

**AMERICAN POTASH CORP.**  
**(Formerly MAGNA RESOURCES LTD.)**  
An Exploration Stage Enterprise

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED APRIL 30, 2016 AND 2015**

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## Unaudited Interim Financial Statements

In Accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended April 30, 2016.

**AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)**

## Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars - unaudited)

	Notes	April 30, 2016	July 31, 2015
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		225,135	232,380
Prepaid expenses		4,570	8,464
Accounts receivable		27,406	21,921
<b>Total current assets</b>		<b>257,111</b>	<b>262,765</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	3	146,961	1
<b>Total non-current assets</b>		<b>146,961</b>	<b>1</b>
<b>Total assets</b>		<b>404,072</b>	<b>262,766</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4	73,020	30,073
Due to related parties	6	86,996	239,163
<b>Total liabilities</b>		<b>160,016</b>	<b>269,236</b>
<b>EQUITY</b>			
<b>Equity attributable to shareholders</b>			
Share capital	5	6,192,205	6,016,167
Reserves		2,054,293	1,873,064
Accumulated deficit		(8,002,442)	(7,895,701)
<b>Total equity (deficiency)</b>		<b>244,056</b>	<b>(6,470)</b>
<b>Total liabilities and equity</b>		<b>404,072</b>	<b>262,766</b>

Going concern – Note 1

Commitments – Note 7

Subsequent events – Note 11

On behalf of the board:

*“Rudy de Jonge”*

Rudy de Jonge

*“Darryl Yea”*

Darryl Yea

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

**AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)**Condensed Consolidated Interim Statements of Operation and Comprehensive Loss  
(Expressed in Canadian Dollars - unaudited)

	Nine months ended		Three months ended	
	April 30,		April 30,	
	2016	2015	2016	2015
<b>General and administrative expenses</b>				
Accounting and audit fees	\$ 14,110	\$ 30,829	\$ 8,700	\$ 27,430
Consulting fees	62,720	72,138	20,700	36,938
Foreign exchange	9,258	36,559	4,721	22,181
Insurance (recovery)	3,797	-	(373)	-
Interest expense and bank charges	1,922	728	1,512	225
Investor relations, website and promotion	1,100	48,716	525	11,556
Legal fees (recovery)	22,996	(3,585)	(225)	246
Office and administration	1,025	21,163	176	8,218
Office rent	-	9,000	-	3,000
Share-based payments	-	543	-	-
Transfer agent and filing fees	26,491	28,305	13,803	11,039
Travel and entertainment	615	5,112	-	3,995
Wages	207	115,238	6	26,466
	144,241	364,746	49,545	151,294
Loss (gain) on debt settlement	(37,500)	3,495	(37,500)	3,495
<b>Net loss</b>	<b>(106,741)</b>	<b>(368,241)</b>	<b>(12,045)</b>	<b>(154,789)</b>
<b>Other comprehensive income (loss)</b>				
Foreign currency translation	(1,408)	282,793	(4,779)	(79,928)
<b>Total comprehensive loss</b>	<b>(108,149)</b>	<b>(85,448)</b>	<b>(16,824)</b>	<b>(234,717)</b>
Loss per share, basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding - basic and diluted	14,124,423	62,011,212	15,151,308	66,411,385

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

**AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)**

## Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars - unaudited)

