



ANNUAL INFORMATION FORM

("AIF")

of

Western Resources Corp.

(the "Company")

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Dated: December 19, 2019

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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, 2019	December 19, 2019 (approximately)	Audited Annual Financial Statements – English, and Management Discussion and Analysis – English
NI 43-101 Technical Report titled “NI 43-101 Technical Report Summarizing the Scoping Study for a Pilot-Scale Selective Solution Mining Operation on the Milestone 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	Dated August 4, 2015, effective July 2, 2015	August 14, 2015	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, 2019	August 14, 2019	Interim Financial Statements – English, and Management Discussion and Analysis – English
Management Information Circular	January 31, 2019	February 26, 2019	Management Information Circular - English
Advance Notice Policy	January 25, 2013	January 30, 2013	Material document - English
Shareholder Rights Plan Agreement	March 9, 2018	March 9, 2018	Security holders documents - English
News Releases for 2008 to 2019	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 19, 2019 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, 2019, 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 slats 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 to be mined at a particular location at a profit.</p>
<p>“potash” means any of several compounds containing potassium, especially soluble compounds containing</p>

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 the Scoping Study for a Pilot-Scale Selective Solution Mining Operation on the Milestone Project (Subsurface Mineral Lease KLSA 008), Saskatchewan” dated August 14, 2015 and effective July 2 nd , 2015, as filed 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 5th, 2007 and continued out to the province of Saskatchewan on September 5th 2017, 0907414 B.C. Ltd., a company incorporated in the province of British Columbia on April 5th 2011, and Western Garden Properties Corp., a company incorporated in the province of British Columbia on May 12th, 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 project of the Company.

Major events affecting the development of the Company's business over the last three years, beginning October 1, 2016, 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 November 30, 2016, AMEC Foster Wheeler submitted to the Company a Final Report on the proposed Selective Solution Mine Pilot Project. The report provides an AACE Level 3 CAPEX and OPEX for a Pilot Project using a 'selective solution mining methodology'. The purpose of the Pilot Project is to test and optimize the conceptual horizontal solution mining method and to investigate how the method can be applied to full-scale potash production.

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. The Arrangement was approved by the Western Potash shareholders at its annual general and special shareholder's meeting on March 9, 2017. Upon

completion of the Arrangement, the Company owns 100% of the outstanding shares of Western Potash which is a development stage potash company focused on building a mine at its 100% owned Milestone property (the “Milestone Project”).

On April 5, 2017, the common shares of Western Potash were delisted by the Toronto Stock Exchange and the common shares of the Company commenced trading under the symbol WRX. All stock options, common share and per share amounts in these condensed consolidated financial statements have been adjusted to give retroactive effect to the effective 5 to 1 share consolidation resulting from the Arrangement. The Company's shares also began trading on the Frankfurt Stock Exchange effective April 7, 2017 under the symbol WR0.

On September 11, 2017, Western Resources announced that its wholly owned subsidiary Western Potash Corp. and the City of Regina (“the city”) have both agreed to the revised key commercial terms for the supply of treated wastewater from the city for the Company’s proposed Milestone Potash Project. Regina’s City Council voted in favor of the agreement at its meeting on October 31, 2017.

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 10th. 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 its wholly owned subsidiary Western Potash Corp. entered into a lump-sum agreement with Stuart Olson Prairie Construction to be the General Contractor for the Milestone Potash Phase 1 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 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 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.

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

The Company's 80% owned consolidated subsidiary WGP Seaton Development Limited Partnership received a land loan of \$9,500,000 on October 1, 2018 to finance the closing of a land purchase on October 5, 2018.

On April 10, 2019, Company completed a rights offering and issued a total of 93,437,110 common shares of the Company at a subscription price of \$0.12 per share for proceeds of \$11,212,454.

On September 12, 2019, Western Potash entered into a credit facility with its majority shareholder for an amount up to \$40,000,000, of which \$10,000,000 was drawn on October 1, 2019 and \$20,000,000 was drawn on December 19, 2019. The interest rate for this credit facility is 4% per annum with accrued interest payable once annually by September 30 of each fiscal year.

