ORGANIMAX NUTRIENT CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the Six Months Ended December 31, 2020

March 1st, 2021

GENERAL

OrganiMax Nutrient Corp. (the "Company") is a public company engaged in exploration for mineral deposits in Canada and Mexico. On April 28, 2016, the Company changed its name from Benton Capital Corp. to Alset Energy Corp. On May 3, 2017, the Company further changed its name to Alset Minerals Corp. and retained the same ticker symbol "ION" on the TSX Venture Exchange. On August 28, 2018, the Company further changed its name to OrganiMax Nutrient Corp. and ticker symbol to "KMAX" on the TSX Venture Exchange. The Company is in the exploration stage with respect to its properties.

The following discussion of the financial condition and results of operations of the Company constitutes management's review of the factors that affected the Company's financial and operating performance to date and provides financial information for the six months ended December 31, 2020. The discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2020, and the unaudited consolidated interim financial statements for the six months ended December 31, 2020, including the notes thereto.

This MD&A was approved by the board of directors on March 1, 2021.

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars and all financial information (as derived from the Company's consolidated financial statements) has been prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD-LOOKING INFORMATION

Certain information regarding the Company within Management's Discussion and Analysis (MD&A) may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that may cause actual results in the future to differ materially from those anticipated in forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. 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.

OVERVIEW OF BUSINESS

OrganiMax Nutrient Corp is a Canadian-based company that has recently announced it has entered into a binding letter of intent (the "Letter of Intent") with Blackhawk Exploration L.L.C. ("Blackhawk") providing the Company with the option (the "Option") to acquire a 100% interest in the past producing Government Gulch Silver project in the Silver Valley, Coeur d'Alene Mining District, Idaho, USA (the "Property").

Highlights of the project include:

- The Government Gulch Silver project comprise 403 acres of **patented** lode claims; 5 historic mines and highly prospective **unexplored** areas.
- No Federal permitting required; permitting with the State of Idaho is straightforward with patented claims.
- Modern systematic exploration and drilling has never been applied to the project.
- Two major mines (Bunker Hill and Page) located adjacent and contiguous to the project at both the west and east boundaries historically mined into the Government Gulch project area.
- The Page mine sourced ore grade mill feed from Government Gulch for 21 years but never mined deeper than 1200 feet below elevation; significantly, the Page Mine was developed to the 3400 foot level.
- The other 4 mines at Government Gulch produced ore from near surface to 200 feet below surface.
- All previously mined areas remain open at depth and along strike - the geology of the Silver Valley is known for vein structures trending deeply if not cut-off by faulting (Bunker Hill mined to 5,800 feet below surface and Hecla's Lucky Friday mine nearby is mining today 10,000+ feet below surface)
- No pre-existing royalties
- A 100 year detailed map folio from Government Gulch, the Page mine and Bunker Hill mine will be incorporated into a 3-D geological model that will add significant value to future exploration and development of the project.

Despite the project being located between two prolific past producing mining properties, the project has remained unavailable for exploration and development over the past 80 years due to claim boundary issues between Bunker Hill Mining and ASARCO (Page mine), as well as the subsequent transfer of the property to the EPA and the closure of the area for mining in the late 1970's.

The Property is situated in the Silver Valley approximately 94 km east of Spokane, Washington and less than 1.2 km southeast of the town of Smelterville and 3.2 km west of Kellogg, in Shoshone County, Idaho. The terrain for the construction of mining, milling and tailing facilities is of sufficient size to accommodate all aspects of an underground mining operation, including areas for tailings storage, waste disposal and a processing plant. There is full access to power, water and industrial infrastructure including fabrication facilities and a highly experienced underground mining work force.

ASARCO deeded the Government Gulch claims to the U.S. Environmental Protection Agency ("EPA") as part of its settlement with the EPA for the Silver Valley Superfund Cleanup. Blackhawk LLC purchased the Government Gulch property from the EPA-established Trust, free and clear of any and all environmental liabilities from the EPA, pursuant to the completion of the Super Fund Cleanup executed by the EPA in the Silver Valley.

OrganiMax Nutrient Corp's second project is focused on the advancement of its 100% owned lithium/potassium project located in Zacatecas-San Luis Potosi in the central Mexican Plateau. These properties cover three salars for a total of 4,059 hectares. The salars are named La Salada, Caliguey, and Santa Clara.