	Nine months ended		Three months ended	
	April 30,		April 30,	
	2016	2015	2016	2015
Cash provided by (used in):				
<b>Operating activities:</b>				
Net loss for the period	\$ (106,741)	\$ (368,241)	\$ (12,045)	\$ (154,789)
Items not involving cash:				
Share-based payments	-	543	-	-
Changes in non-cash working capital:				
Accounts receivable	(5,485)	707	(1,939)	(352)
Prepaid expenses	3,894	12,007	(2,625)	5,924
Short-term loan	-	(24,000)	-	-
Accounts payable and accrued liabilities	42,948	(138,855)	4,267	(14,457)
Due to related parties	(152,168)	(23,161)	(74,576)	30,923
	(217,552)	(541,000)	(86,918)	(132,751)
<b>Investing activities:</b>				
Exploration and evaluation assets and intangible assets	(146,960)	(535,305)	(34,208)	(150,823)
Sale of short-term investment	-	-	-	-
	(146,960)	(535,305)	(34,208)	(150,823)
<b>Financing activities:</b>				
Share subscriptions received	-	40,000	(50,000)	-
Shares issued for cash (net share issue costs)	358,675	891,358	358,675	252,000
	358,675	931,358	308,675	252,000
Net change in cash	(5,837)	(144,947)	187,549	(31,574)
Effect of exchange rate changes	(1,408)	282,793	(4,779)	(79,928)
Cash, beginning of period	232,380	19,167	42,365	268,515
<b>Cash, end of period</b>	<b>\$ 225,135</b>	<b>\$ 157,013</b>	<b>\$ 225,135</b>	<b>\$ 157,013</b>

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

**AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)**

## Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars - unaudited)

	Common Shares		Share-	Warrant	Foreign	Deficit	Total
	Number of	Amount	based		Currency		
	Shares		Payment	Reserve	Translation		Equity
		\$	Reserve		Reserve	\$	\$
Balance on July 31, 2014	11,066,580	5,123,876	1,041,838	454,368	153,535	(3,669,291)	<b>3,104,326</b>
Share-based payments	-	-	543	-	-	-	<b>543</b>
Shares issued for debt settlement	260,829	51,452	-	-	-	-	<b>51,452</b>
Shares issued for cash	1,568,000	627,200	-	-	-	-	<b>627,200</b>
Shares issued per Sweetwater Option	720,000	252,000	-	-	-	-	<b>252,000</b>
Shares issued for services	15,000	29,550	-	-	-	-	<b>29,550</b>
Share issuance costs	-	(28,844)	-	-	-	-	<b>(28,844)</b>
Net loss	-	-	-	-	-	(368,241)	<b>(368,241)</b>
Other comprehensive income	-	-	-	-	282,793	-	<b>282,793</b>
Balance on April 30, 2015	13,630,409	6,055,234	1,042,381	454,368	436,328	(4,037,532)	<b>3,950,779</b>
Balance on July 31, 2015	13,630,409	6,016,167	1,047,433	483,849	341,782	(7,895,701)	<b>(6,470)</b>
Shares issued for private placement	7,520,000	176,038	-	182,637	-	-	<b>358,675</b>
Net loss for the period	-	-	-	-	-	(106,741)	<b>(106,741)</b>
Other comprehensive loss	-	-	-	-	(1,408)	-	<b>(1,408)</b>
Balance on April 30, 2016	21,150,409	6,192,205	1,047,433	666,486	340,374	(8,002,442)	<b>244,056</b>

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

**AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the nine months ended April 30, 2016 and 2015**  
**(Expressed in Canadian Dollars - unaudited)**

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**1. NATURE OF OPERATIONS**

American Potash Corp. (the "Company") was incorporated on June 5, 2006 under the laws of British Columbia. On August 12, 2014, the Company changed its name to American Potash Corp. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") under the symbol 'AMP'. The Company is dedicated to the acquisition and development of potash mineral deposits in the United States and elsewhere. American Potash LLC, a Nevada corporation wholly owned by the Company, owns and operates the Green River Potash Project in Utah. American Potash's area of interest covers key land positions in known potash-bearing sedimentary cycles in Utah.

The Company's head office and registered and records office is 800 – 1199 West Hastings Street, Vancouver, BC, Canada V6E 3T5.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at April 30, 2016, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral properties exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were authorized for issue on June 29, 2016 by the directors of the Company.

**Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* (IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended July 31, 2015.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Statement of compliance (Continued)**

These condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended July 31, 2015.

