



ANNUAL INFORMATION FORM

("AIF")

of

Western Resources Corp.

(the "Company")

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Dated: Dec 23, 2020

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CAUTION – FORWARD LOOKING STATEMENTS

Certain information, estimates and projections contained herein, if any, constitute forward-looking statements regarding the Company, its operations and projects, including, but not limited to, its Milestone Project. All statements that are not historical facts, involving without limitation, statements regarding future projections, plans and objectives, securing a strategic partner and financing requirements and the ability to fund future mine development are forward-looking statements, or forward-looking information. Forward-looking information and statements involve risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such information or statements. Such risk factors and uncertainties include, but are in no way limited to, statements with respect to the effect and estimated timeline of the drilling and assay results on the Company, the estimation of mineral reserves and mineral resources, the timing and amount of estimated future exploration, costs of exploration, capital expenditures, success of exploration activities, permitting time lines and permitting, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, fluctuations in mineral prices and other risk factors, as discussed in the Company's filings with Canadian securities regulatory agencies. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Material assumptions and factors used to develop and forward-looking information disclosed herein (if any) will be set out and disclosed with such information. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company disclaims any obligation to update any forward-looking statements or information, other than as may be specifically required by applicable securities laws and regulations. The Company seeks safe harbour.

ITEM 1: PRELIMINARY NOTES

1.1 Incorporation of Financial Statements, Proxy Circular and Other Documents

The information provided in this Annual Information Form (the “AIF”) is supplemented by disclosure contained in the documents listed below which are incorporated by reference into this AIF. These documents must be read together with the AIF in order to provide full, true and plain disclosure of all material facts relating to Western Resources Corp. (the “Company”). The documents listed below are not contained within nor attached to this document. The documents may be accessed by the reader as follows:

<u>Type of Document</u>	<u>Effective Date / Period Ended</u>	<u>Date Filed / Posted</u>	<u>Document Name which may be viewed at the SEDAR website at “www.sedar.com” (or alternative location for non-SEDAR documents)</u>
Audited annual financial statements (most recent) and Management Discussion and Analysis	September 30, 2020	Dec 23, 2020 (approximately)	Audited Annual Financial Statements – English, and Management Discussion and Analysis – English
NI 43-101 Technical Report titled “NI 43-101 Technical Report Summarizing Detailed Engineering Design, Milestone Phase-I Pilot Project, (Subsurface Mineral Lease KLSA 008), Saskatchewan”, The related Qualification Certificates and Consent Letters of the authors were posted to SEDAR on, or about, the same date	Effective September 24, 2019	Jan 7, 2020	Technical Report (NI 43-101) – English Earlier technical reports with additional disclosure, including earlier results, risks, and covering other properties, can also be found on the SEDAR website.
Interim financial statements (most recent) and Management Discussion and Analysis	June 30, 2020	Aug 14, 2020	Interim financial statements/report – English, and M D&A – English
Management Information Circular	January 30, 2020	Feb 10, 2020	Management Information Circular - English
Advance Notice Policy	January 25, 2013	Jan 30, 2013	Material document – English
Shareholder Rights Plan Agreement	March 9, 2018	Mar 9, 2018	Security holders documents – English
News Releases for 2008 to 2020	Various dates	Various dates	News Release – English
Reporting Insider Information – Disclosure of security holdings in the Company by certain persons	Various dates	Various dates	The System for Electronic Disclosure by Insiders (SEDI) - on-line, browser-based service for the filing and viewing of insider reports: www.sedi.ca

1.2 Date of Information

All information in this AIF is as of December 23, 2020 unless otherwise indicated and the information contained herein is current as of such date, other than certain financial information which is current as of September 30, 2020, being the date of the Company's most recently completed financial year end.

1.3 Glossary of Terms

Certain terms used throughout this AIF are defined below:

<p>"Assay" means, in economic geology, to analyze the proportions of mineral in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.</p>
<p>"carnallite" means a hydrous chloride of magnesium and potassium with a chemical formula of $KMgCl_3 \cdot 6H_2O$.</p>
<p>"CIM" means the Canadian Institute of Mining, Metallurgy and Petroleum.</p>
<p>"common shares" means common shares of the Company, unless otherwise specified.</p>
<p>"cut-off grade" means the lowest grade of mineralized material that qualifies as ore in a given deposit; rock of the lowest assay included in an ore estimate.</p>
<p>"Deposit" means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.</p>
<p>"Dip" means the angle at which a stratum is inclined from the horizontal.</p>
<p>"evaporite" means any of a variety of individual minerals found in the sedimentary deposit of soluble salts that result from the evaporation of water.</p>
<p>"g/t" means grams per metric ton.</p>
<p>"halite" means the mineral form of sodium chloride.</p>
<p>"host" means a rock or mineral that is older than rocks or minerals introduced into it.</p>
<p>"Inferred Mineral Resource" means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.</p>
<p>"K₂O" is the chemical formula for potassium oxide, the calculated grade of which is used as a standard of comparison between different potash minerals .</p>
<p>"KCl" is the chemical formula for potassium chloride, also known as muriate of potash (MOP).</p>
<p>"member" means a distinct unit within a particular geological formation.</p>
<p>"Milestone Project" means the Company's principal property located in central Saskatchewan approximately 35 kilometers (km) southeast of Regina. See Item 4.4 – Material Mineral Projects, for additional information.</p>
<p>"Mineralization" means the concentration of minerals and their chemical compounds within a body of rock.</p>
<p>"Mineral Resource" means a concentration or occurrence of material including base and precious metals, coal, and industrial minerals, including potash, in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.</p>
<p>"Mt" means one million metric tonnes.</p>
<p>"Ore" means a metal or mineral or a combination of these of sufficient value as to quality and quantity to enable it</p>

to be mined at a particular location at a profit.
“ potash ” means any of several compounds containing potassium, especially soluble compounds containing potassium chloride or potassium sulfate.
“ potassium chloride ” means the crystalline solid or powder that is widely used in fertilizers, commonly known as muriate of potash.
“ potassium oxide ” means the compound comprised of potassium and oxygen. Historically, this compound was obtained by burning organic matter containing potassium in a large pot – hence the term “pot ash.”
“ Prairie Evaporite ” means the salt unit of the Middle Devonian Prairie Formation, composed primarily of halite salt with lesser amounts of potassium salts such as carnallite and sylvite.
“ range ” means a number assigned to a township by measuring east or west of a principal meridian.
“ Salt Back ” means a bed of salt, typically halite rich, found above a potash bearing unit.
“ Sediment ” means solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically precipitated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form.
“ sylvinite ” means sylvite-bearing rock mixed in varying degrees with halite, carnallite, anhydrite, dolomite and clays.
“ sylvite ” means the natural form of potassium chloride.
“ township ” means the principal unit of the rectangular survey system being a square comprised of six-mile long sides consisting of 36 sections with an aggregate area of 36 square miles.
“ Technical Report ” means the revised and updated NI 43-101 Technical Report titled “NI 43-101 Technical Report Summarizing Detailed Engineering Design, Milestone Phase-I Pilot Project, (Subsurface Mineral Lease KLSA 008) Saskatchewan” dated and effective September 24, 2019 as filed on January 7, 2020 on SEDAR.
“ TSX ” means the Toronto Stock Exchange.

1.4 Conversion Table

In this AIF, a combination of Imperial and metric measures is used with respect to mineral properties located in Canada. Conversion rates from Imperial measure to metric and from metric to Imperial are provided below:

Imperial Measure	Metric Unit	Metric Measure	Imperial Unit
2.47 acres	1 hectare	0.4047 hectares	1 acre
3.28 feet	1 metre	0.3048 metres	1 foot
0.62 miles	1 kilometre	1.609 kilometres	1 mile
0.032 ounces (troy)	1 gram	31.1 grams	1 ounce (troy)
1.102 tons (short)	1 tonne	0.907 tonnes	1 ton

1.5 Currency

Unless otherwise indicated, all dollar amounts are stated in Canadian dollars.

ITEM 2: CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

Western Resources Corp. (“the Company”) was incorporated on January 16, 2017 by Western Potash Corp. (“Western Potash”) under the British Columbia Business Corporations Act.

Western Potash Corp. was incorporated on April 5, 2007 under the British Columbia Business Corporations Act using the name 787604 BC Ltd. The Company changed its name from 787604 BC Ltd. to Western Potash Corp. on July 10, 2007. On October 1, 2011, Western Potash Corp. amalgamated with its subsidiary WPX Land Holdings Corp., a company that was originally incorporated in the province of Saskatchewan on August 20, 2009, and retained the jurisdiction, name, board of directors and articles of the parent company, Western Potash Corp.

On March 31, 2017, Western Potash Corp. completed a corporate reorganization by way of a court approved plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") with the Company, pursuant to which the Company acquired all of the issued and outstanding common shares of Western Potash and Western Potash became a wholly-owned subsidiary of the Company. The Company is a reporting company in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

On March 1, 2019, Western Potash Corp. and its wholly owned subsidiary Milestone Potash Corp were amalgamated as one company under the name of Western Potash Corp.

The Company's address is as follows:

Head office: Suite 1205 – 789 West Pender Street
Vancouver, BC, V6C 1H2Canada

Registered and records office: Bennett Jones LLP
2500 Park Place, 666 Burrard Street
Vancouver, BC, V6C 2X8
Canada

2.2 Intercorporate Relationships

The Company controls three wholly owned subsidiaries, Western Potash Corp., a company incorporated in the province of British Columbia on April 5, 2007 and continued out to the province of Saskatchewan on September 5, 2017, 0907414 B.C. Ltd., a company incorporated in the province of British Columbia on April 5, 2011, and Western Garden Properties Corp., a company incorporated in the province of British Columbia on May 12, 2017.

ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three-Year History

The Company was incorporated on January 16, 2017 by Western Potash Corp. ("Western Potash") under the British Columbia Business Corporations Act. Western Potash Corp. was incorporated on April 5, 2007 under the British Columbia Business Corporations Act under the name 787604 BC Ltd., and on March 31, 2017, Western Potash Corp. completed a corporate reorganization with the Company, pursuant to which Western Potash became a wholly-owned subsidiary of the Company. Since inception, it has been engaged in the business of acquisition, exploration and development of potash mineral properties. The Company currently owns or holds, directly or indirectly, interests in a potash property located in Southern Saskatchewan, referred to herein as the Milestone Project. The Milestone Project is viewed by management as the material property of the Company.

Major events affecting the development of the Company's business over the last three years, beginning October 1, 2017, are set out below, elsewhere in this AIF, in Item 4 and in the material incorporated into this AIF by reference as set out in Item 1.1.

