenue	$ 40,000	$ 40,000
Profit from operations	29,743	21,903
Total comprehensive income	29,743	21,903

8. Trade and Other Payables

As at	December 31, 2015	December 31, 2014
Trade payables	$ 599,417	$ 100,530
Social security and other taxes	14,030	11,592
Accrued expenses	145,188	104,730
	$ 758,635	$ 216,852

9. Financial liabilities

The financial liabilities balance consists of:

	December 31, 2015	December 31, 2014
Borrowings	$ 3,200,000	$ 3,200,000
Repurchase obligation	380,230	107,365
Total financial liabilities	**$ 3,580,230**	**$ 3,307,365**

On May 2, 2014, the Company entered into a secured credit agreement with Extract Advisors, LLC and its affiliate, Extract Capital LP (together "Extract"), for a $2,500,000 loan (the "Extract Loan"). In addition, the Company entered into a secured credit agreement with certain Directors (the "Financing Directors") for a $700,000 loan (the "Director Loans") and collectively with the Extract Loan, the ("Financing"). Under the terms of the Financing, the Company provided a perfected senior security interest in substantially all of the Company's assets.

The Extract Loan has a term of 60 months, with 95% of the outstanding principal and interest coming due on May 2, 2016, and bears interest at a variable rate equal to the US dollar 12-month LIBOR plus 650 basis points ("bps") per annum calculated on the outstanding principal on a 360-day/year basis. At the Company's option, it may elect to defer monthly interest at a rate of US dollar 12-month LIBOR plus 850 bps. LIBOR has a minimum of 200 bps for the purposes of the interest rate calculation.

The Extract Loan requires mandatory repayment if the Company closes one or more debt or equity financings exceeding $100,000, or if the Company disposes of any secured assets outside the ordinary course of business. However, in an amendment to the original credit agreement, effective March 30, 2015, Extract agreed to waive the mandatory repayment covenant with respect to the Company's May 29, 2015 equity investment by EMR Capital Resources Fund 1, LP (see Note 10).

Additionally, the Company issued to the Extract lenders 1,500,000 common shares and 750,000 common share purchase warrants (the "Extract Warrants"). The Extract Warrants have an exercise price of C$0.36 per common share and are exercisable until May 2, 2019. The Company also provided the Extract with a production fee of $1.70/tonne of production of SOP. The production fee may be repurchased at any time by the Company for $1,500,000. As a result, the Company estimated the current value of this obligation to be $380,230 at December 31, 2015 (2014 - $107,365).

The Director Loans have a term of 24 months, maturing on May 2, 2016. Interest accrues monthly in arrears and is computed on a monthly basis at US dollar 1-month LIBOR plus 175 bps ("Director's Rate") plus 850 bps per annum of the outstanding loan amount calculated on a 360-day/year basis. The Director's Rate has a minimum of 200 bps for calculation of the interest rate. Additionally, the Company issued the Financing Directors an aggregate of 1,050,000 common share purchase warrants (the "Director Warrants"). The Director Warrants have an exercise price of C$0.36 per common share and are exercisable until May 2, 2016.

The Director Loans require mandatory repayment if the Company closes one or more debt or equity financings or disposes of any secured assets outside the ordinary course of business. The Director Loans also have an amendment to the original credit agreement waiving the mandatory repayment covenant with respect to the Company's May 29, 2015 equity investment by EMR Capital Resources Fund 1, LP (see Note 11).

The fair value of the borrowings component was calculated using a discounted cash flows analysis with a discount rate of 62.5% and is within level 3 of the fair value hierarchy. The fair value of the repurchase obligation for the production fee arrangement was calculated using a discounted cash flows analysis with a discount rate of 62.5% and is within level 3 of the fair value hierarchy. The equity components of the Financing were recognized as the difference between the proceeds received from the Financing and the fair value of the liability component. Transaction costs of $359,182 were allocated to the liability and equity components in proportion to their initial carrying amounts.

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in this table are the contractual undiscounted cash flows based on the loans being held to maturity.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
As of December 31, 2015					
Borrowings	$ 3,075,000	$ -	$ 125,000	$ -	$ 3,200,000
Interest Payable	489,074	-	-	-	489,074
Total	**3,564,074**	**-**	**125,000**	**-**	**3,689,074**

Interest payable assumes interest is capitalized under the terms of the Extract Loan and will be repayable at the maturity of the Financing. Under these terms, interest under the Extract Loan was calculated using an annual interest rate of 10.5%, which includes the LIBOR floor.