**Basis of preparation**

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

**Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its controlled entity. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation. Details of controlled entities are as follows:

	Country of Incorporation	Percentage owned as at April 30,		Principal Activity
		2016	2015	
American Potash LLC ("American Potash")	United States	100%	100%	Mineral exploration

**3. EXPLORATION AND EVALUATION ASSETS**

**Green River Potash Project**

In May, 2009, and amended on November 2, 2010, December 6, 2011, January 28, 2014 and November 4, 2015, American Potash entered into an option agreement (the "Sweetwater Option") to acquire applications to the United States Bureau of Land Management ("BLM") in respect of certain Utah permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah. A director of the Company is a party to the Sweetwater Option.

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**3. EXPLORATION AND EVALUATION ASSETS (Continued)**

**Green River Potash Project (Continued)**

The Sweetwater Option entitles American Potash to acquire a 100% interest in permit applications, subject to a 2% royalty to the Optionors which may be bought back for \$2,000,000 USD. The option may be exercised by having the Company pay a total of \$270,000 USD and issue in aggregate, 2,000,000 shares of Company to the Optionors upon receiving grants of exploration permits for not less than 25,000 acres of Utah property, as follows:

- \$70,000 USD upon signing the option agreement (paid);
- 200,000 shares of the Company upon grant of the permits representing not less than 25,000 acres (issued February 14, 2014)(Note 5);
- \$50,000 USD cash and 600,000 shares of the Company on or before the first anniversary date of the start of the Sweetwater Option Period (200,000 shares issued February 14, 2014)(Note 5);
- \$50,000 USD cash and 600,000 shares of the Company on or before the second anniversary date;
- \$50,000 USD cash and 600,000 shares of the Company on or before the third anniversary date; and
- \$50,000 USD cash on or before the fourth anniversary date.

On January 31, 2014, fourteen prospecting permits were formally signed and delivered to the Company, with an effective date of March 1, 2014; thereby initiating the Sweetwater Option period.

At the time that American Potash entered into the Sweetwater Option agreement, the Company held a 50% interest in American Potash and the remaining 50% interest was acquired during the year ended July 31, 2012. In connection with the Sweetwater Option, the Company is required to pay a finder's fee on the Company's pre-acquisition 50% interest in American Potash. The finder's fee is 10% of 50% (5%) of the cash and stock payments made under the Sweetwater Option, payable as and when such payments are made. On February 14, 2014, upon receipt of the prospecting permits, the Company issued 20,000 common shares to the finder (Note 7).

On February 23, 2015, the Company amended the terms of the Sweetwater Option agreement and announced delayed scheduled cash payments to the optionors. Pursuant to the amended Sweetwater option agreement, the Company is to issue the outstanding 3.6 million shares of the Company within a reasonable period of time from the first anniversary of the receipt of the federal potash prospecting permits which was on February 7, 2014 (3.6 million shares issued February 13, 2015). The scheduled cash payments are to be delivered no later than the following dates and in the following allocations: USD\$10,000 on the first anniversary of the receipt date; USD\$15,000 on the 18-month anniversary of the receipt date (paid August 21, 2015); USD\$25,000 on the earlier of the date that is 120 days immediately following the drill date and the two-year anniversary of the receipt date; and USD\$150,000 on the earlier of the date that is 120 days immediately following the drill date and the three-year anniversary of the receipt date. On February 23, 2015, the Company fulfilled the first anniversary obligations to the optionors, pursuant to the Sweetwater Option

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**3. EXPLORATION AND EVALUATION ASSETS (Continued)**

**Green River Potash Project (Continued)**

agreement, by issuing 3.6 million shares in the Company and paying US\$10,000. During the period ended April 30, 2016, the scheduled payments were amended.

During the reporting period, the fourteen prospecting permits delivered to the Company on January 31, 2014 expired as annual rent payments required to keep the permits in good standing were not paid. Sweetwater River Resources LLC has applied to the BLM for 12 new potash prospecting permits that encompass the same area as the original permits that expired. During the year-ended July 31, 2015, no permits had been granted and as such the expired permits were impaired and fully written-off.