On March 9, 2018, Western Resources shareholders approved all items put before them at the Company's Annual General Meeting. These include the reappointment of KPMG LLP as auditors of the Company at a remuneration to be fixed by the directors; fixed the number of directors of the Company at 6; the election of James Moore, Bill Xue,

Geoffrey Chang, Xia Qinglong, Wang Yinping and Jennifer Fang to the Board; and approval of the Company's 2018 Shareholder Rights Plan.

On April 19, 2018, Western Resources Board of Directors approved a three-phase development plan for the Milestone Potash Project and the Phase I early works.

On May 18, 2018, Western Potash Corp entered into an agreement with SNC-Lavalin Inc. to complete the detailed engineering for the Milestone Phase I Selective Solution Mining Project ("the Project") located in southern Saskatchewan.

On July 23, 2018, Western Resources announced that its wholly owned subsidiary Western Potash Corp. has successfully developed a groundwater supply source for the proposed Milestone Phase I Potash Project located 35 km southeast of Regina, Saskatchewan.

On October 25, 2018, the Company signed a binding off-take agreement with Archer Daniels Midland Company ("ADM") for 100% of the potash production from the Milestone Phase I plant. ADM is a world leader in agricultural sourcing, processing and transportation, and has built a vertically integrated global franchise with the sourcing, production and transportation capabilities to meet the needs of customers on six continents.

On November 16, 2018, Saskatchewan Water Security Agency granted the approval to operate works and water rights license for the well.

On March 6, 2019, the Company announced that it will conduct an offering of rights ("Rights Offering") to raise gross proceeds of approximately C\$11 million, which was closed on April 10, 2019. As a result, the total issued and outstanding capital of the Company following the completion of the Rights Offering increased to 186,874,220 common shares.

On June 6, 2019, the Company announced that Western Potash Corp. entered into a lump-sum agreement with Stuart Olson Prairie Construction to be the General Contractor for the Milestone Potash Phase I Project. The construction work started in the same month.

On August 1, 2019, Saskatchewan Water Security Agency granted an amended Approval to Operate Works and a Water Rights Licence to Use Groundwater.

On the same day, the Company announced that Western Potash Corp. appoints Mr. Fritz Venter as new CEO and President. Mr. Venter is also appointed as COO and board director of Western Resources Corp.

On September 13 2019, Saskatchewan Ministry of Environment granted an Approval to Operate for the operation of 'Pollutant Control Facilities' at the Milestone Phase I site.

On October 25, 2019 the Company announced the drilling program for the Milestone Phase I Potash Project was complete. The drilling program with Artisan Consulting and AKITA Drilling commenced on July 14, 2019.

On January 7, 2020, the Company announced that Western Potash Corp. has received an updated NI 43-101 compliant Mineral Resource Estimate for its Milestone Phase I Project.

On March 16, the Company announced that its shareholders approved all items put before them at the Company's Annual General Meeting held on March 13, 2020, including the election of board of directors and a new Chairman for the coming year, as well as the reappointment of KPMG LLP as auditors.

On April 30, the Company announced that Western Potash Corp. started Hot Mining operations on April 28, 2020 at its Milestone Phase I Plant.

On May 14, 2020, the Company announced that Western Potash is delaying completion of construction for the balance of the Milestone Phase I Project process plant from July to end of the year, as a result of the impact of the pandemic and other associated reasons. The Project is 83% complete in general, including engineering, procurement, construction of infrastructure, crystallization pond, electrical systems, brine heating and pumping systems to support operation of commercial solution mining, and portions of the Process Plant, Compaction and Loadout structure, etc., however, with a few major equipment to be delivered and installed.

The foregoing items sets out the general development of the Company over the last three fiscal years, unless otherwise specified, and are in addition to those items that are set out in the material incorporated into this AIF by reference as set out in Item 1.1.

Financing Activities

On September 12, 2019, the Company entered into a credit facility agreement (the “Credit Facility Agreement”) with the Company’s majority shareholder for an amount up to \$40,000,000, of which \$35,000,000 was drawn during the year ended September 30, 2020.

On November 18, 2019, the Company received a non-interest-bearing bridge loan (“Bridge Loan”) from a company which is controlled by an officer of the Company of \$6,600,000. The Bridge Loan was unsecured and matured on December 31, 2019. The Bridge Loan was fully repaid by the Company in December 2019.

During the year ended September 30, 2020, the Company issued the following unsecured promissory notes to various note holders:

Term	Interest Rate per Annum	Footnote	September 30,	September 30, 2019
			2020	
			\$	\$
On demand upon written notice by the Note Holder	8%	1	500,000	-
On demand upon written notice by the Note Holder	8%	2	2,700,000	-
Note payable on maturity date of May 8, 2021	12%	3	820,000	-
Note payable on maturity date of June 8, 2021	12%	4	300,000	-
As at September 30, 2020			4,320,000	-
Accrued interest expenses			194,393	-

1) Issued to the Company’s majority shareholder.

2) Issued to an officer of the Company.

3) Issued to a party related to an officer of the Company.

4) Issued to unrelated party.

The Company also issued an unsecured promissory note of \$500,000 bearing 12% interest to an unrelated third party on May 27, 2020 which was repaid on August 17, 2020.

On January 8, 2020, to finance the closing of an additional land purchase by the Company’s subsidiary WGP Seaton Development Limited Partnership (“Seaton LP”), Seaton LP received a land loan of \$1,300,000.

On May 12, 2020, the Company received a \$40,000 COVID-19 relief line of credit from the Canada Small Business Financing Program as support for businesses impacted by COVID-19.

On June 17, 2020 Seaton LP secured a secondary mortgage of up to \$4,500,000. The mortgage will be drawn in three tranches with the first two tranches totaling \$3,000,000 to be drawn between funding date and December 31, 2020; the remaining third tranche of \$1,500,000 is optional and will be advanced not earlier than January 1, 2021. The interest rate is the greater of 10% per annum, or RBC Prime rate plus 6% per annum, payable monthly,

with the principal amount payable at maturity. The mortgage has a 12-month term with a renewal option at maturity for an additional six months. As of September 30, 2020, total of \$2,210,836 had been drawn.

Western Potash, through its subsidiary 0907414 BC Ltd. ("BC Ltd"), entered into an agreement to sell the ownership of certain Phase II and Phase III vacant farm-lands (the "Property") for gross proceeds of \$8,300,000 on condition that Western Potash will repurchased the Property back by July 7, 2022 for \$9,300,000 or extend the repurchase date to July 7, 2023 for \$9,700,000. As the transaction has an obligation to repurchase the property at a future date, the Company accounted for the transaction as a financing arrangement. The disposal of land will not impact the Phase I Milestone Project as it is being conducted in a different parcel of land while the Phase II and Phase III land parcels are vacant. The proceeds from the sale are being used solely for general and administrative costs as well as for the continued development of the Phase I Milestone Project site.

Investment Activities

The Company through its subsidiary, Western Potash, has entered into various capital expenditure commitments for the procurement and construction of Phase I Milestone Project with a remaining committed amount of approximately \$19,236,000.

The carrying value of mineral property, plant and equipment totaled \$214,118,951 as at September 30, 2020 compared to \$154,053,146 as at September 30, 2019. The increase reflects the Company's development and construction activities at its Milestone Project in Saskatchewan where \$58,516,015 in mineral interest, development and construction costs were incurred. In addition, increases to property, plant and equipment included \$545,412 in mineral interest costs, \$970,070 related to increases in the associated asset retirement obligation, and \$45,336 in property and office equipment costs were incurred during the year ended September 30, 2020. Furthermore, \$196,068 in additions resulted from the recognition of right of use assets resulting from the adoption of IFRS 16 during the year ended September 30, 2020.

The Company through its subsidiaries entered into a number of arrangements with Formwerks and Alabaster, both Vancouver based real estate development companies, to develop real estate projects.

On June 12, 2020, the Company underwent a restructuring of its real estate investments and transferred its 22.5% interest in FB Third LP and 80% interest in Alabaster LP, which had a total carrying value of \$7,361,909, to a new investment vehicle WGP Investment Limited Partnership ("WGP LP") in exchange for cash of \$4,099,150 and 3,262,759 units in WGP LP with a value of \$1 per unit. The cash portion paid by WGP LP was funded by the issuance of 4,099,150 units of WGP LP, representing a 55% interest, at \$1 per unit, to a new partner 1168387 BC Ltd. ("1168387"). As a result of the transaction, the Company's interest in FB Third LP and Alabaster LP were reduced to 10.125% and 36%, respectively.

During the year ended September 30, 2020

The Company has made total capital contributions of \$1,036,000 to FB Robinson Development Limited Partnership ("FB Robinson LP").

The Company has made total capital contributions of \$222,000 to FB 234 Third Avenue Development Limited Partnership ("FB Third LP").

The Company has made total capital contributions of \$1,240,000 to Alabaster (Spires 2) Limited Partnership ("Alabaster LP").

The Company invested a further \$500,000 in Seaton LP.

On August 11, 2020, the Company advanced a loan of \$525,764 to FB Burrard to fund continuous marketing and interest costs on the remaining homes. The loan is interest free and has a term of nine months.

Based on its current cash flow forecast, its existing obligations and commitments and the Credit Facility Agreement, the Company will require additional funds in the fiscal year 2021 in order to complete construction and successfully commission Phase I and to fund its real estate investments and general and administrative expenses. Management is currently exploring other financing arrangements, including equity and debt financing, in order to complete construction activities, commission Phase I and fund general and administrative expenses. However, there are no assurances that the Company will be successful in obtaining such equity or debt financing.

3.2 Significant Acquisitions

There were no other significant acquisitions completed by the Company during its most recently completed fiscal year ended September 30, 2020, other than as provided in this AIF.

ITEM 4: DESCRIPTION OF THE BUSINESS

4.1 General Description

The Business of the Company

The Company was incorporated on January 16, 2017 by Western Potash Corp. (“Western Potash”) under the British Columbia Business Corporations Act. Western Potash Corp. was incorporated on April 5, 2007 under the British Columbia Business Corporations Act under the name 787604 BC Ltd., and on March 31, 2017, Western Potash Corp. completed a corporate reorganization with the Company, pursuant to which Western Potash became a wholly-owned subsidiary of the Company. Since inception, it has been engaged in the business of the acquisition and exploration and development of potash mineral properties. The Company currently owns or holds, directly or indirectly, interests in a potash property located in Southern Saskatchewan, referred to herein as the Milestone Project. The Milestone Project is viewed by management as the material property of the Company. The Project will be developed in three phases, with Phase I as a Pilot scale for the main purpose of proving a new drilling technology.