10. Provisions

In connection with the Company's exploration and drilling activities on its Sevier Playa Project, the Company has an obligation to remediate the impact of these activities.

Balance as at January 1, 2014	**$ 223,144**
Additions	9,686
Accretion	2,058
Expenditures incurred	-
Balance as at December 31, 2014	**$ 234,888**
Additions	(28,797)
Accretion	2,814
Expenditures incurred	-
Balance as at December 31, 2015	**$ 208,905**

The estimated amount of undiscounted cash flow required to satisfy the Company's environmental rehabilitation obligations as at December 31, 2015 and December 31, 2014 was $264,092. The expected timing of payments ranges from 2016 to 2049, and the risk free rates at which the estimated cash flows have been discounted to arrive at the present value of the obligation ranged from 1.373% to 6.966%.

11. Share capital

(a) Authorized

The Company has unlimited voting common shares without par value and unlimited non-voting common shares without par value.

(b) Voting and non-voting common shares

	Number of shares issued		Share capital	
	Voting common	Non-voting common	Voting common	Non-voting common
Balance as of January 1, 2014	**108,293,457**	**4,932,432**	**$ 49,420,471**	**$ 1,601,611**
Repurchase of voting shares in exchange for non-voting shares	(31,370,400)	31,370,400	(10,186,291)	10,186,291
Share conversions from non-voting to voting	33,510,885	(33,510,885)	10,881,328	(10,881,328)
Issuance of voting shares pursuant to credit agreement, net of tax effects	1,500,000	-	240,166	-
Balance as of December 31, 2014	**111,933,942**	**2,791,947**	**$ 50,355,674**	**$ 906,574**
Equity issued pursuant to private placement	34,516,129	**-**	7,036,983	**-**
Share issue costs	**-**	**-**	(436,124)	**-**
Balance as of December 31, 2015	**146,450,071**	**2,791,947**	**$ 56,956,533**	**$ 906,574**

On May 29, 2015, the Company closed a private placement with EMR Capital Resources Fund 1, LP ("EMR"), pursuant to which the Company issued EMR 34,516,129 units at C$0.30 per unit for gross proceeds of $8,306,652 (C$10,354,839), with each unit being comprised of one common share and one common share purchase warrant. The allocated fair value of the common shares was $7,036,983. The Company incurred transaction costs totaling $514,813, of which $436,124 was allocated to common shares and $78,689 was allocated to common share purchase warrants. The transaction costs included a 4% success fee totaling $332,267 to an advisor, as well as legal and other professional fees.

On May 2, 2014, the Company issued 1,500,000 common shares to Extract under the provisions of the Extract Loan. The proceeds allocated to the common shares issued in conjunction with the Extract Loan totaled $240,166, net of tax effects of $102,928.

On March 27, 2014, the Company entered into share repurchase agreements with certain holders of common shares to purchase common shares from these holders in exchange for non-voting common shares. Lance D'Ambrosio, the Chief Executive Officer and a Director, and Jeff Gentry, a former Director, participated in the transaction. Mr. D'Ambrosio agreed to sell 12,174,673 common shares for cancellation in return for 12,174,673 non-voting common shares, and Mr. Gentry agreed to sell 7,150,490 common shares for cancellation in return for 7,150,490 non-voting common shares. See Note 16 below for more details on this related-party transaction.

(c) Share purchase warrants –

On May 29, 2015, in connection with the private placement with EMR, the Company issued 34,516,129 common share purchase warrants. Each common share purchase warrant entitles EMR to subscribe for one common share at a price of C$0.4243 per common share until May 29, 2017. However, subject to the achievement of certain

milestones, EMR will be deemed to irrevocably exercise the common share purchase warrants. The allocated fair value of the common share purchase warrants was $1,269,669. The following table outlines the assumptions used to calculate the fair value of the warrants issue to EMR:

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.32
Exercise price per common share	C$0.4243
Risk-free interest rate	0.57%
Expected volatility	69.75%
Expected dividend yield	0%
Expected life (years)	1.00

In conjunction with the Extract Loan, the Company issued 750,000 Extract Warrants. Each common share purchase warrant entitles the holder to acquire one voting common share at a price of C$0.36 per common share until May 2, 2019. The following table outlines the assumptions used to calculate the fair value of the Extract Warrants:

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.29
Exercise price per common share	C$0.36
Risk-free interest rate	1.11%
Expected volatility	61.51%
Expected dividend yield	0%
Expected life (years)	2.50