The Company has identified significant potassium and lithium in both the salar sediments and near-surface brines, publishing its maiden sediment mineral resource estimate (MRE) December 15, 2019. Regional geophysical work has indicated that the depths of the salar basins may be much greater than previously thought, making the salars highly prospective for large brine aquifers to be discovered at depth. The Company is targeting Sulfate of Potash (SOP) and Lithium Carbonate (LCE) and boron for both the domestic and international markets.

Highlights from the Maiden Resource Estimate include:

1. 120 million tonnes (Mt) of Inferred Mineral Resources grading 4.6% potassium (K) and 380 ppm lithium (Li);
2. A continuous high-lithium portion of La Salada salar containing 7 Mt grading 1,490 ppm Li
3. A contained 12.3 million tonnes (Mt) of Sulfate of Potash (SOP) and 243,000 tonnes of lithium carbonate equivalent (LCE);

4. Sampling is restricted to 5 metre depths in most areas therefore there is good exploration potential to increase the Mineral Resource at depth and also extending the sampling to the edge of the salar basins where sampling has not taken place;
5. Geophysical surveys completed suggest there is potential for additional similar layers of potassium or lithium enriched material to be found under the current pitting/drilling.
6. Recent regional geophysical work has indicated that the depths of the salar basins may be much greater than previously thought, making the salars highly prospective for large brine aquifers to be discovered at depth. This may be a potential high impact follow-up program for the Company in the future.

FINANCIAL & OPERATIONAL OVERVIEW

Overall Performance

The Company has recently raised (see press release dated February 23, 2021) $1,100,000 and is currently receiving dollars through the exercise of warrants which when combined is sufficient to fulfill the obligations of the company in the short-term to finance the transaction with Blackhawk LLC for the Government Gulch project and to maintain its lithium-potassium project in Mexico. The company will need to raise additional capital from the sale of common shares or other equity or debt instruments to fund next year's operations and administration, retire its indebtedness as they come due, and conduct further due diligence on identifying and evaluating additional potential mineral interest acquisitions or other business opportunities. The sustainability of the financial markets related to the mineral exploration sector cannot be determined. This continually poses a challenge for the Company to effectively manage its capital through these volatile conditions.

Financial Condition

The Company's cash balance as at December 31, 2020 was $82,344 compared to $63,791 at June 30, 2020. Working capital deficiency of the Company as at December 31, 2020 was $38,706 compared to working capital deficiency of $1,509,855 as at June 30, 2020. The increase in working capital was predominantly attributable to decrease in mining taxes on the Company's mineral properties as well as the closing of a private placement of 4,400,000 units for gross proceeds of $220,000, each unit consisting one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.15 per share at any time within two years of the date of issuance.

Results of Operations

<u>Three months ended December 31, 2020</u>

The net loss for the three months ended December 31, 2020 ("2021Q2") was $80,303 as compared to a net loss of $145,894 in the comparative quarter of the previous year ("2020Q2"). The decrease in net loss of $65,591 was mainly due to the Company's attempt to preserve cash resulting in lower consulting fees of $Nil (2020Q2 - $22,100) and general and administrative expenses of $7,138 (2020Q2 - $28,625).

The remaining expenses were generally consistent with the prior comparative period for the three months ended December 31, 2020.

Furthermore, the Company's foreign exchange gain of $563 (2020Q2 – loss of $18,235) – difference of $18,798 due to the conversion of foreign transactions and balances in Mexican Pesos to Canadian dollars mainly related to expenditures on the Company's mineral properties.

<u>Six months ended December 31, 2020</u>

The net loss for the six months ended December 31, 2020 ("YTD-2021Q2") was $188,674 as compared to a net loss of $232,873 in the comparative quarter of the previous year ("YTD-2020Q2"). The decrease in net loss of $44,199 was mainly due to the Company's attempt to preserve cash resulting in lower advertising and promotion of $3,559

(YTD-2020Q2 - $11,683), consulting fees of $Nil (YTD-2020Q2 - $52,600) and general and administrative expenses of $21,749 (YTD-2020Q2 - $53,313). In addition, compensation to the current CEO is paid in the form of salaries and wages which also contributed to the decrease in consulting fees.

The decrease is partially offset by professional fees of $72,117 (YTD-2020Q2 – $51,359) mainly as a result of audit fees related to the Company's annual consolidated financial statements for the year ended June 30, 2020.

Furthermore, the Company's foreign exchange loss of $30,437 (YTD-2020Q2 – loss of $10,380) – difference of $20,057 due to the conversion of foreign transactions and balances in Mexican Pesos to Canadian dollars mainly related to expenditures on the Company's mineral properties.