Trends

Globally, potash prices have remained in a fluctuated trend since 2000, which is the direct result of changes in potash demands and supplies, as well as of the global economy situations and the unstable market trend in oil and other commodities. However, in the long term, increase in potash consumptions will remain strong. As such, management remains positive in the industry, as well as in the medium to long-term potash fundamentals. New projects are anticipated, however the increase in production is likely to be absorbed by the marketplace without a disruption to prices.

On the other side, Western’s binding off-take agreement with ADM ensures that all of the Phase I products will be sold in the North American market. This not only allows the Company to receive higher potash price, it will also significantly save transportation costs and fees. From the overall cost perspective, the Milestone Phase I Project is efficient in energy and water consumptions, thanks to the innovative technology that it applies, thus making the Phase I project very competitive.

Further, Saskatchewan is one of the best regions in the world for mining, with large high-quality resources, stable government, good infrastructure and a highly skilled and available workforce. Thus, the Company continues to believe that even in this competitive market there is an opportunity for an innovative potash producer, provided that the operating costs are low and the right marketing strategy is adopted. By adjusting our plan to market, with a staged approach the Phase I Project (Pilot Plant Scale Selective Solution Mining Operation of 146,000 tonnes of

MOP per year) to prove the innovative solution mining technology, and a future Phase II and III when the market is right, provides the most optimum strategy for the asset to be developed.

Reorganization

On March 31, 2017, Western Potash completed a corporate reorganization by way of a court approved plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") with the Company, pursuant to which the Company acquired all of the issued and outstanding common shares of Western Potash and Western Potash became a wholly-owned subsidiary of the Company.

On March 1, 2019, Western Potash Corp. and its wholly owned subsidiary Milestone Potash Corp were amalgamated as one company under the name of Western Potash Corp.

Environmental Protection

Environmental legislation is evolving in a manner such that standards, enforcement, fines and penalties for non-compliance are becoming stricter and can be foreboding. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. To the best knowledge of the Company, it is in compliance with all environmental laws and regulations in effect in those countries where its properties are located. Also see Item 4.2 – Risk Factors Relating to the Company's Business.

Number of Employees

As of September 30, 2020, the Company has 23 employees and 14 contractors and consultants.

4.2 Risk Factors Relating to the Company's Business

The Company's ability to finance and develop the Milestone Project to production, generate revenues and profits from its natural resource properties, or any other resource property that it may acquire, currently or in the future, is dependent upon a number of factors, including, without limitation, the following:

Stage of Development

The Company has a limited history of operations and no material earnings to date and there can be no assurance that its business will be successful or profitable or that commercial quantities of potash will be discovered or commercialized. Development of the Company's properties will only follow upon obtaining continuing satisfactory mining results and being able to obtain sufficient financing to continue the development and eventual commercial production of potash. Mineral exploration and development are speculative in nature and involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's Phase I Project will definitely result in any additional discoveries of reserves of potash or that the current reserves or resources will be developed to full production or be commercially viable. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its development and its sustainable solution mining programs, which may be affected by a number of factors, some of which are set out herein.

Substantial expenditures are required to establish resources and reserves through drilling and development and for mining and processing facilities and infrastructure. Although resources and reserves required for the development of the Milestone Project has been established, no assurance can be given that minerals discovered will be developed in sufficient quantities or in expected qualities to justify commercial operations or that the funds required for development in general, and for completion of the remainder of the construction in particular, can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for minerals, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

No History of Mineral Production

The Company has never had any interest in mineral producing properties. There is no assurance that commercial quantities of minerals will be recovered from the Milestone Project or any future properties. Even though the commercial quantities of minerals are discovered based on previous drillings completed prior to the start of the Phase I Project, there can be no assurance that any of these properties will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the Company's ability to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources, which are currently being explored for, availability of additional capital and financing, the actual costs of bringing properties into production and the nature of any mineral deposits.

Operating Hazards and Risks

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of mineral resources, including unusual and unexpected geologic formations, seismic activity, cave-ins, and other conditions involved in the drilling and/or removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Company intends to take adequate precautions to minimize risk, operations are subject to hazards such as equipment failure which may result in environmental pollution and consequent liability. The Company may become subject to liability hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Commodity Price Fluctuations

The Company is exposed to commodity price risk. Commodity price risk is defined as the potential impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of potash, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company's future profitability and viability of development depends upon the world market price of potash. Potash prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of potash are produced in the future, a profitable market will exist for them. A decline in the market price of potash may also result in the Company reducing its mineral resources, which could have a material and adverse effect on the Company's value. The Company is not a potash producer as of September 30, 2020. Therefore, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Calculation of Reserves and Resources and Potash Recoveries

There is a degree of uncertainty attributable to the calculation of reserves and resources and the corresponding grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and grades must be considered as estimates only. Fluctuations in mineral prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's properties, consolidated results of operations and consolidated financial condition.

Significant Shareholders and Board Appointment

As of the date hereof, Beijing Tairui Innovation Capital Management Ltd., through its wholly owned subsidiary of Tairui Mining Inc, registered in Canada, owns and controls 105,854,938 common shares of the Company representing about 56.65% of the current issued and outstanding common shares. Tairui has appointed three nominees to the Board of Directors and also has nominees on several of the Company's other committees. CBC (Canada) Holding Corp. ("CBCHC") owns, and controls, an aggregate of 18,874,296 common shares of the Company, representing 10.1% of the current issued and outstanding common shares. CBCHC has appointed one nominee to the Board of Directors of the Company and has nominees on several of the Company's other committees.

Both Tairui and CBCHC have pre-emptive rights to maintain a *pro rata* percentage of the common shares. Accordingly, subject to applicable law and the fiduciary duty of the Company's directors and officers, Tairui and CBCHC may be able to exercise significant influence over all matters requiring shareholder approval without the consent of its other shareholders, including the election of directors and approval of significant corporate transactions and will be able to exercise significant influence over significant corporate transactions. This may have a material adverse effect on the market price or value of the common shares and a material adverse effect on the Company's business, financial condition and results of operations.

Reclamation

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the project and/or revisions to government regulations. Therefore additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of any mineral project of the Company to cover potential risks. These additional costs may have a material adverse effect on the Company's business, financial condition and results of operations.

Government Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price controls, tax increases, maintenance of claims, tenure, limitations on assignability or corporate ownership of mineral properties, first nations or indigenous peoples claims and expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations.

The activities of the Company require licenses and permits from various governmental authorities. While the Company currently has been granted the requisite licenses and permits to enable it to carry on its existing business and operations, there can be no assurance that the Company will be able to obtain all the necessary licenses and permits which may be required to carry out exploration, development and mining operations for its projects or to sell its projects or the Company itself.

Indigenous Peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. The Company operates in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The Company's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Company's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by indigenous people to the Company's operations may require modification of or preclude operation or development of the Company's projects or may require the Company to enter into agreements with indigenous people with respect to the Company's projects. Such agreements may have a material adverse effect on the Company's business, financial condition and results of operations

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the leases or claims in which it holds direct or indirect interests. The precise area and location of such leases or claims may be in doubt. The Company's leases or claims may be subject to prior unregistered agreements or transfers or first nations or indigenous land claims and title may be affected by unidentified or unknown defects.

Additional Capital

At September 30, 2020, the Company does not have significant sources of revenues and has not generated positive cash flow from operations. On May 14, 2020, the Company's wholly owned subsidiary, Western Potash Corp. ("Western Potash") delayed the completion date of construction of the Phase I Milestone Potash Project ("Milestone Project") plant in order to seek additional funding to complete construction. Western Potash has entered into various capital expenditure commitments for the procurement and construction of the Milestone Project with a remaining committed amount of \$19,236,000. As at September 30, 2020, the Company has a working capital deficit of \$45,913,872 including cash of \$6,711,404. Furthermore, various vendors have filed builders' liens for up to \$29,389,766 against Western Potash as a result of its delayed payment on the outstanding payables related to mineral property, out of which a few vendors have also filed legal claims against Western Potash. The Company's legal counsel is currently working directly with the vendors on a temporary solution to mitigate legal action. Based on its current cash flow forecast and its existing obligations and commitments, the Company will require further funds for the completion of construction, to successfully commission the Milestone Project and to fund its general and administrative expenses for the 2021 fiscal year.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values and classifications of its assets and liabilities that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

The Company continues to work with potential investors to complete the final tranche of funding, as well as pursuing alternative sources of financing including equity and debt financing and seeking investors to participate in the Company's interest in its real estate partnerships or to sell the Company's interest in these partnerships in order to complete the remaining construction activities, to commission the Milestone Project and to fund general and administrative expenses. However, there are no assurances that the Company will be successful in obtaining such equity or debt financing. In the longer term, additional financing may be required to expand the mining operation at the Milestone Project if the cash flows of the Phase I Milestone Project plant are not sufficient to fund such expansion.

Furthermore, as the Company has not yet completed construction or commenced commissioning of the Phase I plant, there are no guarantees that the Phase I plant will operate as expected, or that the Company will be able to complete construction of the plant based on the revised timelines and on budget. Material cost overruns, should they occur, may also require additional financing. The ability of the Company to continue as a going concern and the recoverability of amounts shown for mineral property, plant and equipment is dependent upon the ability of the Company to obtain necessary financing to complete the development and upon future profitable production from the Milestone Project and the recoverability of investments in real estate projects.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business and results of operations. Potential impacts could include further delay in completing of construction due to inability to obtain additional financing, a temporary cessation of construction due to a localized outbreak at the Milestone Project or in Company's supply chain, the impact and potential impairments in the value of our long-lived assets, including the Company's real estate investments, or potential decreases in future revenue to the extent potash prices are impacted.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future, or its ability to fund the Milestone Project.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result, or these costs may become a material outstanding liability of the Company. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs, or could be required to pay such costs in certain circumstances.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers for other public and or private companies, including companies in which the Company has business relations, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. In conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to

balance the competing obligations and liabilities of their actions. There is no assurance that the needs of the Company will receive priority in all cases.

Key Executives & Outside Consultants

The Company is dependent upon the services of key executives, including the directors of the Company, and will be dependent on a small number of highly skilled and experienced executives and personnel as development plans progress at the Milestone Project. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

The Company has also relied upon outside consultants, geologists, engineers and others and intends to rely on these parties for their professional expertise. Substantial expenditures are required to construct mines, to establish mineral resources and reserves estimates through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes and to develop the development, exploration and plant infrastructure and mine facilities at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Like most companies, the Company is subject to the threat of litigation and or other proceedings. For details of litigation, please refer to 11.1 Legal Proceedings and Regulatory Actions below.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to exploration and evaluation assets or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability. Although the Company may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect on the Company's business, financial condition and results of operations.