Subsequent to September 30, 2019, the Company's subsidiaries have received \$6,600,000 in financing from a company controlled by an officer of the Company. The financing is non-interest bearing and matures on December 31, 2019. The Company repaid \$2,000,000 of the amount borrowed on December 13, 2019 and remaining \$4,600,000 on December 19, 2019.

Investment Activities

The net book value of mineral property, plant and equipment totaled \$154,053,146 as at September 30, 2019 compared to \$88,440,919 as at September 30, 2018. The increase reflects the Company's development and construction activities at its Milestone Project in Saskatchewan where \$63,021,641 in mineral interest, development and construction costs as well as property and office equipment costs were incurred during the year ended September 30, 2019. In addition, \$2,649,908 in costs related to asset retirement obligations were added to mineral property, plant and equipment during the year ended September 30, 2019.

During the year ended September 30, 2019, the Company and its subsidiaries entered into a number of arrangements with Formwerks and Alabaster, both Vancouver based real estate development companies, to develop real estate projects.

During the year ended September 30, 2019:

- On October 3, 2018, FB Eighth LP distributed \$6,443,293 representing the Company's capital contributions of \$4,728,180 and the Company's share of net gain from the sale of the land of \$1,715,113. FB Eighth LP also repaid the loan receivable of \$4,915,000 plus interest back to the Company in full.
- The Company has made total capital contribution of \$598,930 to, and received \$906,391 in equity repatriation from FB Robinson LP during the year ended September 30, 2019. On June 10, 2019, FB Robinson LP secured a land loan of up to \$6,325,000. The Company provided a corporate guarantee limited to 50% of the loan facility. FB Robinson LP repaid the loan advanced by the Company of \$4,655,000 and accrued interest of \$20,852 in full on July 17, 2019.
- The Company has made total capital contribution of \$88,750 to, and received \$100,000 in equity repatriation from FB Third LP during the year ended September 30, 2019. On December 10, 2018, FB Third LP secured a land loan of \$10,000,000 and the Company provided a corporate guarantee for the loan limited to a maximum of \$2,250,000 plus interest and costs. FB Third LP repaid the loans advanced by the Company of \$9,260,000 plus interest in full to the Company on December 11, 2018.

- On December 4, 2018, Western Garden entered into an arrangement with Alabaster and Invesca Holdings Inc. (“Invesca”), together as limited partners of Alabaster (Spires 2) Limited Partnership (“Alabaster LP”) to develop a real estate project in Richmond, British Columbia. Western Garden has an 80% interest in Alabaster LP. Alabaster (Spires 2) G.P. Ltd. (“Alabaster GP”) is the general partner of Alabaster LP, in which Western Garden has a 50% interest, 1091970 B.C. Ltd. (“109”, a related party of Alabaster) has a 25% interest and Kensington Homes Ltd. (“Kensington” a related party of Invesca) has a 25% interest. Western Garden jointly controls Alabaster GP with 109 and Kensington, and accordingly the Company accounts for its investment in Alabaster GP using the equity method. Western Garden and all limited partners will advance capital to Alabaster LP by way of additional capital contributions to fund the costs of the acquisition of the development lands and the development cost of the project proportionate to their respective ownership interest. The aggregate amount which the limited partners are required to contribute to Alabaster LP in the form of capital contributions will not exceed \$8,075,000 of which Western Garden’s share is \$6,460,000. If Alabaster LP needs further funding, the limited partners have the right but not the obligation to loan funds to Alabaster LP. Cash flow and allocation of net income and losses from Alabaster LP will be distributed to Western Garden until its capital contribution has been recovered and a specified rate of return on funds invested has been achieved. Subsequent distributions to Western Garden are limited to 50% of profit as defined in the partnership agreement. Western Garden has made total capital contributions of \$3,696,000 to Alabaster LP as of September 30, 2019.

During the year ended September 30, 2019 Alabaster LP made payments of approximately \$3,500,000 to acquire one property for the real estate project and for deposits associated with the purchase of an additional three properties. Subsequent to September 30, 2019 Alabaster LP closed the purchase of the remaining three properties with the total purchase price of the four acquired properties being \$11,150,000. To finance the closing of the land purchase on completion, Alabaster LP received a land loan of \$6,690,000 on November 15, 2019 from National Bank of Canada for which the Company and its subsidiary Western Garden have provided a limited corporate guarantee of up to \$3,345,000. In relation to the closing of the land purchase, on November 18, 2019, Western Garden made additional capital contribution of \$1,000,000 to Alabaster LP.