Cash Flows

The cash flows used in operating activities was $201,447 in YTD-2021Q2 compared to $411,460 in YTD-2020Q2.

Cash flows used in investing activities was $Nil in YTD-2021Q2 compared to $5,130 in YTD-2020Q2. The decrease is due to the Company incurring significantly lower exploration and evaluation assets expenditures during the current year to preserve cash.

On April 28, 2020, the Company received $40,000 under the Canada Emergency Business Account ("CEBA"). The loan is non-interest bearing and no principal repayments are required up to December 31, 2022. If the principal balance of $30,000 is repaid by December 31, 2022, then the remaining $10,000 of the principal balance will be forgiven. Any remaining balance after January 1, 2023 will be converted into a 3 year term loan with a fixed interest of 5% per annum, monthly interest-only payments and the outstanding balance must be repaid in full by December 31, 2025.

On September 30, 2020 the Company closed a private placement through the issuance of 4,400,000 units at $0.05 per unit for gross proceeds of $220,000. Each unit consists of one common share and one share purchase warrant. Each full warrant entitles the holder to purchase an additional common share at $0.15 for 24 months from the date of closing of the private placement.

EXPLORATION AND EVALUATION ASSETS

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the six months ended December 31, 2020 are summarized in the tables below:

	Lithium Salars
	$
Acquisition costs	
Balance, June 30, 2020	1,656,217
Acquisition	-
Total, December 31, 2020	1,656,217
Exploration and evaluation costs	
Balance, June 30, 2020	1,981,185
Depreciation	356
Taxes and duties	297,051
Cost recovery	(1,736,062)
Total, December 31, 2020	542,530
Total, December 31, 2020	2,198,747

During the six months ended December 31, 2020, the Company has been successful in challenging the Mexican Mining Authority in the Federal Court of Administrative Justice to reduce its land position significantly focusing on its three primary salar assets and in so doing eliminating the past 3 years of back dated taxes charged by the government to the Company on its total land package. The judgment in favour has resulted in the Company's accounts payable having been decreased by $1,736,062.

For details of the exploration evaluation costs, please see note 5 of the consolidated interim financial statements for the six months ended December 31, 2020.

Lithium-Potassium Salars - Mexico

Acquisition

By agreement dated July 28, 2016 and subsequently amended on April 7, 2017, the Company acquired 100% interest in Mexican lithium, potassium and boron sediments and brine salar assets located in Zacatecas and San Luis Potosi, Mexico, which includes four large concessions containing seven top priority salars namely, Caliguey, La Doncella, Colorada, La Salada, Santa Clara, Saldivar and Chapala. The Company agreed to pay the outstanding mining taxes on the four concessions in the amount of $143,870 (paid) and pay the vender US$210,000 in cash. The Company paid the vender US$20,000 and settled the balance of US$190,000 by issuing 700,505 common shares of the Company during the year ended June 30, 2017.

In addition, the Company paid $44,587 in finder's fee to an unrelated individual who subsequently was elected as director of the Company during the year ended June 30, 2017.

The property is subject to a total of 2.25% NSR in favour of the vendor and the finder, of which 1% in favour to the vendor can be purchased by the Company for US$250,000.

In June 2017, the Company entered into another agreement to acquire a 100% interest in 2 new salars in Mexico. In consideration, the Company issued 444,444 common shares of the Company in August 2017. The Company also agreed to pay the outstanding mining taxes on the two concessions totaling $180,998. The salars are subject to a 2.5% NSR of which the Company has the right to purchase up to 1.5% for $1,500,000.

<u>Additional Staking</u>

In November 2017, the Company completed the staking and filing of mineral claims for nearly 1 million acres of prospective lithium-rich salars in the State of Coahuila, Mexico. Alset has a 100-per-cent interest in these properties and they are free of all royalties. The three project areas are located in the infrastructure rich region of La Laguna, to the east of the city of Torreon and include the Viesca Salar (Yaki 1 - 98,307 hectares), the Mayran Salar (Yaki 2 - 266,422 hectares), and the Los Remedios Salar (Yaki 3 - 36,929 hectares). The new salars are hosted in a classic closed-basin, and formed through the evaporation of a series of paleo-lakes.

These new acquisitions complement the Company's other salars which are also 100-per-cent owned by the Company where strong chemistry and the potential for very good leaching characteristics exists.

Total prospective land package held 100-per-cent by the Company now exceeds one million acres.