Potential Volatility of Market Price of Common Shares and Related Litigation Risks

Securities of publically listed companies such as the Company have, from time to time, experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the common shares. In addition, the market price of the common shares is likely to be highly volatile. Factors such as potash prices, the average volume of shares traded, announcements by competitors, changes in stock market analysts' recommendations regarding the Company and general market conditions and attitudes affecting other exploration and mining companies may have

a significant effect on the market price of the Company's shares. It is likely that the Company's results or development may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the common shares could be materially adversely affected. In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against the Company, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial position and results of operations.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which may be, from time to time, lower than the market price of the common shares. Accordingly, a significant number of the Company's shareholders at any given time may have an investment profit in the common shares that they may seek to liquidate.

Technical Information and Project Risks

The disclosure in this Annual Information Form of a scientific or technical nature of the Company's material properties, including disclosure of mineral reserves and resources, is based, in part, on the Technical Report prepared for the Milestone Project in accordance with NI 43-101, and other information that has all been prepared by or under the supervision of "qualified persons" (as such term is defined in NI 43-101). The Technical Report, and previous technical reports, have been filed on SEDAR and can be reviewed at www.sedar.com. Actual recoveries of mineral products may differ from reported mineral reserves and resources due to inherent uncertainties in acceptable estimating techniques. In particular, "indicated" and "inferred" mineral resources have uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an "indicated" or "inferred" mineral resource will ever be upgraded to a higher category of resource. Mineral resources that are not mineral reserves do not have demonstrated economic viability given existing mining plans. Readers are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserves. Additional work and assumptions are required to upgrade mineral resource to mineral reserves. There are many additional risks associated with the Milestone Project that were identified in the Technical Report and elsewhere and such risks are incorporated by reference. See Item 1.1 and Item 4.4.

The Phase I Milestone Project is a demonstration plant, and as such there are a number of technical and economic risks. The most significant risk is lower than expected potash sales prices, which has the largest effect on project economics. There are exchange rate and tariff risks, but these are somewhat mitigated by the likely effect of sales price.

There are a number of technical and construction risks associated with the innovative use of selective horizontal solution mining. In particular, the risks include drilling the cavern, long-term potash recovery rates, construction CAPEX costs, sustaining and operating costs. The Company is working with a number of construction strategies to plan for strict control of the construction costs, and engaging leading engineering firms to leverage their experience. To maintain potash recovery rates, additional well drilling is planned during operations and drilling costs have been included in the sustaining CAPEX. However, actual conditions in the caverns (including geological, flow and dissolution) may be overestimated in the cavern production models. This risk is partially mitigated by early hot mining which will build up potash in the crystallization pond and prove actual mining rates.

Weather conditions (including snow and flooding) may affect both the construction schedule and operations (in particular road restrictions may reduce the ability to ship product off-site). The Company has developed contingency plans to minimize the risk associated with weather events, including flexibility in construction

schedules, contingencies, appropriate productivity factors, and product shipping plans. These include on-site storage and conducting an annual plant maintenance shutdown during the period of spring road bans. The COVID-19 pandemic could cause further disruptions to operations, construction and supplies. Management has taken measures including pre-screening, limiting to key personnel, cleaning & disinfection and social distancing to minimize on-site impact.

The development of the Phase I Milestone Project will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at the Phase I plant. In the event of significant delays in when the Phase I Milestone Project is completed and is producing on a commercial and consistent scale, or its capital costs were to be significantly higher than estimates, these events could have a significant adverse effect on the Company's results of operation, cash flow from operations and financial condition.

Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, term deposits, accounts and other receivables, the carrying value of which represents the Company's maximum exposure to credit risk. Cash and cash equivalents and term deposits are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal. At September 30, 2020 the Company's principal credit risk relating to its accounts and other receivables, which is primarily comprised of goods and services taxes recoverable from the Government of Canada for which minimal credit risk exists. Details regarding the accounts receivable are included in Note 23 of the audited consolidated financial statements for the year ended September 30, 2020.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices, etc. The market price of real estate projects may have significant fluctuations, which could adversely affect the Company's investment on the real estate projects. The management is in the view that the market risk in the foreseeable future is relatively limited and therefore is under control.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of September 30, 2020. The Company's loan payable and promissory notes are not subject to interest rate risk as they are not subject to a variable interest rate.

The Company is exposed to interest rate risk through the mortgages on real estate properties under development, which bears interest at a variable rate. Based on the outstanding amount as of September 30, 2020, an increase or decrease in the prime rate by 100 basis points would result in approximately \$130,000 change to the Company's interest expense on an annual basis.

Foreign currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars (“CA\$”). The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company’s cash and accounts payable and accrued liabilities are held in CA\$, United States dollars (“US\$”), and Brazilian Real (“BRL”); therefore, USD and BRL accounts are subject to fluctuation against the CA\$.

As at September 30, 2020, the Company had the following balances in foreign currency which were subject to foreign exchange risk:

	US\$	BRL\$
Cash	15,733	-
Term deposits, including restricted cash	42,674	-
Accounts payable and accrued liabilities	(2,995,736)	-
Payable on legal settlement	-	(3,174,936)
	(2,937,329)	(3,174,936)
Rate to convert to \$1.00 CAD	1.3339	0.2368
Equivalent to CAD	(3,918,103)	(751,825)

Based on the above net exposures as at September 30, 2020, and assuming that all other variables remain constant, a 1% change of the CAD against the USD and BRL would change profit or loss by approximately \$47,000.

Liquidity Risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2020, the Company had cash of \$6,711,404 and a credit facility with an undrawn amount of \$5,000,000.

The Company’s major liabilities and obligations mature as follows:

	1 Year	2 Year	3 Year	4 Year
	\$	\$	\$	\$
Accounts payable and accrued liabilities	39,125,305	-	-	-
Mortgage on real estate properties under development	13,010,836	-	-	-
Loans payable	-	-	30,000	35,000,000
Promissory notes	4,320,000	-	-	-
Payable on legal settlement	534,845	450,845	220,563	-
Financing arrangement	-	-	9,700,000	-
Total undiscounted value	56,990,986	450,845	9,950,563	35,000,000
Carry value as of September 30, 2020	56,990,986	450,845	7,856,134	26,495,427

The Company will need to raise additional funds to meet its obligations. The mortgage on real estate properties under development was due on October 5, 2020 and but was extended the mortgage for an additional 6-month period with the intention to exercise the option to extend for an additional 6-month period at that time. The Company’s operating cash requirements including amounts projected to complete its existing capital expenditure program are continuously monitored and adjusted as input variables change. These variables include but are not limited to, available credit facilities, changes in commodity prices, cost overruns on capital projects and changes to government regulations relating to prices, taxes, royalties, land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Going concern risk

The core business of the Company is to develop its Milestone Project. The recoverability of the amounts shown for mineral property, plant and equipment is dependent upon the ability of the Company to obtain the necessary financing to complete the development of its property, and upon future profitable production. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. In order to continue developing its Milestone Project, management is actively pursuing such additional sources of financing; however, in the event this does not occur, there is doubt about the ability of the Company to continue as a going concern.

The foregoing risk factors are in addition to those risk factors that are set out in the material incorporated into this AIF by reference as set out in Item 1.1.

4.3 Asset-backed Securities Outstanding

Not applicable.

4.4 Material Mineral Projects

4.4.1 Milestone Project, Saskatchewan, Canada

Western Resources Corp. wholly owns the Milestone Project in Regina through its subsidiary of Western Potash Corp.. The Company is focused on building Canada's most efficient potash solution mine at its Milestone property located 35 kilometers southeast of Regina, Saskatchewan, a region with some of the largest producing potash solution mines in the world. The Company is devoted to develop its Phase I Potash Project in an ecologically sustainable, economically efficient and socially responsible manner. Once completed, this will be the first potash mine in the world that will leave no salt tailings on the surface, thereby significantly reducing water consumption and long-term environmental liabilities.

Summary from the Technical Report on the Milestone Project

The information set out below in this section 4.4.1 has been derived from and is based in part on the Summary set out in the National Instrument 43-101 ("NI 43-101") compliant Technical Report as filed by the Company on SEDAR on January 7, 2020, titled "NI 43-101 Technical Report Summarizing Detailed Engineering Design, Milestone Phase 1 Pilot-Project (Subsurface Mineral Rease KLSA008), Saskatchewan ("the Report"). The Report was prepared by Agapito Associates, Inc. ("AAI") of Lakewood and Grand Junction, Colorado of USA, and SNC-Lavalin ("SNCL") of Saskatoon, Saskatchewan of Canada with an effective date September 24, 2019. The report was prepared by AAI's Dr. Douglas F. Hambley, P.E., P.Eng., P.G., Richard M. Baars, P.E., Dr. Biao Qiu, P.E., and Bryan Ilko, P. Eng of SNC-Lavalin, all independent Qualified Persons as defined by NI 43-101.

Mineral Resource Estimates

The Phase-I Project is based on Mineral Resources in the Belle Plaine and Esterhazy Members in the Unitized Area. Because in future, mining could also occur in the Patience Lake Member, tonnages in that member have also been included in the mineral resources for the Unitized Area, which consists of:

- A Measured Resource of 154.5 million tonnes (Mt), grading 29% KCl
- An Indicated Resource of 222.5 Mt, grading 29% KCl
- An Inferred Resource of 93.6 Mt, grading 29% KCl

The Measured and Indicated Resources outside the Unitized Area were estimated to be mineral resources as follows (using a cutoff grade of 15.0% K₂O or 23.7% KCl):

- Measured Mineral Resource: 580-Mt in-place sylvinite, grading 30.0% KCl, or 19.0% K₂O
- Indicated Mineral Resource: 1,630-Mt in-place sylvinite, grading 30.0% KCl, or 19.0% K₂O
- Inferred Resources on the KLSA 008 Lease are estimated to be (using a cutoff grade of 15.0% K₂O or 23.8% KCl) 10,040-Mt in-place sylvinite, grading 29.0% KCl, or 18.3% K₂O.