On November 5, 2015, the Company entered into an amending agreement to the option agreement, as amended with Sweetwater River Resources LLC. Pursuant to the amending agreement, the parties agreed that the 12 new potash prospecting permits that Sweetwater has applied for in Utah shall be subject to the option agreement. Accordingly, the company will continue to hold an option to acquire a 100-per-cent interest in the new prospecting permits applied for by Sweetwater pursuant to the terms of the option agreement. The parties agreed that the remaining \$175,000 of cash payments required under the Sweetwater Option shall be paid as follows:

- \$25,000 upon closing of a single financing or multiple financings totalling a minimum of \$200,000 by the Company (paid subsequent to April 30, 2016);
- \$25,000 on February 7, 2016 (paid);
- \$25,000 on June 7, 2016 (paid subsequent to April 30, 2016);
- \$25,000 on October 7, 2016; and
- \$75,000 within 30 days of new prospecting permits being granted by the BLM.

On December 21, 2015, the Company has received verification by the Bureau of Land Management regional office in Moab, Utah, of receipt and official documentation and filing of the Company's 12 potash permit applications in the Paradox basin of southeast Utah, United States, that the Company has under option through an agreement with Sweetwater River Resources LLC. Each permit application has been issued a registration number and recorded on the BLM website L-2000. The significance of receipt and official recording by the BLM of these potash permit applications is that American Potash now has exclusivity to the area covered by the 12 permit applications. No other party's potash permit applications covering the existing American Potash potash permit applications will be accepted by the BLM.

In 2011, the Company acquired eleven non-contiguous Utah State Trust Land potash lease units. The eleven lease units are all within the boundaries of the BLM potash prospecting permit applications held by the Company.

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**3. EXPLORATION AND EVALUATION ASSETS (Continued)**

**Green River Potash Project Expenditures**

	<b>Total for nine months ended April 30, 2016</b>	<b>Total for year ended July 31, 2015</b>
Mineral acquisition costs:	\$	\$
Balance, beginning	1	2,930,184
Shares	-	216,000
Foreign exchange translation	-	130,255
Impairment	-	(3,276,438)
Balance, Ending	1	1
Exploration and evaluation expenditures:		
Balance, beginning	-	354,104
Bonding	2,510	13,521
General administration	66,712	53,567
Permit applications	77,738	-
Foreign exchange translation	-	46,574
Impairment	-	(467,766)
Balance, ending	146,960	-
<b>Total</b>	<b>146,961</b>	<b>1</b>

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>April 30, 2015</b>	<b>July 31, 2015</b>
	\$	\$
Accounts payable	72,103	11,156
Taxes payable	917	917
Accrued liabilities	-	18,000
	<b>73,020</b>	<b>30,073</b>

**AMERICAN POTASH CORP. (Formerly MAGNA RESOURCES LTD.)**  
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**5. SHARE CAPITAL**

**a) Authorized**

Unlimited common shares with no par value.

**b) Issued and outstanding**

At April 30, 2016 there were 21,150,409 issued and fully paid common shares.

**c) Common shares**

Period ended April 30, 2016

On December 8, 2014, the Company closed a non-brokered private placement for 7,840,000 units at a price of \$0.08 per unit for gross proceeds of \$627,200. Of this private placement, \$56,200 in proceeds were not received as 702,500 units were issued to settle \$56,200 worth of short-term loans (Note 6). Each Unit consisted of one common share of the Company and one common share purchase warrant exercisable into one common share of the Company at an exercise price of \$0.12 per share expiring 36 months from date of issuance. Using the residual method, a \$Nil value was allocated to the attached warrants. Cash finders' fees of \$28,843 were paid, plus 357,000 finders' warrants issued in relation to the private placement. The fair value of the finders' warrants was determined to be \$29,481 using the black-scholes valuation method.

On December 10, 2014, the Company completed shares for debt agreements totaling \$81,002 with arm's length and non-arm's length creditors through the issuance of 1,012,521 common shares of the Company with a fair value of \$0.08 per share. 767,125 of these shares were issued to related parties (Note 6).

On December 10, 2014, the Company issued 75,000 common shares of the company with a fair value of \$6,000 pursuant to an employment agreement with the company's president.