Highlights of the New Salars:

- Size: the three salars cover a total of 401,658 hectares, the largest being 266,422 hectares;
- Infrastructure: roads and power up to the salars;
- Setting: salars hosted in an arid, closed-basin; areas under license have an overall north-south strike of some 150 kilometres and an east-west strike of approximately 125 kilometres;
- Brines: history of commercial brine extraction from the Viesca Salar by Sulfatos de Viesca;
- Underexplored: region is underexplored in regard to lithium/potassium potential. Known data is limited to controlled surface sampling by Radius Gold Inc. (Radius Gold Ltd, News Release Dated:12th September 2016), which returned up to 189 ppm lithium at La Viesca salar;

- Hydrogeology: hydrogeological survey carried out at the Viesca salar by Universidad Nacional Autonoma de Mexico;
- Chemistry: historical geochemical analysis documented in peer-reviewed paper; and
- Opportunity: makes Alset a major player in lithium/potassium exploration.

The areas covered by these claims are the Viesca salar (Yaki-1), the Mayran salar (Yaki-2) and the Los Remedios salar (Yaki-3); all of which formed in closed-basin conditions from the evaporation of the ancient, saline Viesca, Mayran and Los Remedios lakes. A hydrogeological survey was carried out on the Viesca salar under the auspices of the Universidad Nacional Autonoma de Mexico. The work is reported in the Journal of Hydrology, 284 (2003), pp 26-43. Water samples were collected from brine production wells, water production wells, and springs in 1998 and analyzed at MSD Environmental Services Limited, Toronto, Canada. Results and procedures of this work are detailed in the paper mentioned above. Samples were analyzed for multi-elements however this work did not include lithium. Groundwater flow cross-sectional modelling was carried out in combination with major ion and trace element chemistry.

The La Laguna Region is at the end of a large closed basin and is characterized by a lower, regional carbonate aquifer. This aquifer is overlain by salars in the low-lying regions that correspond to ancient lakes, and a granular aquifer in the higher portions of the basin. Data from boreholes drilled by Sulfatos de Viesca and modelling reported in the paper mentioned above indicate a maximum thickness of 350 metres for the Viesca salar, which is host to the brines previously extracted by Sulfatos de Viesca. Thickness of the underlying carbonate aquifer is unknown, although geological information from the area indicates that the carbonate aquifer is made up of two cretaceous formations both having an approximate thickness of approximately 500 metres.

Historical Geological Information - Zacatecas-San Luis Potosi Region

According to a 1992 government study prepared by the Mexico's former Mineral Resource Council, (now the Geologic Society of Mexico) on the San Jose de Caliguey salar located within one of the Company's concessions in San Luis Potosi, Mexico. The purpose of the study was to improve efficiency of a common salt (sodium chloride, NaCl) production operation within the salar. The salt production process began with pumping salar brine from a well 20 meters deep to a number of evaporation ponds "where it remains for a number of days (a minimum of 90 days) to evaporate the water through the sun's energy. This concentrates and crystallizes the sodium chlorides and sulfates and, to a lesser extent, potassium. They are harvested as a solid and separated into first, second, and third quality, depending on how pure they are".

As part of the study, the Resource Council collected a number of samples, both sediments, and liquid from facility evaporation ponds and the surface lagoon adjacent to the operation and sent for salt and lithium (Li) analyses, the results showed that the salar at Caliguey contained high levels of lithium and potassium. A number of holes (5) were subsequently drilled at Caliguey. Sampling was carried out and the presence of lithium and potassium were noted, however no quality control or quality assurance was carried out and sample contamination was suspected. These holes did not intersect basement. Depths for the holes ranged from 34 to 60 metres.

Work Program

In early 2018, the Company engaged SRK Consulting to carry a Mineral Resource Estimate (MRE) and a 43-101 compliant technical report for three of the Company's salars. These are La Salada, Caliguey and Santa Clara and to provide recommendations for further work required to perform MREs on the Company's other salars in Zacatecas and San Luis Potosi, Mexico.

During the previous quarter the Company commenced further geochemical, metallurgical and mineralogical testing of the sediment samples recovered in 2017 to better support geochemical modelling for the MRE and to test for recovery of potassium, lithium, boron and other minerals of interest. The Company intends in due course to following the completion of the MRE report with ground geophysical surveys, drill permitting and drilling to test for brine at depth in the Zacatecas and San Luis Potosi, Mexico projects.