Summary of Exploration, Drilling, and Other Studies

The Company conducted its main mining exploration drilling activities between 2008 and 2011, plus the most recent drilling of the three pairs of production wells in the latter half of 2019 for the Milestone Phase 1 Project. In 2008 existing historical data was analyzed and interpreted and identified the presence of widespread Prairie Evaporite formations. In 2009 Boyd PetroSearch purchased existing 2D seismic data and reprocessed and interpreted the data. In the fall of 2009 Boyd PetroSearch ran an additional 179 line-km of 2D seismic surveys in the area. Between January and April 2010, Boyd PetroSearch completed 3D seismic reflection survey of 98 km² of the lease area in Township 14 Range 17 West of the Second Meridian and a 9.7 km 2D survey line east of the 3D survey area and parallel to the east boundary of the township. Detailed discussion of the results of these programs is provided in the 2015 Technical Report.

During the 2009–2011 exploration program, 11 cored exploration wells were completed on the KLSA 008 Lease area. One hole (M 010) was geophysically logged and sampled for geomechanical and solubility testing, but was neither assayed nor used in the Mineral Resource Evaporite Formation that is host to the potash deposits in Saskatchewan

Laboratory dissolution testing of core samples was performed in 2011 by NG Consulting of Sondershausen, Germany. The samples were collected from the Patience Lake Member, the interbed between the Patience Lake and Belle Plaine Members, the floor below the Belle Plaine Member, the interbed above the Esterhazy Member, the Esterhazy Member, and the basal salt below the Esterhazy Member. The results of the testing indicated that (NG Consulting 2012):

- Dissolution rates varied as expected between those for pure sylvinite and pure halite and correlated well with theoretical data.
- Dissolution rates of the WPC samples fell in a range similar to that for common sylvinite from other deposits.
- No significant difference in dissolution rates were observed for the Patience Lake, Belle Plaine, and Esterhazy Members.
- Roughly 20% higher dissolution rates were observed for 75°C compared to 60°C.
- The presence of insoluble material, e.g. anhydrite, reduced the dissolution rate up to 30%.
- The dissolution testing provided a preliminary relationship between dissolution rate and KCl content of the sylvinite at 60°C and 75°C. Note that dissolution testing has not as yet been performed at the temperature of 100°C assumed for the Phase I Pilot Project.

A second set of dissolution tests was performed in late-2011 and January 2012. The purpose of this testing was to provide information regarding the relationship between the brine KCl grade and the grade of sylvite in the rock. The testing was necessary to investigate an apparent direct correlation between brine grade and grade in the rock that has been observed in both fullscale pilot tests and commercial caverns. The criteria for economically recoverable potash include minimum thickness of the bed or beds, the potash grade, and acceptable limits on the undesirable impurities. The impurity of concern is the magnesium content; high magnesium reduces the saturation content of the brine and reduces the plant recovery of the potash during processing. The thickness cutoff is based on the economics of recovering the cost of the cavern development with the revenue from the produced potash and is generally in the range of 1 to 2 meters (m). Other parameters may also influence the thickness cutoff.

Temperature measurements from the drilling confirm the presence of the relatively high formation temperature. Temperature is an important component of the economics of future solution mining on the property. A relatively high temperature offers advantages in solution mass-balance and savings in capital, energy, and processing costs. The solubility of potash increases with temperature such that the higher the formation temperature, the higher the yield of KCl in the brine solution to be processed for potash recovery. Temperature measurements from all the wells show bottom-hole temperatures during well logging ranging from 58°C to 65.5°C. The in-situ temperature exceeds the logged bottom-hole temperature because the bottom-hole temperature is the temperature of the drilling mud, which is not in equilibrium with the formation. The formation temperature is estimated to be 62.5°C.

Land and Minerals

The Milestone Project includes 84,557 acres of Crown held Mineral Leases, and 65,305 acres of acquired Freehold Leases. The renewable, 21-year Crown lease was granted by the Government of Saskatchewan under a Ministerial Order and provides the Company with full and exclusive power and right to mine Crown owned subsurface minerals, including potash, subject to the provisions outlined by the Saskatchewan Subsurface Mineral Regulations (1960) and the Subsurface Mineral Tenure Regulations (2015). The Company has completed the drilling of eleven potash exploration wells on the property, acquired several hundred-line kilometers of 2D seismic study, and conducted a 3D seismic study during the exploration program. The leases are adjacent to potash permits held by other multinational mining companies.

The Company has signed a Unitization Agreement with the Ministry of Energy and Resources and all included freeholder mineral owners, to unitize the four mineral sections around the Phase I site providing mineral resources for the 12-year life of the plant. The agreement outlines the royalty payments in proportion to their percentage ownership of the Unitized Area once production commences.

Permits

Western Potash previously investigated the full-scale Phases II and III 2.8 million-tonnes per year Milestone Project by completing multiple Resource and Reserve Estimates (2010, 2011, 2012, and 2013), a Scoping Study (2011), a Prefeasibility Study (2011), and a Feasibility Study (2012) on the Milestone Project. The SMOE issued Environmental Assessment Approval (“EAA”) for the Milestone Project in March of 2013. The original 2013 approval was amended in 2015 to include the new mining methodology and the scale of the Phase I plant. Following the conclusion of the AMEC Phase I Pilot Study, a second EAA amendment application was submitted detailing the final engineering and location of the Phase I plant, and approval was received in 2017 and again updated in 2019 with the SNC-Lavalin engineering. A Development Agreement with the Rural Municipality of Lajord No. 128 was initially signed in 2015, and updated with the Project design in 2017 and 2019.

Western has received numerous permits and approvals for the Phase I development and operation of Hot Mining. Additional permits will be received as the project continues to progress.

Engineering Studies

The Phase I pilot plant uses selective solution mining of the Milestone deposit, starting with a smaller, low capital cost pilot project. The Phase I project is designed to produce 146,000 tonnes per year of potash (or “KCl”) over a project life of 12 years. To achieve this production a total of six caverns are planned. Three caverns have been developed and will be in operation for 6 years followed by an additional 3 caverns during years 6-12 of production. Each of the caverns are injected with sodium chloride (“NaCl”) saturated brine through one well to selectively dissolve KCl leaving the NaCl underground. The KCl rich brine is then brought to surface through a production well and sent to a pond where the cool ambient temperature allows precipitation and settlement of the KCl. The KCl from the pond will be harvested with a dredge and the resulting KCl rich slurry will be pumped to the process plant. In the process plant the slurry will be de-brined and the KCl cake will be dried, compacted and then sent for storage and loadout.

SNC Lavalin has completed the Final Engineering. All of the major packages of equipment required for the plant and ancillary facilities have been procured and approximately 85% delivered to the project site.

Solution Mining and Drilling

Western Potash has successfully started hot solution mining with the permanent plant system. Hot mining involves heating and recirculating the brine into the caverns and preferentially extracting the KCl (leaving the NaCl in place underground). Potash is being accumulated in the crystallization pond and there will be enough to the dredging as soon as the plant is complete. The hot mining system is pumping at full capacity and the submerged combustion brine heating system is fully operational. Additional heating was brought on-line using the natural gas fired glycol heating unit.

Construction

During 2020 construction by Stuart Olson completed 85% of the total work for the processing plant and minefield areas (based on incurred costs for all activities including engineering, procurement, infrastructure and construction). Work also focused on establishing facilities to allow hot mining activities. Hot mining commenced in Q2 of calendar 2020 and continued through the remainder of the year. Hot mining will continue in calendar 2021 while the remainder of the Phase I project is being completed.

All of the bulk material has been purchased and is on-site, as well as over 85% of the equipment. The storage building has foundations only, the process and compaction areas require building erection, mechanical, electrical and instrument installation and the pumphouse building is currently temporary and final site grading remains to be completed. All other site infrastructure projects (gas, power, water, roads, telecommunication) are complete.

The project construction will resume immediately after financing is secured.

Community and Infrastructure

The Company is committed to maintaining good relationships with the community, government and business, through open and transparent communication, feedback and ongoing engagement with all parties (as much as can be done with COVID-19) as well as bringing benefits to the local community. Regular virtual meetings with all levels of government have continued to confirm strong support for the project.

All other site infrastructure projects (gas, power, water, roads, telecommunication) are complete.

In 2017 Western Potash and the City of Regina entered into an amended agreement for access to recycled wastewater. Included in the terms of the new agreement, Western Potash paid a commitment fee of \$200,000, and will pay an annual 'standby' fee of \$100,000 (indexed with CPI) for every year that water is not drawn. When Western Potash begins to draw water, 50% of the standby and commitment fees paid to the City will be refunded in the form of a credit against water usage charges.

Qualified Persons

The in-house qualified person who has reviewed and approved the disclosure of technical and scientific information included in this AIF is Greg Vogelsang, P.Eng., P.Geo., FGC, FEC.

ITEM 5: DIVIDENDS & DISTRIBUTIONS

5.1 Dividends & Distributions

To date the Company has not paid any cash dividends or distributions on its common shares nor does it intend to pay any cash dividends or distributions on its shares in the immediate future. Cash dividends or distributions will, in all probability, only be paid in the event the Company successfully brings one of its properties into production. The Company has no present intention of paying cash dividends or distributions on its common shares as it anticipates that all available funds will be invested to finance further acquisition, exploration and development of its mineral properties.

ITEM 6: DESCRIPTION OF CAPITAL STRUCTURE

6.1 General Description of Capital Structure

The Company's authorized capital consists of an unlimited number of common shares without par value of which 186,874,220 shares were issued as of December 23, 2020. All of the issued common shares are fully paid and non-assessable.

Shareholders are entitled to one vote for each common share on all matters to be voted on by the shareholders. Each common share is equal to every other common share and all common shares participate equally on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets among shareholders for the purpose of winding up the affairs after the Company has paid out its liabilities. Shareholders are entitled to receive pro rata such dividends as may be declared by the board of directors out of funds legally available therefore and to receive pro rata the remaining property of the Company upon dissolution. No common shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights, and no provisions for redemption, retraction, purchase or cancellation, surrender, sinking fund or purchase fund. Provisions as to the creation, modification, amendment or variation of such rights or such provisions are contained in the Business Corporations Act (British Columbia) and the Articles of the Company. The Company has also adopted a Shareholder Rights Plan. See Item 1.1.

6.2 Constraints

There are no known constraints on the ownership of the securities of the Company to ensure that the Company has a required level of Canadian ownership.

6.3 Ratings

There are no known ratings, including provisional ratings, by rating organizations for securities of the Company which are outstanding and such ratings continue in effect.