- During the year ended September 30, 2019, Western Garden made an additional capital contribution of \$7,341,000 to Seaton LP and Formwerks made a capital contribution of \$2,514,000. To finance the closing of the land purchase on the completion date of October 5, 2018, Seaton LP received a land loan of \$9,500,000 on October 1, 2018 from Industrial and Commercial Bank of China (Canada) (“ICBK”), secured by a first charge on the mortgaged properties in the principal amount of \$12,000,000, first General Security Agreement over all assets of WGP Seaton, and a limited corporate guarantee of up to \$7,600,000 provided by the Company. The interest rate is ICBK’s prime rate plus 1.35% per annum payable monthly. The mortgage matures on October 5, 2020 with an option to extend the mortgage for two additional 6-month periods.

3.2 Significant Acquisitions

There were no other significant acquisitions completed by the Company during its most recently completed fiscal year ended September 30, 2019, 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.

In terms of the Milestone Phase 1 Project, management believes that it is generally in a very favourable condition when compared to other competitors. Western has signed the binding off-take agreement with ADM which commits to sell all of the Phase 1 products 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 over the overall cost perspective, the Milestone Phase 1 Project is efficient in energy and water consumptions, thanks to the innovative technology that it applies, thus making the Phase 1 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, 2019, the Company has 23 employees and 13 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 drilling 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 1 Project will definitely result in any additional discoveries of reserves of potash or that the current reserves or resources will be developed to 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 substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development 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, nor is there any assurance that the Company's exploration programs thereon (if any) will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any of the Company's 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 does not have any potash mining operations. The profitability of any such operations in which the Company has, or may have an interest, will be significantly affected by changes in the market prices of potash. Prices for potash fluctuate, and have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of potash, foreign currency exchange rates, international investments, monetary systems and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values.

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, 2019, the Company has incurred operating losses in the mining segment since inception and expects to incur further losses during the development and construction of the Milestone Project. To date, the Company has not recorded any revenues from its mining operations nor has the Company commenced commercial

production on any property. There can be no assurance that the Company will have sufficient capital resources to continue as a going concern, that significant losses will not continue to occur in the near future or that the Company will be profitable in the future. The Company's development of its properties, including the construction of mining facilities, the commencement of mining operations in the future, and the investment and development in its real estate projects, will require substantial additional financing. Failure to obtain sufficient financing may result in a delay or indefinite postponement of development or production on any or all of the Company's properties, and may lead to a loss of all interest in its mineral properties, including the Milestone Project or the termination of its operations. Additional financing may not be available when needed. Even if such additional financing is available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to existing shareholders or sale of other disposition of an interest in any of the Company's assets or properties. Failure to raise capital when needed could have a material adverse effect on the Company's business, financial condition and results of operations.

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. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger programs; (ii) acquire an interest in a greater number of programs; and (iii) reduce their financial exposure to any one program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the Company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

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 exploration and development 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

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.

As of September 30, 2019, the Company has two legal cases, with Lockwood Financial Ltd. and with Amarillo Gold Corp., respectively. For the Lockwood case, it is on hold due to receipt of a Notice of Withdrawal of Lawyer by Lockwood's legal counsel on March 8, 2019. The Company, in consultation with legal counsel, assesses that it is not probable at September 30, 2019 that the claim of Lockwood will be successful. For Amarillo Gold, in consultation with legal counsel, it is in the process of determining the validity of Amarillo's claim and has entered into an arbitration process. The Company believes that more evidence will become available as a result of the arbitration process which will enable it to better assess the merits of the claim. The arbitration process is in its early stage and it is not currently possible for the Company to conclude whether it has a present obligation and if so, whether it is probable that a cash outflow will be required to settle the obligation. The results of those and future litigations or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it could have an adverse effect on the Company's business, financial condition and results of operations.

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.

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, 2019 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 5 of the Company's audited consolidated financial statements for the year ended September 30, 2019.