La Salada Drilling Results - 2017

At the La Salada salar, two diamond drill holes were intended to determine depth to bedrock and to evaluate the geology of the salar infill material. However, due to slow drilling and poor recovery the first hole ended at a depth of 53.15 metres (m) in limestone. The second drill hole was postponed until more productive and efficient drilling equipment is available. Upon completion of drilling, a perforated PVC casing was placed throughout the entire length of the hole in order to monitor and sample brine horizons intersected during drilling. The conductivity of the water measured high on site, which may indicate the presence of brine.

Forty auger holes were also completed at La Salada; both near surface brine samples and extensive sediment samples were recovered. Auger holes ranged from 4.5 to 26.0 metres and averaged 14.4 metres in depth, they were completed on a 150-200 metre grid covering the entire salar for a total area of some 1,800 metres by 900 metres.

The brine results showed high potassium, high sulphate, low calcium, low magnesium and low lithium.

However, in contrast the composite sediment samples which were taken along 1.0 to 3.0m intervals in the deep hole, and along 1.5 metre intervals in the auger holes showed relatively high lithium and high potassium values. Assays returned significant lithium and potassium values. Lithium results ranged from 79 to 1,860 ppm, with a weighted average of 724 ppm, potassium ranged from 1.5% to 6.45% with a weighted average of 3.73% (Table 1).

Table 1: Summary of ‘Sediment Data by Drill Hole

			Max			**Weighted Averages**		
Hole ID	**Location**	**Depth (m)**	**K (%)**	**Li (ppm)**	**B (ppm)**	**K (%)**	**Li (ppm)**	**B (ppm)**
LS17-AG005	south	15.6	3.76	1,840	790	3.01	1,633	630
LS17-AG013	south	21.0	6.32	1,860	638	3.75	895	428
LS17-AG019	centre	24.0	5.68	1,530	849	3.42	932	568
LS17-AG028	north	11.5	5.21	1,270	823	3.87	629	440
LS17-AG034	north	8.0	6.11	1,020	984	4.29	528	666
ALL AUGER HOLES		14.4 (avg)				3.58	975	535
LS17-TT01	north	51.4	6.45	790	574	4.05	196	249
ALL SAMPLES			6.45	1,860	984	3.73	724	443

Near surface brine samples were collected from 38 of the auger holes. These results returned high potassium and high sulphate values. For the brine samples, potassium peaked at 27,300 mg/L with an average of 12,718 mg/L, sulphate peaked at 40,000 mg/L with an average of 16,594 mg/L. These results are shown in Table 3. These results indicate that further work, to identify potential brines and aquifers at depth, depth to bedrock, brine volumes and recharge rates, is warranted.

Table 3: Summary of Brine Results

Hole ID	Sample ID	Potassium (mg/L)	Sulphate (mg/L)	Boron (mg/L)	Lithium (mg/L)	Calcium (mg/L)	Magnesium (mg/L)
LS17-AG002	547	3,540	2,800	46.5	3	65.7	62.9
LS17-AG003	544	575	1,300	23.2	2	49.4	45.9
LS17-AG004	549	7,000	10,000	134	4	15.6	12.6
LS17-AG005	504	7,750	9,200	156	4	21.7	22.1
LS17-AG006	505	3,970	4,600	83.0	2	19.8	19.4
LS17-AG008	543	683	490	19.4	7	395.0	266.0
LS17-AG009	523	2,940	3,100	55.7	2	16.8	8.2
LS17-AG010	517	3,530	3,200	61.5	3	79.0	18.2
LS17-AG011	516	4,970	3,000	64.4	3	3.9	3.6
LS17-AG012	508	4,900	3,800	82.3	3	3.6	4.2
LS17-AG014	522	12,500	18,000	249	4	3.1	2.0
LS17-AG016	518	17,800	18,000	284	8	7.6	10.0
LS17-AG017	519	22,000	23,000	377	11	12.8	10.0
LS17-AG018	521	23,800	31,000	465	13	68.7	97.0
LS17-AG020	520	18,700	16,000	285	12	60.1	89.2
LS17-AG021	542	2,080	3,800	78.3	<1	39.2	42.8
LS17-AG022	525	8,830	8,100	135	6	4.4	1.6
LS17-AG024	541	711	610	12.2	1	20.9	30.9
LS17-AG025	550	16,900	30,000	431	14	441.0	213.0
LS17-AG026	528	23,100	36,000	497	13	7.7	3.6
LS17-AG027	527	14,200	17,000	296	11	9.7	2.2
LS17-AG028	513	8,860	09,800	145	6	22.3	9.8
LS17-AG029	530	22,500	3,6000	544	16	4.7	5.2
LS17-AG030	531	24,000	31,000	431	13	20.9	16.0
LS17-AG031	532	22,800	34,000	515	20	30.8	17.6
LS17-AG032	540	4,820	4,300	28.9	2	10.4	5.3
LS17-AG034	511	27,300	40,000	677	22	3.4	1.1
LS17-AG035	534	21,500	27,000	410	15	18.8	9.3
LS17-AG036	539	7,010	7,900	96.8	3	49.6	21.6
LS17-AG037	535	21,700	34,000	524	16	217.0	44.2
LS17-AG038	537	22,800	33,000	565	21	19.7	8.0