ITEM 7: MARKET FOR SECURITIES

7.1 Trading Price and Volume

The Company's common shares are now traded on the Toronto Stock Exchange (the "TSX") in Canada under the symbol "WRX". On July 12, 2011, the common shares of the Company's predecessor company, Western Potash Corp., now a wholly owned subsidiary as a result of a Plan of Arrangement completed in March 2017, were first listed and posted for trading on the TSX and were delisted from TSX Venture Exchange (the "TSXV"), the stock exchange that the Company was initially listed on. On April 10, 2019, the Company has closed a Rights Offering. As a result, a total of 93,437,110 common shares of the Company are issued to holders of Rights at a subscription price of C\$0.12 per Share which represents gross proceeds of C\$11,212,454. In connection with the Rights Offering, the Company incurred \$91,789 in share issuance costs. The total issued and outstanding capital of the Company as of this filing are now 186,874,220 common shares. The following table provides the high and low prices and volume for the Company's shares for the periods indicated as traded on the TSX (stated in terms of Canadian dollars):

Month	Open (CAD \$)	High (CAD \$)	Low (CAD \$)	Close (CAD \$)	Volume (Shares)
October 2019	\$ 0.27	\$ 0.39	\$ 0.25	\$ 0.31	2,212,900
November 2019	\$ 0.32	\$ 0.34	\$ 0.23	\$ 0.26	1,703,400
December 2019	\$ 0.29	\$ 0.30	\$ 0.24	\$ 0.25	801,100
January 2020	\$ 0.27	\$ 0.30	\$ 0.24	\$ 0.26	703,900
February 2020	\$ 0.26	\$ 0.27	\$ 0.21	\$ 0.22	1,269,700
March 2020	\$ 0.22	\$ 0.22	\$ 0.13	\$ 0.18	1,353,400
April 2020	\$ 0.18	\$ 0.20	\$ 0.13	\$ 0.20	589,000
May 2020	\$ 0.20	\$ 0.31	\$ 0.17	\$ 0.20	1,612,300
June 2020	\$ 0.19	\$ 0.22	\$ 0.18	\$ 0.20	764,900
July 2020	\$ 0.20	\$ 0.22	\$ 0.17	\$ 0.18	1,098,200
August 2020	\$ 0.19	\$ 0.20	\$ 0.18	\$ 0.18	667,200
September 2020	\$ 0.18	\$ 0.19	\$ 0.17	\$ 0.18	364,900

ITEM 8: ESCROWED SECURITIES

8.1 Escrowed Securities

There are no common shares of the Company beneficially owned by directors, officers and insiders of the Company that are subject to any escrow conditions.

ITEM 9: DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holdings

Following are the full names, province/state and country of residence, respective positions with the Company and the principal occupations within the preceding five years, for all of the directors and officers of the Company:

Name and Ordinary Residence ⁽¹⁾	Principal Occupation or Employment during the past five years ^{(1) (2)}	Current Position with Company and Period of Service ⁽³⁾ & WRX securities owned
Bill Xue ⁽⁶⁾ British Columbia, Canada	President of Beijing Tairui Innovation Capital Management Ltd., since 2012. Previous roles include Deputy Chief Engineer, Shanxi Economic Development Investment Company, Executive Deputy General Manager, Shanxi Top Energy Company Ltd., Managing Partner, Shanxi Baijie Law Firm, President and General Manager, Shanxi Financial Leasing Co., Ltd., Vice President of Strategy & Investment, Shanxi International Electricity Group Limited Company and Managing Director and Investment Review Board director of Chinastone Capital Management Limited.	Director since Sept 16, 2015; President since Sept 28, 2015; CEO since April 5, 2017. 2,000,000 stock options, and Nil common shares
Fritz Venter ⁽⁶⁾ ⁽⁷⁾ Saskatchewan, Canada	Senior Vice President of SNC-Lavalin from Nov. 2016 to July 2019; Project Director & MPG Director, FLUOR from Oct. 2014 to Oct. 2016; Vice President of Project Services and General Manager of WorleyParsons, from Dec. 2007 to August 2014; Senior Project Manager of Jacobs Engineering, from 2005 to 2007; Senior Project Manager, Husky Energy, 2005.	Director since June 2019, COO since Aug 1, 2019; CEO & President of WPC since Aug 1, 2019. 2,000,000 stock options.
Weimin Wang ^{(4) (5)} Beijing, China	Mr. Wang is currently CEO and President of China BlueChemical Ltd (“CBC”). He was elected as Chairman of CBC in May 2020. Prior to that, Mr. Wang was general manager, vice president and Chairman of Hubei Dayukou Chemical Co., Ltd., respectively.	Director since June 15, 2020. 400,000 stock options, Nil common shares
Guy Bentinck ⁽⁴⁾ ⁽⁵⁾ Ontario, Canada	Mr. Bentinck’s experiences include having served as Senior VP and CFO of Fairfax Africa, President and CEO of Potash Ridge Corporation, and Senior VP Finance, CFO and SVP Capital Projects of Sherritt International Corporation.	Director since March 13, 2020. 400,000 stock options, Nil common shares
Yujia Ren Beijing, China	Mr. Ren is currently Managing Director of Beijing Tairui Innovation Capital Management Ltd. (“Tairui”), which is the parent company of the Vancouver based Tairui Mining Inc, the controlling shareholder of Western Resources.	Director since March 13, 2020. 400,000 stock options, Nil common shares

James Moore British Columbia, Canada	Senior Business Advisor at the multinational law firm Dentons. He also serves as Chancellor of the University of Northern British Columbia. Previously, he served as Canada's Minister of Industry, Minister of Canadian Heritage & Official Languages, and Secretary of State for the Asia Pacific Gateway and Minister for the 2010 Olympics. He was chair of the Cabinet Committee on Economic Prosperity and Vice Chair of the Operations and Social Affairs Cabinet Committees and served as the Senior Regional Minister for the province of British Columbia.	Chairman and Director from April 5, 2017 to March 13, 2020. Nil common shares
Geoffrey Chang British Columbia, Canada	Previous posts include Chairman and General Manager of Shanxi Top Energy Company Ltd., Director and General Manager of Shanxi Local Power Co., Ltd., Deputy Chairman of Shanxi Zhangze Power Company Ltd., Deputy Chairman of Shanxi Securities Ltd., and Chairman and General Manager of Shanxi International Power Group Co., Ltd. Mr Chang has also served as a full-time independent director of SASAC, China's State-owned Assets Supervision and Administration Commission, and Director of both China Guangdong Nuclear Power Group and China International Travel Service Group Corporation.	Director from September 16, 2015 to March 13, 2020. 400,000 stock options, Nil common shares
Xia Qinglong Beijing, China	Mr. Xia is currently Chairman of the International Corp. of SNOOC. Prior to this, Mr. Xia served as CEO of ChinaBlue Chemical Ltd. from June 2016 to August 2018, Chief geologist of CNOOC China Limited Tianjin Branch from November 2005 to April 2013; chief geologist and deputy general manager of CNOOC China Limited Tianjin Branch and deputy director of CNOOC Bohai Petroleum Administrative bureau from April 2013 to November 2015; executive deputy general manager of CNOOC China and executive deputy director of CNOOC Bohai from November 2015 to May 2016.	Director from July 29, 2016 to May 15, 2020. Nil common shares
Yinping Wang Beijing, China	Board Member of Shenyang Zhiying Pharmaceutical at China Pioneer Pharma Holdings Limited since January 1, 2015, where he used to serve as CEO and Chairman of the Board. Mr. Wang also served as Vice President Sinochem Group. Mr. Wang served as a Deputy Manager of Sinochem Corporation. Mr. Wang currently also serves as independent director of China Xuyang Group (HK: 01907). Previously, Mr. Wang served as Vice President at Sinochem Corporation since November 1998.	Director from April 5, 2017 to September 15, 2020. Nil common shares
Jennifer Fang Ontario, Canada	Ms. Fang is the Managing Partner of Highnoon Capital & Consulting Inc. Most recently, Jennifer was the national Managing Director, China Business Network & Strategy for PwC Canada.	Director from April 5, 2017 to November 25, 2019. Nil common shares
George Gao British Columbia, Canada	Chief Representative, Beijing Office of the TSX from 2011 to 2014. President of Beijing Mining Exchange from 2014 through 2016. Senior Vice President and Chief Administrative Officer of the Company between May 2016 and April, 2017; CFO of Western Resources Corp. from October 1, 2018 to April 30, 2019.	Senior Vice President since May 1, 2019. 400,000 stock options, Nil common shares
Matthew Wood Saskatchewan, Canada	Senior Project Leader, Vale Canada Ltd. from September 2009 to July 2016. Project Director of the Company since June 2016.	VP, Technology since October 1, 2018. 800,000 stock options, Nil common shares

Jerry Zhang ⁽⁶⁾ ⁽⁷⁾ British Columbia, Canada	Consultant to the Company since July 2011.	Corporate Secretary since Sept 29, 2016, Chief Administrative Officer since October 28, 2020. 800,000 stock options, Nil common shares
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- (1) The information as to residence and principal occupation during the past five years is not within the knowledge of the Company and has been furnished by the respective directors and officers.
- (2) Unless otherwise stated above or herein, each of the above named nominees has held the principal occupation or employment indicated for at least five years.
- (3) Terms of the Directors of the Company expire annually at each annual general meeting of the Company.
- (4) Member of Audit Committee.
- (5) Member of Compensation Committee.
- (6) Member of Executive Committee.
- (7) Member of Corporate Disclosure Policy Committee.

As at December 23, 2020, 124,729,234 common shares of the Company are beneficially owned, directly or indirectly, by the directors and executive officers as a group, representing approximately 66.75% of the issued and outstanding voting securities (186,874,220 Shares).

9.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

As at the date of the AIF and during the 10 years prior to the date of the AIF, none of the directors or executive officers of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or any personal holding company of the foregoing persons:

- (a) is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.,
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.
- (b) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer and shareholder.

No director, officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has:

- (a) been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

9.3 Conflicts of Interest

No directors and officers of the Company are directly and or indirectly involved in the mining and mineral exploration industry that may have a conflict of interest with the Company. However, if in any case in the future that any of the directors and or officers of the Company have any kind of conflicts of interest with the Company, it shall be disclosed by the directors and or officers in accordance with the *Business Corporations Act* (British Columbia) and they will govern themselves in respect thereof to the best of their ability with the obligations imposed on them by law.

ITEM 10: PROMOTERS

10.1 Promoters

Within the three most recently completed financial years ended September 30, 2020 and up to the date of this AIF, the Company does not have nor employed any person or company acting or performing as a promoter for the Company other than the current directors of the Company.

ITEM 11: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

11.1 Legal Proceedings and Regulatory Actions

- a) Lockwood Financial Ltd.