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

The Company has cash and cash equivalents, term deposits and a mortgage on real estate properties under development which bear interest. The Company's current policy is to invest excess cash in high yield term deposits and bankers' acceptances with fixed interest rates. The Company regularly monitors its cash management policy. At September 30, 2019, the Company's mortgage on real estate properties under development have variable rates of interest. A 1% increase or decrease in interest rates would increase or decrease annual interest income by approximately \$95,000 based on the carrying value of these interest-bearing variable rate instrument at September 30, 2019.

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 (“CAD”). 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 CAD and United States dollars (“USD”); therefore, USD accounts are subject to fluctuation against the CAD.

The Company’s financial instruments were denominated as follows as at September 30, 2019:

	in Canadian dollars	in US dollars
Cash	\$ 1,727,114	\$ 370,546
Term deposits	4,640,791	-
Accounts receivable	2,223,842	-
Accounts payable and accrued liabilities	(19,161,715)	(2,655,261)
Net foreign currencies liabilities	(10,569,968)	(2,284,715)
Foreign currency rate	1.0000	1.3243
Equivalent to Canadian dollars	\$ (10,569,968)	\$ (3,025,648)

Based on the above net exposures as at September 30, 2019, and assuming that all other variables remain constant, a 1% change of the CAD against the USD would change profit or loss by approximately \$30,000.

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, 2019, the Company had a cash and cash equivalent balance of \$2,217,828 and a credit facility for an amount up to \$40,000,000, to settle current liabilities of \$22,683,578. All of the Company’s accounts payables and liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The mortgage on real estate properties under development is due on October 5, 2020. 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. (hereinafter referred to as “WRX”) owns the Milestone Project in Regina through its subsidiary of Western Potash Corp. The project currently holds some 87,530 acres (including road allowances) of Crown mineral lands in Townships 13 through 15 and Ranges 17 through 19 West of the Second Meridian by means of Subsurface Mineral Lease KLSA 008, which was granted to WRX by the Government of Saskatchewan on May 18, 2010. This Lease incorporates the lands formerly held by WRX under Permits KP 408 and KP 409. The land included within the physical boundaries of the Lease area also includes 69,970 acres of Freehold land. WRX has agreements in place for the mineral rights covering 25,391 acres of this Freehold land as of November 2, 2016. Additional agreements for Freehold mineral rights have been completed and recorded; however, they do not convey 100 percent (%) of the mineral rights for any of the quarter-sections concerned, so the lands are not included in the lands with mineral rights controlled by WRX.

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 August 14, 2015, titled “**NI 43-101 Technical Report Summarizing the Scoping Study for a Pilot-Scale Selective Solution Mining Operation on the Milestone Project** (Subsurface Mineral Lease KLSA 008), Saskatchewan”. (“**The 2015 Technical Report**”) The 2015 Technical Report was prepared by Novopro Projects Inc. (Novopro) in conjunction with Agapito Associates Inc. The report was prepared for the Company by Drs. Douglas F. Hambley, P.E., P.Eng., P.G. and Bo Yu, P.E. of Agapito Associates Inc. and Mr. James Brebner, Eng. of Novopro, all independent Qualified Persons as defined by NI 43-101.

Mineral Resource Estimates

Measured, Indicated, and Inferred Mineral Resources have been classified based on the volume of potash in cylinders centered on the cored and assayed drill holes on the Lease. The radius of influence (ROI) for each level of resource reflects the level of confidence in the continuity of the mineralization, with the ROI decreasing as the required level of confidence (Inferred < Indicated < Measured) increases. The ROIs, are defined as 0.8 km (0.5 mile) for Measured, 1.6 km (1 mile) (on the outside of wells) and 2.5 km (1.55 mile) (between closely spaced wells with seismic coverage) for Indicated and 8 km (5 mile) for Inferred categories.

The Pilot Study is based on a Mineral Resource in only the Esterhazy Member (the target mining horizon for the Phase I Project) in Section 20, Township 14, Range 17 west of the Second Meridian, consisting of:

- A Measured Resource of 7.17 million tonnes (Mt) grading 39.5% potassium chloride (KCl)
- An Indicated Resource of 11.56 Mt grading 39% KCl
- An Inferred Resource of 1.77 Mt grading 39% KCl

A cutoff grade of 15.8% KCl (10% potassium oxide K₂O) was used to define the top and bottom of the target member in a given well. An overall cutoff grade of 23.8% KCl (15% K₂O) is used for the target member. Because it is unknown at present whether or not the Belle Plaine and Patience Lake Members in the Pilot Study area can or will be mined later, no mineral resources have been estimated for the latter two members.