LS17-AG039	536	23,200	31,000	481	16	85.8	52.2
	Max	**27,300**	**40,000**	**677**	**22**	**441.0**	**266.0**
	Average	**12,718**	**16,594**	**258**	**9**	**57.2**	**36.1**

Analytical Work - 2017

The drilling program and associated analytical work was designed to better understand the geochemistry and deportment of lithium and other minerals in subsurface sediments and the depth and chemistry of potential brine in the La Salada salar. With the new brine discovery, La Salada has the potential to become both a brine and sediments resource. Results from this program will allow the Company to determine the best way to move forward in evaluating the potential of this salar.

The sediments collected during the auger program will be used for scoping metallurgical testing, including geochemistry, mineralogy and leach testing. The first stage of analytical work includes head-grade geochemical analysis of sediments from selected auger holes. Composite samples will then be generated based on geochemical results and lithology, and used for mineralogical characterization and leaching tests. The first phase of analytical work will add confidence to previous leaching tests that demonstrated 86% recovery of lithium from La Salada sediments using a week acid leach; and allow the Company to move forward with more detailed metallurgical testing on the remaining sediments recovered from the auger program.

Of the 13 salars sampled, 9 had average lithium grades exceeding 200ppm, with 4 salars averaging lithium grades of around 400ppm and higher (Table 4). Santa Clara, the largest salar, had an average lithium grade of 392ppm with a high of 890ppm. At Chapala salar, lithium grades reached a high of 530ppm with an average of 416ppm. Hernandez salar returned a high of 670ppm and average of 556ppm. The highest maximum and average lithium grades came from the Caliguey salar with a high of 1820ppm and an average of 769ppm.

Sampling also returned encouraging results for potassium (K). The average potassium grade for all 13 salars range from 1.20% to 3.38% K, with 9 of the salars exceeding an average grade of 2.00% K. At Caliguey, Santa Clara and El Salitral the average grade exceeded 3.38% K. Caliguey returned a maximum grade of 5.29% K, with an average grade of 3.38% K. Santa Clara, returned a maximum grade of 4.60% K. El Salitral returned a maximum grade of 4.28% K and an average grade of 3.78% K.

Table 4: Summary of Sediments Data

Salar	**No. of Samples**	**Li (ppm)**			**K (%)**		
		Avg	**Min**	**Max**	**Avg**	**Min**	**Max**
Caliguey	36	769	210	1,820	3.38	1.73	5.29
Santa Clara	59	392	70	890	3.55	1.69	4.60
Colorada	30	234	80	310	2.34	1.80	2.73
Saldivar	28	139	80	200	2.22	1.83	2.67
Hernandez	5	556	440	670	1.62	1.46	2.02
Chapala	7	416	190	530	1.20	0.59	1.65
El Salitral	5	284	150	590	3.78	3.33	4.28

La Prietta	1	250	-	-		2.56	-	-
Las Casas	5	234	190	260		2.51	2.22	3.47
El Agrito	5	224	120	320		2.79	2.54	3.27
El Cristalillo	2	160	130	190		2.00	1.50	2.50
La Doncella	1	130	-	-		1.68	-	-
Laguna Larga	2	75	70	80		1.93	1.88	1.97

It is important to note that these samples were taken using a coarse grid, for example, at Santa Clara 59 samples were taken on a 500-metre grid. The reconnaissance auger sampling program was designed to obtain a series of near-surface samples from all of the salars to help with prioritizing future exploration.

Sediment samples were collected using a hand-held motorized auger or a hammer and hollow-tube sampling method. Material recovered from the top portion of each hole was discarded and composite samples were collected from the 0.5m down to a maximum of 1.0m using the auger, and from 0.3 or 0.4 down to 0.7m in the case of the tube sampler. Reconnaissance-scale grids were completed at the Caliguey, Santa Clara, Colorada and Saldivar salars (Table 5). Due to flooding, only a small portion of the planned grid was completed at Chapala. 1 to 5 samples were collected from the other salars (Table 4).