By an agreement dated September 1, 2010, the Company retained Lockwood Financial Ltd. ("Lockwood") to provide certain services. That agreement provided for various potential payments from the Company to Lockwood if specific triggering events occurred. A Notice of civil claim has been filed by Lockwood seeking a payment in an amount of \$1,439,056 for a success fee and additional service fee owing. It is the position of the Company that none of the triggering events occurred and that no amount is currently payable to Lockwood.

The case is on hold due to the withdrawal of Lockwood's legal counsel from the case on March 8, 2019. The Company, in consultation with legal counsel, assesses that it is not probable at September 30, 2020 that the claim of Lockwood will be successful.

- b) Amarillo Gold Corporation

In May 2018, the Company received a demand letter from Amarillo Gold Corporation ("Amarillo") with respect to a services agreement between Amarillo and the Company's subsidiary, Western Potash dated April 28, 2008. Amarillo is seeking to recover \$2,136,000 in taxes and penalties related to certain exploration permits Amarillo has become liable to pay as a result of Amarillo's Brazilian subsidiary taking potash claims in Brazil during 2008 on behalf of Western Potash.

On April 15, 2020, Western Potash entered into a settlement agreement with Amarillo (the "Amarillo Settlement") to resolve the disputes in respect of the aforementioned events. Pursuant to the Amarillo Settlement, Western Potash is required to make the following payments to Amarillo (collectively "Settlement Amount"):

- \$178,238 legal fees incurred by Amarillo (“Awarded Costs”), paid in the year ended September 30, 2020;
- 25-monthly payments of approximately \$17,000 starting from April 28, 2020, to reimburse the taxes (\$426,000) paid by Amarillo (Paid Taxes”); and
- Monthly payments of \$33,000 from March 2020 to May 2023 for a total outstanding tax amount of about \$1,240,532 (to be adjusted per currency conversion rate based upon BRL 4,540,748) required to be paid by Amarillo (“Outstanding Taxes”).

c) Builders’ Liens

During the year ended September 30, 2020, various vendors have filed builders’ liens for up to \$29,389,766 against Western Potash as a result of its delayed payment on the outstanding payables related to mineral property, plant and equipment. Certain of these vendors have also filed legal claims against Western Potash in amounts totaling \$4,100,000. All of these amounts have already been recorded in trade payable related to mineral property and no additional provisions have been made. The Company’s legal counsel is currently working directly with the vendors on a temporary solution to mitigate legal action.

Subsequent to September 30, 2020, the Company received further builders’ liens of \$1,473,245 and legal claims of up to \$4,700,000 related to the existing liens and outstanding payables.

ITEM 12: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

12.1 Interest of Management and Others in Material Transactions

During the year ended September 30, 2020, there are no management or board members who were involved in any material transactions with the Company or with any of the subsidiaries of the Company.

Consulting & Employment Agreements

Effective May 2, 2016, Milestone Potash Corp., (which was amalgamated with the Company’s wholly owned Western Potash Corp entered into a consulting agreement with Tairui Mining Inc., a company controlled by Bill Xue (“together Tairui”). Tairui receives a monthly payment of \$20,000 per month plus standard benefits and allowances. The agreement renews for one-year terms.

Effective June 17, 2016, the Company entered into an employment agreement with Matthew Wood (“Wood”), to be the Project Director of the Milestone Project, and in Oct 2018, revised to VP Technology of the Company. Mr. Wood receives a monthly salary of \$15,000 per month in the year of 2019.

Effective April 5, 2017, the Company entered into a consulting agreement with Rock Point Capital Inc., a company controlled by George Gao (“Gao”), to be the Chief Operating Officer. From May 2019, Mr. Gao was revised to hold only the position of Senior VP of the Company with an adjusted monthly payment of \$5,000 plus standard benefits, with the current agreement expiring on April 30, 2021.

Effective September 29, 2016, the Company entered into a consulting agreement with Westcoast International Entp Inc., a company controlled by Jerry Zhang (“Zhang”), to be the Corporate Secretary. Mr. Zhang now receives a monthly payment of \$15,000 plus standard benefits. The agreement renews for one-year terms.

Effective August 1, 2019, the Company’s wholly owned subsidiary Western Potash Corp. entered into an employment agreement with Fritz Venter to be CEO and President with a compensation of \$240,000 per annum.

Except as noted in this AIF and incorporated by reference as set out in Item 1.1, within the three most recently completed financial years ended September 30, 2020 and up to the date of this AIF, none of the following:

- (a) director or executive officer of the Company;

- (b) a person or company that is direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of outstanding voting securities of the Company; and
- (c) an associate or affiliate of any of the persons or companies referred to in the above paragraphs (a) or (b),

has any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company to the best of the Company's knowledge.

ITEM 13: TRANSFER AGENT AND REGISTRAR

13.1 Transfer Agent and Registrar

The Company's transfer agent and registrar is:
Computershare Investor Services Inc.
3rd Floor, 510 Burrard Street
Vancouver, BC Canada V6C 3B9

ITEM 14: MATERIAL CONTRACTS

14.1 Material Contracts

There are no other contracts, other than those herein disclosed in this AIF, incorporated by reference as set out in Item 1.1 or entered into in the ordinary course of the Company's business, that are material to the Company, from October 1, 2019 to September 30, 2020 (the most recently completed fiscal year), or which were entered into from October 1, 2020 to the date of this AIF that are still in effect as of the date of this AIF.

ITEM 15: INTERESTS OF EXPERTS

15.1 Names of Experts

Mr. Douglas F. Hambley, Ph.D, P.E., P.Eng., P.G., Mr. Richard M. Baars, P.E., and Mr. Biao Qiu, Ph.D,P.E., all three of Agapito Associates Inc. and Mr. Bryan Ilko, P. Eng of then SNC-Lavalin all being independent Qualified Persons as defined by NI 43-101 are the independent Qualified Persons who together prepared the updated NI 43-101 technical report as filed by the Company on SEDAR on January 7, 2020, titled "NI 43-101 Technical Report Summarizing Detailed Engineering Design, Milestone Phase I Pilot Project (Subsurface Mineral Lease KLSA 008), Saskatchewan", dated and effective September 24, 2019 (the updated "**Technical Report**").

Steven Huntley, Ryan Leland and P.O'Hara of Wood Group (previously Amec Foster Wheeler) were the independent Qualified Persons as defined by NI 43-101 and are the experts who prepared the Milestone Phase I roject preliminary report named **Milestone Pilot Plant Final Report** dated November 30, 2016.

The in-house qualified person who has reviewed and approved the disclosure of technical and scientific information included in this AIF is Greg Vogelsang, P.Eng., P.Geo., FGC, FEC.

15.2 Interests of Experts

To the best of the Company's knowledge, the experts named in Item 15.1 did not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Company when the experts prepared the Technical Report.

KPMG LLP, Chartered Professional Accountants are the auditors of the Company and have audited the annual consolidated financial statements for the years ended September 30, 2020 and 2019. KPMG LLP confirmed that

they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ITEM 16: ADDITIONAL INFORMATION

16.1 Additional Information

Additional information relating to the Company are as follows:

- (a) may be found on SEDAR at www.sedar.com;
- (b) additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's Information Circular pertaining to its most recent Annual General Meeting of security holders that involves the election of directors; and
- (c) is also provided in the Company's financial statements and management discussion and analysis for its most recently completed financial year ended September 30, 2019.

16.2 Audit Committee

Audit Committee Charter

The Audit Committee of the Board of Directors of the Company operates under a written charter that sets out its responsibilities and composition requirements. The mandate of the Audit Committee includes direct responsibility for overseeing the Company's accounting and financial reporting process and audits of financial statements, and direct responsibility for the appointment, compensation, and oversight of the work of any registered external auditor employed by the Company (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

Composition of the Audit Committee

The members of the Audit Committee for the fiscal year of 2020 are Guy Bentinck (joined in March 2020), Xia Qinglong (till May 2020), Wang Weimin (joined in June 2020) and Wang Jinping (resigned in September 2020), all of whom are "financially literate" and "independent", within the meanings set out in National Instrument 52-110 *Audit Committees* ("NI 52-110").

Relevant Education and Experience

Guy Bentinck

MR. Guy Bentinck joined the Board of Western Resources Corp. in March 2020. He is also Chair of the Company's Audit Committee.

Mr. Bentinck is a seasoned executive with a record of accomplishments in leadership, strategy, value accretion, operations, capital markets, mergers & acquisitions, capital projects and sustainable business improvement. He is well connected in mining and financing sectors, particularly in potash industry. His extensive experiences include having served as Senior VP and CFO of Fairfax Africa, President and CEO of Potash Ridge Corporation, and Senior VP Finance, CFO and SVP Capital Projects of Sherritt International Corporation.

Mr. Bentinck has a Master of Arts degree from the University of Aberdeen, UK, and holds qualifications of Chartered Accountant / CPA in both Canada and Scotland.

Xia Qinglong

Mr. Xia graduated from Chengdu Geology Institute (China) with a degree in Petroleum Exploration. He also holds a PhD in Geophysics from the Chinese University of Sciences Academy and subsequently attained the title of Professor Grade Senior Engineer. Previously he served as Chief geologist of CNOOC China Limited Tianjin Branch from November 2005 to April 2013; chief geologist and deputy general manager of CNOOC China Limited Tianjin Branch and deputy director of CNOOC Bohai Petroleum Administrative bureau from April 2013 to August 2013; deputy general manager of CNOOC China Limited Tianjin Branch and deputy director of CNOOC Bohai Petroleum Administrative bureau from August 2013 to November 2015; executive deputy general manager of CNOOC China Limited Tianjin Branch and executive deputy director of CNOOC Bohai Petroleum Administrative bureau from November 2015 to May 2016. Mr. Xia graduated from Chengdu Geology Institute (China) with a degree in Petroleum Exploration. He also holds a PhD in Geophysics from the Chinese University of Sciences Academy and subsequently attained the title of Professor Grade Senior Engineer.

With his new assignment as Chairman of the International Corp. of CNOOC, Mr. Xia left China BlueChemical Ltd (“CBC”) which then brought to his resignation of his directorship from Western Resources Corp. in May 2020.

Wang Weimin

Mr. Wang was appointed as member of the Company’s Audit Committee when he joined the board of directors in June 2020 as a replacement of a previously resigned CBC representative at Western Resources Board. Mr. Wang is currently CEO and President of CBC. He was elected as Chairman of CBC in May 2020.

Mr. Wang brings over 30 years of experience in chemical engineering and fertilizer business, beginning as a chemical fertilizer technician, then shift leader, section leader, production plant manager, later a general manager, vice president and then Chairman of Hubei Dayukou Chemical Co., Ltd. before joining CBC to take management positions in 2018.