Further, in conjunction with the Director Loans, the Company issued 1,050,000 common share purchase warrants to the Financing Directors. Each common share purchase warrant entitles the holder to acquire one voting common share at a price of C$0.36 per share until May 2, 2016. The following table outlines the assumptions used to calculate the fair value of the Director Warrants:

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.29
Exercise price per common share	C$0.36
Risk-free interest rate	1.07%
Expected volatility	68.98%
Expected dividend yield	0%
Expected life (years)	1.00

The fair values of the warrants issued to Extract and the Financing Directors were used to determine the Financing proceeds allocated to the equity components based on relative fair values. The proceeds allocated to the common share purchase warrants issued in conjunction with the Financing totaled $74,918, net of tax effects of $32,108.

A summary of the common share purchase warrants outstanding as at December 31, 2015 is presented as follows:

	Weighted average remaining contractual life (yrs)	Number of share purchase warrants	Weighted average exercise price (C$)
EMR warrants	1.322	34,516,129	$ 0.42
Financing warrants	1.498	1,800,000	$ 0.36
Share purchase warrants outstanding, end of period	**1.331**	**36,316,129**	**$ 0.42**

(d) Share purchase options –

The Company has a stock option plan (the "Option Plan") whereby the Board of Directors may grant to Directors, officers, employees or consultants options to acquire common shares. The Board of Directors has the authority to determine the limits, restrictions and conditions of common share option grants, and to make all decisions and interpretations relating to the Option Plan. The maximum number of common shares that may be reserved for issuance shall not exceed 10% of the outstanding common shares at the time of grant. Furthermore, the maximum number of common shares that may be reserved for issuance to any one Optionee shall not exceed 5% of the outstanding common shares at the time of grant, excepting consultants and investor relations persons which shall not exceed 2% of the outstanding common shares.

The term of any common share option granted may not exceed five years and the exercise price may not be lower than the closing price of the Company's common shares on the last trading day immediately preceding the date of grant , less any discounts from the closing price allowed by the TSX Venture Exchange,. Vesting conditions vary based on the circumstances of the option grant.

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

	December 31, 2015		December 31, 2014	
	Number of options	Weighted average exercise price (C$)	Number of options	Weighted average exercise price (C$)
Balance, beginning of period	**7,676,632**	**$ 0.61**	**4,832,758**	**$ 0.78**
Granted	3,925,000	$ 0.42	3,100,000	**$ 0.40**
Forfeited	(1,087,836)	0.40	-	-
Expired	(489,821)	1.04	(256,126)	1.23
Balance, end of period	**10,023,975**	**$ 0.54**	**7,676,632**	**$ 0.61**
Exercisable share purchase options	**7,232,255**	**$ 0.60**	**4,685,424**	**$ 0.71**

A summary of the Company's common share options outstanding as at December 31, 2015 is presented as follows:

Exercise price per share (C$)	Weighted average remaining contractual life (yrs)	Number of share purchase options	Weighted average exercise price (C$)
< $0.50	**3.850**	8,573,975	$ 0.41
$0.51 - $1.50	**1.514**	925,000	$ 1.04
$1.51 - $2.00	**0.903**	525,000	$ 1.81
Share purchase options outstanding, end of period	**3.481**	**10,023,975**	**$ 0.54**

On August 20, 2015, the Company granted options to purchase 3,925,000 pursuant to the Option Plan with various vesting periods. All options are exercisable over a period of five years at a price of $0.42 per common share.

Share based compensation for the year ended December 31, 2015 was $174,156 (year ended December 31, 2014 – $465,064), of which $153,716 (year ended December 31, 2014 - $411,561) was expensed in the consolidated statement of loss and $20,440 (year ended December 31, 2014 - $53,503) was capitalized in mineral properties. The offsetting credit was recorded as contributed surplus.

The fair value of the options granted during the year ended December 31, 2015 was estimated on the date of grant using the Black-Scholes options pricing model. The Company assumed a 0.62% forfeiture rate based on historical forfeitures and the following table outlines the weighted average assumptions used to calculate the fair value:

Black-Scholes option pricing model assumptions	
Market price per common share at date of grant	C$0.20
Exercise price per common share	C$0.42
Risk-free interest rate	0.40%
Expected volatility	72.84%
Expected dividend yield	0%
Expected life (years)	3.00

Given the limited trading history of the Company's common shares, the expected volatility was calculated and based on the average historical volatility of a reference group of junior potash mining companies.