Based on the results of this program, follow up work will include acid leach testing for lithium and potassium liberation. Further drilling and sampling to investigate the lithium and potassium potential of the sediments at depth and to test for brines will also be planned for a number of the salars.

Table 5: Sample Grid Sizes

Salar	Grid Size (m)	No. of Samples
Caliguey	200 x 400	36
Santa Clara	500 x 500	59
Colorada	200 x 200	30
Saldivar	200 x 200	28
Chapala	400 x 400	7

Emily Hanson, PGeo, Vice-President of Exploration, is the qualified person who has prepared, supervised and approved the preparation of the scientific and technical disclosure as above.

December 2019 - SRK and the Maiden Resource Estimate

Salar	Mineral Resource Category	Tonnes (Mt)	K (%)	Li (ppm)
La Salada	Inferred	20	4.1	880
Santa Clara		85	4.8	264
Caliguey		15	4.3	373
Total		**120**	**4.6**	**380**

La Salada Mineral Resource Statement

Domain	Tonnes (Mt)	K (%)	Li (ppm)
Potassium	11	5.3	518
High-Lithium	7	2.5	1,488
Low-Lithium	2	2.3	782
Total	**20**	**4.1**	**880**

SRK has produced the maiden Mineral Resource estimates for the La Salada, Santa Clara, and Caliguey salar sediment deposits. The resulting Mineral Resource statement delineated 120 Mt of Inferred Mineral Resources grading 4.6% potassium and 380 ppm lithium. SRK considers the material delineated to demonstrate 'reasonable prospects for eventual economic extraction' through the use of an economic analysis based on preliminary testwork undertaken to date along with operating costs from an analogous project and optimistic selling prices.

A large exploration potential exists within the OrganiMax claim areas, at the three principal salars at depth (and extending to the edge of the known salar areas). Sampling of water within drill holes has shown potential for a potassium-brine project, but this is yet to be tested through systematic exploration.

SRK considers the processability of the sediment material is the biggest challenge of these deposits and so further testwork is required, particularly to understand potassium extraction. Further verification of Litio Mex sampling in addition to infill and extensional sampling (particularly at depth) is required in order to upgrade the Mineral Resources to Indicated and/or Measured categories.

1. Mr. Martin Pittuck, CEng, MIMMM, FGS, is responsible for this Mineral Resource statement and is an "independent qualified person" as such term is defined in NI 43-101.
2. Mineral Resource is reported above breakeven value of USD 37/t; estimated using potassium and lithium grades, recoveries, operating costs and selling prices on a block-by-block basis.
3. Mineral Resource is considered to have reasonable prospects for eventual economic extraction by open pit surface mining.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. The statement uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
6. Effective date of 17 December 2018.
7. MRE is reported on 100% basis.
8. Tonnes are reported as dry and in metric units.

SUMMARY OF QUARTERLY RESULTS

Three Month Period Ending	Net Earnings / (Loss)	Net Earnings / (Loss) per Share Basic and Diluted [1] [2]
	$	$
December 31, 2020	(80,303)	(0.00)
September 30, 2020	(108,371)	(0.01)
June 30, 2020	(102,846)	(0.01)
March 31, 2020	198,964	0.01
December 31, 2019	(145,894)	(0.01)
September 30, 2019	(86,979)	(0.01)
June 30, 2019	(350,491)	(0.04)
March 31, 2019	(80,125)	(0.01)

1. Basic per share calculations are made using the weighted-average number of shares outstanding during the period.

2. Earnings (loss) per share on a diluted basis is the same as the basic calculation per share as all factors are anti-dilutive.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities and loan payable.

The Company's financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk, currency risk and market risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company's cash are held through a large Canadian financial institution. Management believes the risk of loss to be remote.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In management's opinion, the Company is not exposed to significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. At December 31, 2020, the Company had cash on hand of $82,344 (June 30, 2020 - $63,791) available to settle current liabilities of $151,426 (June 30, 2020 - $1,606,112). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Currency risk

The Company's functional currency is the Canadian dollar. The Company is primarily exposed to currency fluctuations related to accounts payable and accrued liabilities and payment obligations for exploration and evaluation that are denominated in Mexican Pesos. As at December 31, 2020, the Company had net current liabilities of $29,077 (June 30, 2020 – net current liabilities of $1,452,864) denominated in Mexican Pesos which was translated at 0.06404 pesos to $1 (June 30, 2020 - 0.05905). The Company does not actively manage this risk.