Measured and Indicated Resources surrounding wells M 001, M 002 and M 002A are estimated to be as follows (using a cutoff grade of 15.0% K₂O or 23.8% potassium chloride KCl):

- Measured Mineral Resource: 231-Mt in-place sylvinitic grading 20.9% KCl, or 13.2% K₂O
- Indicated Mineral Resource: 539-Mt in-place sylvinitic grading 21.8% KCl, or 13.8% K₂O

Inferred Resources on the KLSA 008 Lease are estimated to be (using a cutoff grade of 15.0% K₂O or 23.8% KCl) 10,706-Mt in-place sylvinite grading 25.8% KCl, or 16.3% K₂O.

Measured and Indicated Resources surrounding wells M 003 through M 009 were previously upgraded to Proven and Probable Reserves, respectively, for solution mining using caverns with two vertical wells by virtue of the feasibility study performed in 2012 (AMEC 2012) (the “FS”). These reserves are historical in nature and are presented in Section 6.0 of the 2015 Technical Report. The Prefeasibility Study (PFS) or FS for selective solution mining using horizontal wells that is necessary to classify the 2012 mineral reserve estimate for the areas surrounding wells M 003 through M 008 as current mineral reserves has not yet been performed and WRX is not treating the 2012 estimate as current mineral resources or reserves.

Summary of Exploration, Drilling, and Other Studies

The 2015 Technical Report also summarizes current information obtained from exploration drilling conducted from 2008 to March 2011. 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 and January 2012 by NG Consulting of Sondershausen, Germany. The results of the testing indicated that (NG Consulting 2012):

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 such as bed dip 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.

Engineering

The Phase I Project is designed to produce 146,000 tonnes per year of potash over a project life of 12 years. To achieve this production a total of six caverns are planned with three caverns in operation for 6 years followed by additional caverns. The caverns inject hot sodium chloride (NaCl) saturated brine through one well to selectively dissolve potassium chloride (KCl) in the Esterhazy potash bed, leaving additional NaCl behind. KCl rich brines are then brought to surface through each production well. Following heat recovery the brine is sent to a pond to crystallize the KCl utilizing the cool ambient conditions. The KCl from the pond will be harvested via 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 and compacted and then sent for storage and loadout.

Agapito completed the detailed engineering of the selective solution mining process and associated drilling plan, well and casing design in December 2018. The selective solution mining uses directionally drilled wells so that the final section of the well is drilled horizontally through the lower portion of the target bed. This injection well has approximately 800m of horizontal well which expands in circumference as it dissolved KCl leaving the NaCl in place. A corresponding withdrawal well returns the brine to the surface.

As announced in the press release dated June 7th, 2018 the Company signed an agreement with SNC-Lavalin to complete the detailed engineering for the above ground portion of the Phase I Project. SNC-Lavalin (“SNCL”) have completed the final engineering design for the Phase I Project, including an update of the OPEX and CAPEX estimates detailed below. Purchase orders for all equipment packages have been completed, and SNC continue to assist with the integration of final vendor fabrication information for construction.

Capital and Operating Costs

The total CAPEX for the Pilot Project using a crystallization pond was estimated (in Canadian dollars) by SNC to be \$CAD128.7 million (M) with an accuracy of $\pm 10\%$, which corresponds to AACE International (Association for the Advancement of Cost Engineering) Class 3.

The total annual OPEX for the Phase-I Pilot Project with a crystallization pond was estimated at \$CAD11.7M per year (excluding logistics and royalties) or \$CAD80/t MOP for 146,000 tpy. Costs are given in Canadian dollars (\$CAD) and prices are given in United States (US) dollars (\$), with an assumed exchange rate of \$US 1 = \$CAD 1.33. The plant unit OPEX was estimated to be \$CAD80/t of product at a production rate of 146 ktpy. Potash prices are given in \$US freight on board (FOB) at Vancouver, British Columbia. Sustaining CAPEX consisted of \$CAD17.5M in 2025, \$CAD10.1M in 2030, and \$CAD7.5M in 2032. Assuming a nominal discount rate of 8%, the economic analysis yielded an after-tax project Net Present Value (NPV) of \$CAD55.2M, with an Internal Rate of Return (IRR) of 17.2%, based on a potash price of \$US241/t (\$CAD321/t at an assumed exchange rate of \$US 1 = \$CAD 1.33).