On January 22, 2015, the Company issued 291,625 common shares of the company with a fair value of \$20,414 pursuant to a repayment agreement to settle USD\$20,349 worth of debt owing to a third party.

On February 13, 2015, the company issued 3.6 million common shares of the company pursuant to the Sweetwater option agreement. The fair value of these shares was determined to be \$216,000 which was recorded to exploration and evaluation assets.

On January 22, 2016, the Company announces a consolidation of its issued and outstanding share capital on the basis of one (1) post consolidation share for each five (5) pre-consolidation common shares. No fractional shares will be issued under the Consolidation and any fraction will be rounded to the nearest whole number.

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**5. SHARE CAPITAL (Continued)**

**c) Common shares (Continued)**

Period ended April 30, 2016 (Continued)

As a result, the outstanding common shares of the Company will be reduced to approximately 13,630,408. In connection with the Consolidation, the name of the Company will not change and the Company's trading symbol will remain as "AMP".

The Consolidation was approved by the shareholders of the Company at its annual general and special meeting of shareholders which was held on December 29, 2015.

On April 12, 2016, the Company closed a non-brokered private placement for up to 7,520,000 million units at a price of five cents per unit to raise total proceeds of \$376,000. Each unit will comprise one common share of the issuer and one common share purchase warrant of the issuer. Each warrant entitles the holder to purchase one additional common share of the company until April 12, 2020 with an exercise price of \$0.10 for the first two years, and exercise price of \$0.15 for the third year and \$0.20 for the fourth year. Cash finders' fees of \$17,325 were paid, plus 304,500 finders' warrants issued in relation to the private placement. The fair value of the finder's warrants was determined to be \$17,256 using the black-scholes valuation model.

**d) Basic and diluted loss per share**

Diluted loss per share did not include the effect of 650,000 (April 30, 2015 – 3,885,000) stock options and 10,527,267 (April 30, 2015 – 14,662,616) warrants as the effect would be anti-dilutive.

**e) Stock options**

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

On March 27, 2014, the Company granted 300,000 stock options to a consultant of the Company, exercisable at \$0.15 per share, expiring on March 26, 2016. The options vest monthly over the first year. The total fair value of the options is \$14,518 assuming a risk-free interest rate of 1.06%, a dividend yield of nil, an expected volatility of 86.20% and an average expected life of 2 years. A share-based payment expense of \$Nil (April 30, 2015 - \$2,966) was charged to operations and added to share based payment reserve for the year ended July 31, 2015 relating to the vesting of these options.

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**5. SHARE CAPITAL (Continued)**

**e) Stock options (Continued)**

On March 31, 2014, the Company granted 500,000 stock options to a director of the Company, exercisable at \$0.15 per share for a period of five years, expiring March 30, 2019. The total fair value of the options is \$41,767, assuming a risk-free interest rate of 1.07%, a dividend yield of nil, an expected volatility of 85% and an average expected life of 5 years. A share-based payment expense of \$41,767 was charged to operations and added to share based payment reserve for the year ended July 31, 2014.

The continuity of stock options for the period ended April 30, 2016 is as follows:

	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price</b>
		\$
Balance, July 31, 2013	1,090,000	0.55
Options granted	160,000	0.75
Options expired	(343,000)	0.65
Balance, July 31, 2014	907,000	0.55
Options expired	(30,000)	0.50
Options expired	(60,000)	0.75
Options canceled	(67,000)	0.50
Options canceled	(100,000)	0.75
Options outstanding at April 30, 2016	650,000	0.50

Details of options outstanding and exercisable at April 30, 2016 are as follows:

<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price (\$)</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>
650,000	0.50	1.72
650,000	0.50	1.72

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**5. SHARE CAPITAL (Continued)**

**f) Share purchase warrants**

The continuity of warrants for the period ended April 30, 2016 is as follows:

	<b>Number of Warrants Outstanding</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, July 31, 2013	960,000	0.50
Warrants issued	333,123	1.25
Balance, July 31, 2014	1,293,123	0.69
Warrants issued	1,639,400	0.60
Balance, July 31, 2015	2,932,523	0.64
Warrants expired	(175,923)	1.25
Warrants expired	(53,833)	1.25
Warrants issued	7,824,500	0.14
Balance, April 30, 2016	10,527,267	0.25

Details of warrants outstanding as at April 30, 2016 are as follows:

<b>Number of Warrants Outstanding</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>
960,000	\$0.50	0.07
76,700	\$1.25	0.20
26,667	\$1.25	0.34
71,400	\$0.60	1.85
1,568,000	\$0.60	1.85
7,824,500	\$0.14	3.95
10,527,267	\$0.25	3.24

**g) Share based payment reserve**

The share-based payment reserve records items recognized as share-based payment expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**h) Warrant reserve**

The warrant reserve records the fair value of warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

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**5. SHARE CAPITAL (Continued)**

**i) Translation reserve**

The translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

**6. RELATED PARTY TRANSACTIONS**

**Related party balances**

The following amounts are payable to related parties as at April 30, 2016 and 2015:

	<b>April 30, 2016</b>	<b>April 30, 2015</b>
	\$	\$
Companies controlled by directors of the Company	36,996	18,788
Directors and officers of the Company	50,000	39,900
	<b>86,996</b>	<b>56,688</b>

The amounts due are unsecured, non-interest bearing and has no fixed terms of repayment.

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company:

<b>Services provided by:</b>	<b>April 30, 2016</b>	<b>April 30, 2015</b>
	\$	\$
Consulting fees	54,520	-
Accounting fees	8,000	-
Companies controlled by directors of the Company	-	81,620
Directors/ officers of the Company	-	105,600
Share-based payments	-	543
	<b>62,520</b>	<b>187,763</b>

A director of the Company is a party to the Sweetwater Option Agreement (Note 3).

**7. COMMITMENTS**

a) On June 1, 2011, the Company entered into an agreement with St. Cloud Mining Services Inc. (wholly owned by one of the directors) to provide management/consulting services to the Company at a rate of \$5,000 per month for a period of twelve months and automatically extending for further one year terms.

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**7. COMMITMENTS (Continued)**

b) On April 1, 2012, the Company entered into an employment agreement with Mike Sieb to provide services as President of the Company. Pursuant to the agreement, the Company agreed to issue 75,000 common shares on the second anniversary of employment (issued) and an additional 75,000 common shares on the third anniversary of employment (issued). On October 16, 2015, Mike Sieb resigned as an employee of the Company terminating the employment agreement.

**8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. The risk is assessed as low.

(b) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The functional currency of American Potash is the US dollar. Foreign currency risk arises from the fluctuation in currency exchange between the Canadian dollar and US dollar. The Company has not entered into financial instruments to hedge against this risk.

The following is an analysis of Canadian Dollar equivalent of financial assets and liabilities that are denominated in US dollars:

	<b>April 30, 2016</b>	<b>July 31, 2015</b>
	\$	\$
Cash	(1,948)	8,464
	(1,948)	8,464

Based on the above net exposures, as at April 30, 2016, a 10% change in the US dollar to Canadian Dollar exchange rate would impact the Company's net loss by \$195.

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**8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities have contractual maturities of less than three months.

(d) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered immaterial.

(f) Fair Values

Financial instruments recognized at fair value on the consolidated statement of financial position must be classified in one of the following three fair value hierarchy levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured using level 1 inputs.

**9. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenues since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and

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**9. CAPITAL MANAGEMENT (Continued)**

the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year.

**10. SEGMENTED INFORMATION**

The Company's activities are all in one industry segment of mineral property acquisition and exploration. The Company's exploration operations are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company's operations therefore are segmented on a geographic basis. The Company's non-current assets are all located in the United States.

**11. SUBSEQUENT EVENTS**

No subsequent events.

**12. COMPARATIVE INFORMATION**

Certain comparative information has been reclassified to conform to the presentation adopted in the current period.