(e) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. In management's opinion, the Company is not exposed to significant market risk

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2020, the Company has a net working capital deficiency of $38,706 (June 30, 2020 – $1,509,855), cash on hand of $82,344 (June 30, 2020 - $63,791), and a deficit of $11,711,725 (June 30, 2020 - $11,523,051).

The Company's consolidated interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and/or generate continued financial support in the form of equity financings. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. Management feels that sufficient working capital will be obtained from public share offerings to meet the Company's liabilities and commitments as they come due. The consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

The recovery of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain adequate financing to complete development, and upon future profitable operations from the properties or proceeds from the dispositions thereof.

The Company currently has no operations that generate cash flow and its long-term financial success is contingent upon management's ability to locate economically recoverable resources. This process can take many years to complete, cannot be guaranteed of success, and is also subject to factors beyond the control of management. Factors such as commodity prices, the health of the equity markets and the track record and experience of management all impact the Company's ability to raise funds to complete exploration and development programs.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are as follows:

i. To safeguard the Company's ability to continue as a going concern;
ii. To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
iii. To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short-term working capital requirements, and its planned exploration and development program expenditure requirement. The capital structure of the Company is composed of working capital (deficiency) and shareholders' equity. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements for the six months ended December 31, 2020 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the date of the statement of financial position that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. the recoverability of amounts receivable which are included in the consolidated statements of financial position;
ii. the carrying amount and recoverability of exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available; and
iii. the Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available
iv. management uses valuation techniques in measuring the fair value of share options granted.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage;
- Going concern assumption; and
- Deferred income taxes.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not participated in any off-balance sheet or income statement arrangements.

RELATED PARTY TRANSACTIONS

For details, please refer to note 8 of the condensed consolidated interim financial statements for the six months ended December 31, 2020.

RISKS AND UNCERTAINTIES

Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally incidental to exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards, such a unusual or unexpected formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its 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 its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The 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.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any copper, nickel, gold, platinum or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Company's control. The effect of these factors cannot accurately be predicted.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Financing Risks

The Company has limited financial resources and no current revenues. There is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required carrying on with activities which it is currently conducting under applicable laws and regulations and the Company believes it is presently complying in all material respects with the terms of such laws and regulations. However, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

Environmental Regulations

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploration and mining operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies 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, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Coronavirus Global Pandemic Risk

In March 2020, the World Health Organization declared a global pandemic related to the virus known as Covid-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant declines in the equity markets, and the movement of people and goods has become restricted.

As the Company does not have production activities, the ability to fund ongoing exploration is affected by the availability of financing. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding.

The impact of these factors on the Company is not yet determinable; however, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods.

MANAGEMENT

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. Any key person insurance which the Company may have on these individuals may not adequately compensate for the loss of the value of their services. Changes in management since the beginning of the period are summarized as follows:

Current directors:	Timothy Mosey	Director	Appointed August 22, 2018
	Clive Massey	Director	Appointed February 1, 2021
	Brandon Rook	Director	Appointed April 15, 2019
Current officers:	Brandon Rook	CEO	Appointed April 15, 2019
	Dong H. Shim	CFO	Appointed April 25, 2018

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

LATEST OUTSTANDING SHARE DATA

Authorized:

Class A common - unlimited
Class B common - unlimited
Common shares - unlimited

Issued:

Class A common - nil
Class B common – nil
Common shares – 23,084,785 shares

Effective May 6, 2019, the Company completed a share consolidation on the basis of 3 pre-consolidation common shares for 1 post-consolidation common share. This report has been retrospectively adjusted to reflect this consolidation.

Common shares - The Company has the following common shares issued and outstanding:

Common Shares	Number of Shares
Balance, December 31, 2020	23,084,785
Balance, as at the date of this report	23,084,785

Options outstanding and exercisable at date of this report, post share consolidation, are as follows:

Expiry Date	Exercise Price		Number of Options
April 21, 2021	$	0.63	25,000
July 27, 2021	$	3.51	11,111
December 12, 2021	$	1.17	33,333
May 10, 2022	$	1.35	55,555
February 10, 2026	$	0.20	2,150,000
Balance, date of this report			2,274,999

Warrants outstanding at date of this report, post share consolidation, are as follows:

Expiry Date	Number of Warrants	Exercise Price	
April 13, 2021	1,378,361	$	0.450
April 13, 2021	233,440	$	0.360
August 21, 2021	9,260,000	$	0.075
September 30, 2022	4,400,000	$	0.150
Balance, date of this report	15,271,801		