Construction Work

On June 6, 2019, the Company engaged Stuart Olson Prairie Construction (“Stuart Olson”) as the general contractor for the construction of the Company’s Milestone Phase I Project in a lump-sum agreement. The scope includes the construction of all above ground facilities, including concrete, steel and pipework, installation of equipment, electrical and control system work, building work and site finishing. Work has commenced on the concrete foundations, final site preparation and water well works. Construction of the process plant is well underway with the erection of the steel frame for the process plant, arrival and placement of e-houses for the process plant and wellpad, placement of injection pumps and arrival of several other major pieces of equipment and specialty piping.

Site civil works preparation and all the heavy earthwork for the crystallization pond is complete. The heavy haul road to the site is complete and, is open to use for heavy traffic. The installation and testing of approximately 10 km of water pipeline to the Western Potash water well has been completed. The piling works for the planned site works is also complete. The project remains on track to complete Phase I construction in mid 2020 with potash production to commence by the third calendar quarter of 2020. As of this filing, the process plant construction is about 40% completed.

Associate infrastructure construction is complete. Saskatchewan Power Corporation (“SaskPower”) have completed the infrastructure for the hot mining power required at site. TransGas Limited (“TransGas”) have finished the construction of a gas pipeline and metering station, and SaskTel has completed installation and connection of a fiber line for site internet.

Operations

Pumping of water from the water well to fill the crystal pond commenced on August 30, 2019 and has successfully continued for approximately 3 months filling the pond to approximately 50% of its capacity.

The Company has successfully completed the Phase I production drilling program, and has started solution mining into all three horizontal caverns. These are the first intentionally drilled and connected horizontal potash caverns in Saskatchewan, and signify a new and improved method of extracting potash in the province. Operations pumping will be ongoing to enlarge the caverns and saturate the brine with salt in preparation for the start of hot mining in early 2020. Hot mining will recirculate brine into the caverns and preferentially extract the KCl (leaving the NaCl in place underground), building an inventory of potash in the crystallization pond over the winter.

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 19, 2019. 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 10th, 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 following the completion of the Rights Offering 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):

(Stated in terms of Canadian dollars)

Month	Open (CAD \$)	High (CAD \$)	Low (CAD \$)	Close (CAD \$)	Volume (Shares)
October 2018	\$ 0.29	\$ 0.30	\$ 0.26	\$ 0.28	295,400
November 2018	\$ 0.28	\$ 0.30	\$ 0.21	\$ 0.27	467,700
December 2018	\$ 0.27	\$ 0.28	\$ 0.26	\$ 0.28	287,900
January 2019	\$ 0.28	\$ 0.28	\$ 0.25	\$ 0.25	258,600
February 2019	\$ 0.26	\$ 0.27	\$ 0.14	\$ 0.18	1,880,400
March 2019	\$ 0.16	\$ 0.17	\$ 0.11	\$ 0.12	7,766,300
April 2019	\$ 0.12	\$ 0.13	\$ 0.11	\$ 0.11	1,297,300
May 2019	\$ 0.11	\$ 0.27	\$ 0.11	\$ 0.27	7,018,100
June 2019	\$ 0.25	\$ 0.55	\$ 0.25	\$ 0.31	6,886,100
July 2019	\$ 0.34	\$ 0.34	\$ 0.23	\$ 0.27	7,207,000
August 2019	\$ 0.27	\$ 0.31	\$ 0.24	\$ 0.27	1,408,700
September 2019	\$ 0.27	\$ 0.39	\$ 0.25	\$ 0.31	2,212,900

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
James Moore ⁽⁷⁾ 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 since April 5, 2017, 400,000 stock options, Nil common shares
Geoffrey Chang ⁽⁶⁾ 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 since September 16, 2015. 400,000 stock options, Nil common shares
Bill Xue ⁽⁶⁾ British Columbia, Canada	President of Beijing Tairui Innovation Capital Management Ltd., since 2012. Previous roles include that of 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.
Xia Qinglong ^{(4) (5)} Beijing, China	CEO of ChinaBlue Chemical Ltd. since June, 2016. 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 since July 29, 2016. 400,000 stock options, Nil common shares