Mr. Wang graduated from Hebei University of Technology in 1989 majoring in Organic Chemistry with a bachelor’s degree. He obtained an MBA degree from the School of Management of Tianjin University in March 2001, an EMBA degree from China Europe International Business School in July 2001.

Wang Yinping

Mr. Wang is currently director on the board of Shenyang Zhiying Pharmaceutical at China Pioneer Pharma Holdings Limited since January 1, 2015, in which he served as a CEO and Chairman in the past. Mr. Wang also served as a Deputy Manager and Vice President of Sinochem Corporation, and Vice President of Sinochem Group successively. Mr. Wang is very experienced in corporate management. He joined Sinochem Import and Export Corporation (now known as China Sinochem Group Corporation (Sinochem Group)) in 1987. Mr. Wang serves as Director of Sinochem Corporation, in charge of Engineering Management Department, China Foreign Economy and Trade Trust & Investment Company, Sinochem International Information Co. and Fund Management Company. Mr. Wang holds bachelor’s degree in law in 1985 from the Department of Law of China Renmin University and later received an EMBA from China Europe International Business School in 2004.

Mr. Wang resigned from the Company’s board in September 2020, due to personal reasons.

Reliance on Certain Exemptions to Sections of NI 52-110

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the following exemptions of NI 52-110:

- (a) the exemption in section 2.4. *De Minimis Non-audit Services*;
- (b) the exemption in section 3.2 *Initial Public Offerings*;
- (c) the exemption in section 3.4 *Events Outside Control of Member*;
- (d) the exemption in section 3.5 *Death, Disability or Resignation of Audit Committee Member*; or
- (e) an exemption from NI 52-110, in whole or part granted under Section 8, *Exemptions*

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6 of NI 52-110

At no time since the commencement of the Company’s most recently completed financial year, has the Company relied on the exemption in subsection 3.3(2), *Controlled Companies*, or section 3.6, *Temporary Exemption for Limited and Exceptional Circumstances*.

Reliance on Section 3.8 of NI 52-110

At no time since the commencement of the Company’s most recently completed financial year, has the Company relied on the exemption in section 3.8, *Acquisition of Financial Literacy*.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company’s Board of Directors and, where applicable, by the Audit Committee, on a case-by-case basis.

External Auditor Service Fees (By Category)

Set forth below are details of certain service fees paid to the Company’s external auditor in each of the last two fiscal years for audit services:

Financial Year End	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
September 30, 2019	\$81,250	\$12,508	Nil	Nil
September 30, 2020	\$87,316	\$10,547	Nil	\$16,852

- (1) The aggregate audit fees billed by the Company’s external auditor.
- (2) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit Fees”.
- (3) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than the services reported under clauses (1), (2) and (3) above.

SCHEDULE "A"

to the Annual Information Form of Western Resources Corp. (the "Company")

CHARTER OF THE AUDIT COMMITTEE (UPDATE) (JULY 2020)

Audit Committee Mandate

The Audit Committee (the "**Committee**") will assist the Board of Directors (the "**Board**") of Western Resources Corp. (the "**Company**") in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct as more fully described below. In performing its duties, the Committee will maintain effective working relationships with the Board of directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company's business, operations and risks.

Committee Organization

The Committee will be comprised of three (3) or more directors as determined by the Board, all of whom shall satisfy the "independence" requirement of the applicable securities regulatory requirements, as may be required from time to time. Each member will be "financially literate" as defined in the applicable securities regulatory requirements or shall become financially literate within a reasonable period of time after his or her appointment to the Committee. The designation or identification of a member as Committee financial expert shall not impose on such member any duties, obligations or liabilities that are greater than the duties, obligations and liabilities imposed on any other member of the Committee or Board. The Board will appoint annually, at the organizational meeting of the full board on the recommendation of the Board members, the members of the Committee. The Board will appoint one member of the Committee as the chair of the Committee. A Committee member shall be automatically removed without further action of the Board if the member ceases to be a director of the Company or is found by the Board to no longer be an independent director as required by this Charter. Committee members may be otherwise removed or replaced by a vote of the Board. No member serving on the Committee shall receive directly or indirectly, any compensation, advisory or other compensation fee from the Company or an affiliate of the Company other than director fees for service as a director. The Committee is to meet at least four (4) times annually and as many additional times as the Committee deems necessary. Committee members will endeavor to be present at all meetings either in person or by telephone. As necessary or desirable, but in any case at least quarterly, the Committee shall meet with members of management and, if required external auditors, to discuss the financial reporting and any matter that the Committee or management deems necessary. The Chairman in consultation with other members of the Committee, the Company's independent auditors and the appropriate officers of the Company, will be responsible for calling meetings of the Committee, establishing the agenda and supervising the conduct of the meeting. The Committee may also take any action permitted hereunder by unanimous written consent. The Committee may request any officer or employee of the Company or the Company's outside legal counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consult to, the Committee. Except as otherwise provided by this Charter or applicable laws or regulations, as amended from time to time:

- a. A majority of the members of the Committee meeting, either present in person or by means of remote communication, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the Committee, and
- b. All actions of the Committee shall be by affirmative vote of a majority of those members so determined to be present or represented by proxy.

Authority

Subject to the prior approval of the Board, the Committee is granted the authority to investigate and require such information and explanation from management, as it considers reasonably necessary, or any matter or activity involving financial accounting, financial reporting, financial risk, and the internal controls of the Company. In addition, the Committee will require management to promptly inform the Committee and the external auditor of any material misstatement or error in the financial statements following the discovery of such instance.

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Committee.

In recognition of the fact that the independent auditors are ultimately accountable to the Committee, the Committee shall have the authority and responsibility to nominate for shareholder approval, evaluate, and where appropriate, replace the independent auditors and shall approve all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Committee shall consult with management but shall not delegate these responsibilities.

Responsibilities

In carrying out its oversight responsibilities, the Committee will:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Review with the Company's management and external auditors and recommend to the Board the Company's quarterly and annual financial statements and management discussion and analysis that is to be provided to shareholders, stakeholders and the appropriate regulatory authorities, including any financial statement contained in a prospectus, information circular, registration statement or other similar document.
3. Review with the Company's management and approve on behalf of the Board the Company's quarterly financial statements and management discussion and analysis that is to be provided to shareholders, stakeholders and the appropriate regulatory authorities.
4. Review the Company's management annual and interim earnings press release before any public disclosure.
5. Recommend to the Board the external auditors to be nominated for the purposes of preparing or issuing an audit report or performing other audit's review or attest services and the compensation to be paid to the external auditors. The external auditors shall report directly to the Committee.
6. The Committee will annually review the qualifications, expertise and resources and the overall performance of external auditor and, if necessary, recommend to the Board the termination of the external auditor (and its affiliates), in accordance with the applicable securities laws.
7. Review with management the scope and general extent of the external auditors' annual audit. The Committee's review should include an explanation from the external auditors of the factors considered in determining the audit scope, including major risk factors. The external auditors should confirm to the Committee whether or not any limitations have been placed upon the scope or nature of their audit procedures.
8. Be directly responsible for the oversight of the work of the external auditors, including the resolution of disagreements between management of the Company and the external auditors.
9. Review with the Company's management and external auditors the Company's accounting and financial reporting controls. Obtain annually in writing from the external auditors their observations, if any, on significant weaknesses in internal controls as noted in the course of the auditor's work.
10. The Committee is to meet at least once annually, with the independent auditors, separately, without any management representatives present for the purpose of oversight of accounting and financial practices and procedures.

11. Review with the Company's management and external auditors significant accounting and reporting principles, practices and procedures applied by the Company in preparing its financial statements. Discuss with the external auditors their judgment about the quality of the accounting principles used in financial reporting.
12. Inquire as to the independence of the external auditors and obtain from the external auditors, at least annually, a formal written statement delineating all relationships between the Company and the external auditors and the compensation paid to the external auditors.
13. At the completion of the annual audit, review with management and the external auditors the following:
 - a. The annual financial statements and related footnotes and financial information to be included in the Company's annual report to shareholders.
 - b. Results of the audit of the financial statements and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application.
 - c. Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit. Inquire about the cooperation received by the external auditors during the audit, including all requested records, data and information.
 - d. Inquire of the external auditors whether there have been any material disagreements with management, which, if not satisfactorily resolved, would cause them to issue a not standard report on the Company's financial statements.
14. Meet with management, to discuss any relevant significant recommendations that the external auditors may have, particularly those characterized as "material" or "serious". Typically, such recommendations will be presented by the external auditors in the form of a Letter of Comments and Recommendations to the Committee. The Committee should review responses of management to the Letter of Comments and Recommendations from external auditors and receive follow-up reports on action taken concerning the aforementioned recommendations.
15. Have the sole authority to review in advance, and grant any appropriate pre-approvals, of all non-audit services to be provided by the independent auditors and, in connection therewith, to approve all fees and other terms of engagement. The Committee shall also review and approve disclosures required to be included in periodic reports filed with securities regulators with respect to non-audit services performed by external auditors.
16. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, and periodically assess the adequacy of those procedures.
17. Review and approve the Company's hiring of partners, employees and former partners and employees of the present and past auditors.
18. Review any proposed appointments to senior financial positions of the Company.
19. Review with management and the external auditors the methods used to establish and monitor the Company's policies with respect to unethical or illegal activities by the Company's employees that may have a material impact in the financial statements.
20. Review all risk assessment reports prepared by management from time to time to determine if risks are properly identified and managed and if any issues need to be reported to the Board.
21. The Committee will conduct an appropriate review of all proposed related party transactions to identify potential conflict of interest and disclosure situations. The Committee shall submit the related party transaction to the Board of Directors for approval by a majority of independent directors, excluding any director who is the subject of a related transaction, and
22. The Committee will prepare a report for the inclusion on the Company's proxy statement for its annual meeting of stockholders describing the Committee's structure, its members and their experience and education. The report will address all issues then required by the rules of the regulatory authorities.

Complaint Procedures

The Committee shall establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (b) the confidentiality, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Committee must periodically review such procedures to ensure they are effective and ensure compliance by the Company with such procedures.

“Whistleblower” Procedures

The Committee shall provide for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and the Committee shall provide for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matter.

Annual Performance Evaluation

The Committee will conduct and review with the Board annually an evaluation of the Committee’s performance with respect to the requirements of the Charter. The evaluation should set forth the goals and objectives of the Committee for the upcoming year.

Other

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibility of management and the independent auditor. Nor is it the duty of the Committee to assure compliance with the laws and regulations.

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