12. Finance expense

Finance expenses for the period were as follows:

	December 31, 2015	December 31, 2014
Interest expense	$ 379,615	$ 233,960
Financing amortization	-	916,770
Accretion	272,864	64,671
Total finance expenses	**$ 652,479**	**$ 1,215,401**

13. Income Taxes

The Company's income tax recovery for each of the periods ended consists of the following:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Loss before income taxes	$ (2,868,174)	$ (3,418,741)
Income tax (recovery) at combined federal and provincial rate of 30.0% (twelve months ended December 31, 2014 - 30.0%)	(860,453)	(1,025,622)
Foreign rate differences	(75,146)	(84,245)
Non-deductible expenses	34,202	88,310
Losses not recognized	901,397	866,170
Income tax recovery	**$ -**	**$ (155,387)**

Deferred tax assets have not been recognized respecting the following items:

As at	December 31, 2015	December 31, 2014
Unrecognized deferred tax assets:		
Deductible temporary differences	$ 423,879	$ 400,113
Loss carryforwards	3,053,517	2,206,179
Share issuance costs	259,566	181,566
Cummulative eligible capital deductions	88,469	88,469
	$ 3,825,431	**$ 2,876,327**

The Company recognized $nil and $155,387 in income tax recovery for the years ended December 31, 2015 and December 31, 2014

The Company has C$3,965,404 (year ended December 31, 2014 – C$1,827,350) of Canadian noncapital losses that will expire between 2034 and 2035 and $5,613,018 (year ended December 31, 2014 – $4,647,797) of U.S. noncapital losses that will expire between 2033 and 2034.

14. Loss per share

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of common shares outstanding during the period. The Company's loss per share for the year ended December 31, 2015 was $0.02 (year ended December 31, 2014 – $0.04), and was based on the loss attributable to common shareholders of $2,868,175 (year ended December 31, 2014 – $3,263,354 respectively), and the weighted average number of common shares outstanding of 132,359,925 (year ended December 31, 2014 - 90,231,448). The diluted loss per share did not include the effect of the following securities as they are anti-dilutive:

As at	December 31, 2015	December 31, 2014
Number of share purchase warrants	36,316,129	1,800,000
Number of share purchase options	10,023,975	7,676,632
	46,340,104	**9,476,632**

15. Expenses by Nature

	For the year ended December 31, 2015	For the year ended December 31, 2014
Short term salaries and benefits	$ 605,743	$ 651,742
Office expenses	113,161	134,706
Depreciation	8,551	12,531
Investor relations	161,932	198,996
Professional fees	425,586	510,317
Share-based compensation	153,716	411,561
Other expenses	103,862	109,532
	$ 1,572,551	$ 2,029,385

16. Related party transactions

The Company's related parties include the Company's subsidiaries, associates, executive and non-executive Directors, senior officers (Chief Executive Officer and Chief Financial Officer), and entities controlled or jointly-controlled by Company Directors or senior officers.

(a) Emerald Peak

In 2011, Peak Minerals entered into the Commercial Agreement with Emerald Peak (see Note 8). Lance D'Ambrosio, the Chief Executive Officer and a Director, and Jeff Gentry, a former Director, own 60% of Emerald Peak and the Peak Minerals owns the remaining 40%. Emerald Peak will make no payments for the development of these state leases and will receive no net revenues from the production from these state leases – all revenues and costs incurred under the Emerald Peak Agreement will be for the benefit of Peak Minerals. The contract commits Peak Minerals to pay Emerald Peak the greater of $40,000 per year or a 7.5% overriding royalty on all SOP production allocated to the state leases. During the year ended December 31, 2015 and December 31, 2014, the Company paid $40,000 to Emerald Peak in conjunction with the Emerald Peak Agreement. No accounts payable or receivable between the parties existed as at December 31, 2015 or December 31, 2014.

(b) Black Horse

During the year ended December 31, 2014, Black Horse Resources, Inc. ("Black Horse"), a related party controlled by Lance D'Ambrosio, the Chief Executive Officer and a Director, and Jeff Gentry, a former Director, reimbursed Peak Minerals for shared administrative services and a sublease agreement. Transactions between the parties during the year ended December 31, 2014 totaled $4,217 and no accounts payable or receivable between the parties existed at December 31, 2014.