Yiping Wang ^{(4) (5)} 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 since April 5, 2017. 400,000 stock options, Nil common shares
Jennifer Fang ^{(4) (5)} 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 since April 5, 2017. Resignation from the board accepted on Nov. 28, 2019.
George Gao ⁽⁶⁾ 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. since October 1, 2018 till 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 ⁽⁷⁾ British Columbia, Canada	Consultant to the Company since July 2011.	Corporate Secretary since Sept 29, 2016. 800,000 stock options, Nil common shares

- (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 19, 2019, 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, 2019 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, 2019 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. The Company, in consultation with legal counsel, is in the process of determining the validity of Amarillo's claim and has entered into an arbitration process. On December 21, 2018, Western Potash filed a petition in the Supreme Court of British Columbia seeking, amongst other things, an order and declaration that certain information requested by Amarillo hold solicitor client privilege. The petition was heard in October 2019 and a decision is pending. Once a final decision on Western Potash's petition is rendered, including on any appeals, the arbitration process will proceed. The Company believes that more evidence will become available as a result of the arbitration process which will enable it to better assess the merits of the claim. The arbitration process is in its early stage and it is not currently possible for the Company to conclude definitively whether it has a present obligation and if so, whether it is probable that a cash outflow will be required to settle the obligation, however based on the information obtained to date the Company does not believe any funds are owed to Amarillo under the services agreement.

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year or any other time that would likely be considered important to a reasonable investor making an investment decision in the Company. The Company has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the two most recently completed financial years ended.

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, 2019, 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. The agreement renews for one-year terms.

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. The agreement ends April 30, 2020.

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 \$13,000 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, 2019 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, 2018 to September 30, 2019 (the most recently completed fiscal year), or which were entered into from October 1, 2019 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

Drs. Douglas F. Hambley, P.E., P.Eng., P.G. and Bo Yu (previously), P.E. of Agapito Associates Inc. and Mr. James Brebner, Eng. of Novopro, all independent Qualified Persons as defined by NI 43-101 were the independent Qualified Persons as defined by NI 43-101 and are the experts who prepared the NI 43-101 technical report as filed by the Company on SEDAR on August 14, 2015, titled "NI 43-101 Technical Report Summarizing the **Scoping Study for a Pilot-Scale Selective Solution Mining Operation on the Milestone Project (Subsurface Mineral Lease KLSA 008), Saskatchewan**", dated August 4, 2015 and effective July 2, 2015. (the "**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 project 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, 2019 and 2018. 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 2019 are Jennifer Fang (subsequently resigned in November 2019), Xia Qinglong and Wang Yinping, 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

Jennifer Fang

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. She built and led a team of professionals cross services, cross sectors and cross geographies to deliver integrated advisory, tax and assurance services custom tailored to the cross-border investment and business needs of Chinese and North American companies. Jennifer has more than 20 years' experience in international business development and management for private and public North American corporations, covering markets in Canada, the US and internationally with a particular focus on China/Asia. Jennifer has in-depth experience and knowledge of the M&A process and financial services industry. She has worked in a number of large financial institutions for many years including JP Morgan & Chase in New York in M&A and BMO Financial Group in Toronto. At BMO, Jennifer was instrumental over a 10-year career in

building out the bank's business platform in Asia across capital markets, investment banking and wealth/asset management businesses. Jennifer graduated from Peking University with a BA in international economics. She also has a MBA degree from University of British Columbia majoring in finance. Jennifer is a CFA charter holder.

Effective November 28, 2019, Jennifer Fang has resigned from her role as the audit committee chair with the Company.

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. Mr. Xia is currently CEO of ChinaBlue Chemical Ltd. 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 Chenddu 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.

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 successivly. 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.

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, 2018	\$75,210	Nil	Nil	Nil
September 30, 2019	\$80,250	Nil	Nil	Nil

- (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

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.

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. 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 the Company's management annual and interim earnings press release before any public disclosure.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. Review and approve the Company's hiring of partners, employees and former partners and employees of the present and past auditors.
17. 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.
18. 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
19. 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.

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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