(c) Officers and Directors

(i) During the year ended December 31, 2015 and December 31, 2014, compensation paid or payable to senior officers and Directors was as follows:

	Twelve months ended	
	December 31, 2015	December 31, 2014
Short-term salaries and benefits	$ 291,342	$ 329,502
Share-based compensation	138,822	379,019
Total key management compensation	**$ 430,164**	**$ 708,521**

(ii) On March 27, 2014, Lance D'Ambrosio, the Chief Executive Officer and a Director, agreed to sell 12,174,673 common shares for cancellation in return for 12,174,673 non-voting common shares, and Jeff Gentry, a former Director, agreed to sell 7,150,490 common shares for cancellation in return for 7,150,490 non-voting common shares.

(iii) Lance D'Ambrosio, the Chief Executive Officer and a Director and certain other Directors participated in the Director Loan (see Note 10). Under the terms of the Director Loan the Financing Directors were issued 1,050,000 Director Warrants. Of the $700,000 gross proceeds from the Director Loan, the Company recorded $46,405, net of tax effects of $19,888, as a capital contribution from the Director Warrants. Interest paid on the Director loans in the year ended December 31, 2015 was $124,504 (year ended December 31, 2014 - $nil).

17. Commitments and contingencies

(a) LUMA Minerals LLC

In July 2011, Peak Minerals entered into a Cooperative Development Agreement with LUMA to develop the additional Federal Leases on the Sevier Playa Project that the Company did not control (the "LUMA Agreement"). LUMA won these leases as part of the competitive bidding process by the BLM when the Company was not permitted to lease more than 96,000 acres, pursuant to federal law.

Under the LUMA Agreement, both parties will commit the acreage to development and operation by the Company. LUMA will make no payments for the development of its acreage and will receive no net revenues from the production from its acreage – all revenues and costs will be for the benefit of the Company. The contract commits the Company to pay LUMA a 1.25% overriding royalty on all production from, or allocated to, the LUMA leases. The contract also grants LUMA the right, in addition to the overriding royalty, to elect either: (i) a cash-only payment of $2,000,000; or (ii) the number of common shares in the Company equal in value to $1,000,000, plus $1,000,000 cash at closing. The closing is conditioned upon and subject to: (a) all necessary approvals of the shareholders and governing boards of Peak Minerals and/or the Company; (b) all necessary approvals of U.S. and Canadian governmental authorities, including securities and exchange and environmental regulatory bodies, BLM and SITLA; and (c) all applicable stock exchange rules, regulations and approvals.

The LUMA Agreement added approximately 22,012 acres of additional leases to the lands controlled by the Company, bringing the Sevier Playa Project land package total to approximately 124,223 acres.

On June 27, 2012, but effective as of June 15, 2012, the Company executed a 12-month extension of the LUMA Agreement. On June 5, 2013, but effective June 15, 2013, the Company executed a second 12-month extension of the LUMA Agreement, thereby extending its term from July 15, 2013 to July 15, 2014. On June 13, 2014, but effective June 15, 2014, the Company executed a third 12-month extension of the LUMA Agreement, thereby extending its term from July 15, 2014 to July 15, 2015. On June 15, 2015, the Company executed a fourth 12-month extension of the LUMA Agreement, thereby extending its term from July 15, 2015 to July 15, 2016.

(b) Office Lease

The Company leases office space located in Salt Lake City, Utah pursuant to a lease that expires on July 31, 2016. This lease has been accounted for as operating leases within the Financial Statements.

The future minimum lease payments under operating leases are as follows:

Minimum lease payments as at	December 31, 2015	December 31, 2014
Not later than 1 year	$ 37,716	$ 35,665
Later than 1 year but less than five years	-	-
	$ 37,716	**$ 35,665**

18. Capital Management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain adequate levels of funding to support the acquisition, exploration, and development of its projects and corporate and administrative functions. Management, therefore, adjusts the capital structure as necessary in order to support these critical functions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers capital, which at December 31, 2015 totaled $44,673,941 (December 31, 2014 - $39,750,278), primarily consists of common shares, common share purchase warrants, contributed surplus and accumulated deficit.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- minimizing discretionary disbursements;
- reducing or eliminating operating expenditures that are of limited strategic value; and
- exploring alternative sources of investment and liquidity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

Under the terms of the Financing agreements, the Company must maintain a working capital balance of $500,000 beginning July 1, 2015. At December 31, 2015, the Company's working capital balance as defined by the Financing agreements was $1,145,627. The Company is not subject to any other capital requirements imposed by a regulator or lending institution. The Company's future is currently dependent upon its ability to obtain sufficient cash from external financing and related parties to fund its liabilities, ongoing permitting and feasibility study work and ultimate project development and construction. Therefore, there is substantial doubt about the Company's ability to continue as a going concern (see Note 1).

19. Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk, and fair value. Risk management is carried out by the Company's management team with guidance from and under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(a) Market Risk

Currency Risk

Foreign exchange risk arises when transactions, assets, and liabilities are denominated in a currency that is not the Company's functional currency. Due to the fact that the Company has operations with both C$ and U.S. dollar functional currencies, and holds cash in both C$ and U.S. dollars, it is exposed to the fluctuation of the foreign exchange rate between the C$ and the U.S. dollar.

As at December 31, 2015, the Company held $2,370,789 (December 31, 2014 – $792,967) and C$270,959 (December 31, 2014 – C$11,155), of which $1,141,703 (December 31, 2014 – $347,801) and C$2,634 (December 31, 2014 – C$nil) was held in the U.S. and $1,229,086 (December 31, 2014 – $445,166) and C$268,325 (December 31, 2014 – C$349,079) was held in Canada. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk against its functional currencies.

As at December 31, 2015, if the C$ had weakened/strengthened by 5% against the U.S. dollar, with all other variables held constant, comprehensive net loss for the year would have been approximately $92,000 higher/lower, mainly due to the currency translation to U.S. dollars of the Company's entities with a C$ functional currency.

Interest Rate Risk

The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk while borrowings issued at fixed rates expose the Company to fair value interest rate risk. Both the Extract Loan and Director Loan bear interest at a variable interest rate.

At December 31, 2015, if interest rates on the Company's borrowings had been 1% higher/lower with all other variables held constant, the Company's net loss for the year would have been $7,340 higher/lower mainly as a result of higher/lower interest expense on variable rate borrowings. The Company has not entered into floating-to-fixed interest rate swaps to reduce its exposure to fluctuations in variable interest rates.

(b) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivables. Cash has been deposited with the Company's banking institutions, from which management believes the risk of loss to be minimal given the financial strength of its banking institutions with a minimal credit rating of A+/A-1. Accounts receivable consists of taxes receivable from government authorities and are in good standing as at December 31, 2015. Management believes that the credit risk concentration respecting financial instruments included in accounts receivable is minimal.

(c) Liquidity Risk

Liquidity risk is a significant risk factor as the Company's future is dependent upon its ability to obtain sufficient cash from external financing and related parties in order to fund its ongoing permitting and feasibility study work and ultimate project development and construction. The Company's approach to managing liquidity risk is to pursue all financing alternatives in connection with the evaluation and development of its Sevier Playa Project to ensure that it will have sufficient liquidity to meet liabilities as they come due. As at December 31, 2015, the Company had a cash balance of $2,566,557 (December 31, 2014 - $802,594) to settle current liabilities of $4,322,709 (December 31, 2014 - $216,852). As per Note 17, the Company also had committed expenditures as at December 31, 2015, of $37,716 (as at December 31, 2014 – $35,665).

As disclosed in Note 9, the most of the Company's long-term borrowings are coming due in the next year. All of the Company's other financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. However, as discussed in Note 1, there is substantial doubt about the Company's ability to continue as a going concern.

(d) Fair Value

As at December 31, 2015, the Company's financial instruments consisted of cash and cash equivalents, trade and other payables and borrowings. Cash and cash equivalents, trade and other payables, and borrowings are all classified as loans and receivables and are therefore measured at amortized cost.

20. Subsequent Events

(a) Working capital covenant default
As discussed in Note 18, under the terms of the Financing agreements, the Company must maintain a working capital balance of $500,000. Though the Company was compliant as of December 31, 2015, as of March 31, 2016 the Company was in default.

(b) Amendment to Extract Loan
On April 19, 2016, the Company and Extract signed an amendment to the Extract Loan (the "Extract Amendment"), thereby amending certain terms of the Extract Loan. The amended terms in the Extract Amendment include delaying the effective date of the Company's $500,000 minimum working capital requirement to July 31, 2016. All other provisions of the Credit Agreement and amendments remain in effect.

(c) Amendment to Director Loan
On April 19, 2016, the Company and the Financing Directors signed an amendment to the Director Loan (the "Director Amendment"), thereby amending certain terms of the Director Loan. The amended terms in the Director Amendment delay the effective date of the Company's $500,000 minimum working capital requirement to July 31, 2016. All other provisions of the Credit Agreement and amendments remain in effect.