

**FORM 51-102F1  
MANAGEMENT DISCUSSION AND ANALYSIS  
FIRST POTASH CORP.**

**FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2021 AND MAY 31, 2020**

This Management's Discussion and Analysis ("MD&A") covers the financial statements of First Potash Corp. (the "Company") for the three-month period ended May 31, 2021 and for the comparable period ended May 31, 2020. This MD&A should be read in conjunction with the audited annual financial statements and notes thereto for the years ended February 28, 2021 and February 29, 2020 (the "Annual Financial Statements"). The information contained in this report is current to August 13, 2021 and has been approved by the Company's board.

The following interim MD&A of the Company for the three months ended May 31, 2021 has been prepared to provide material updates to the business operations, liquidity, and capital resources of the Company since its last annual MD&A for the fiscal year ended February 28, 2021 ("Annual MD&A").

This interim MD&A has been prepared in compliance with section 2.2 of Form 51-102F1, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended February 28, 2021 and February 29, 2020, together with the notes thereto, and unaudited interim financial statements for the three months ended May 31, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in the interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the Financial Statements and MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and MD&A and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.

Additional information related to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**FORWARD LOOKING STATEMENTS**

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial

performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

## **DESCRIPTION OF BUSINESS AND OVERVIEW**

On January 12, 2021, the Company announced that Lorilee Kozuska, Mark Oberg and Daniel Knol were appointed as directors of the Company; Ronald Richman resigned as a director; and Lorilee Kozuska was appointed to the offices of President, Chief Executive Officer, Chief Financial Officer and Secretary of the Company.

The Company announced that pursuant to its application to the Executive Director of the British Columbia Securities Commission (the "BCSC") for a partial revocation of the order issued by the BCSC dated July 17, 2013 (the "BC CTO"), and its application to the Executive Director of the Alberta Securities Commission (the "ASC") to vary a cease trade order issued by the ASC on October 16, 2013 (the "AB CTO"), on December 16, 2020, the BCSC issued a partial revocation order (the "Partial Revocation Order") of the BC CTO and the ASC issued a variation order (the "Variation Order") varying the AB CTO. The Partial Revocation Order and the Variation Order are solely for the purpose of permitting the Corporation to: (a) enter into a loan agreement (the "Loan Agreement") to borrow \$10,000 (the "Loan"), with the proceeds to be used to pay expenses for the revival of the Corporation and the expenses in connection with the Partial Revocation Order and Variation Order/ (b) to convert the Loan into units as set forth below; and (c) distribute: (i) up to 90,294,822 common shares of the Corporation, at a subscription price of \$0.000161 per common share; and (ii) up to 85,988,419 common shares of the Corporation, at a subscription price of \$0.000645 per common share (the "Offering").

The Loan Agreement has been entered into with Loomac Management Ltd. ("Loomac"). Pursuant to the terms of the Loan Agreement, the Loan has been converted into 62,111,801 units of the Company at a price of \$0.000161 per unit. Each unit consists of one common share and one common share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one additional common share at an exercise price of \$0.000645 per share for a period of 60 months from the date of issue. The common shares, the Warrants, and the common shares issuable upon exercise of the Warrants are subject to a statutory four-month holder period and the BC CTO and the AB CTO.

As part of the Offering, the Company issued to Loomac 14,091,510 common shares at a price of \$0.000161 per share for a total amount of \$2,269 and 27,490,341 common shares at a price of \$0.000645 per share, for a total of \$17,731. The common shares are subject to a statutory four month hold period and the BC CTO and the AB CTO.

On January 22, 2021, the Company announced the issuance of the final tranche of the Offering of common shares, for a total of 76,203,312 common shares at a price of \$0.000161 per share for a total amount of \$12,269 and 58,498,078 common shares at a price of \$0.000645 per share, for a total of \$37,731.

For the year ended February 28, 2021, the Company's primary business activity is investigating business opportunities to pursue with a view to potentially acquire them or an interest therein.

The Company announced that on March 26, 2021, the Alberta Securities Commission and British Columbia Securities Commission each issued an order revoking their previously issued cease trade orders in respect of the securities of the Corporation.

On May 13, 2021, pursuant to a private agreement, Loomac Management Ltd. disposed of 103,693,652 common shares and 62,111,801 common share purchase warrants of the Company at a price of \$0.00675 per common share aggregating in total \$70,000 and for no additional consideration for the warrants.

As a result of the above transactions, Loomac Management Ltd. no longer owns any securities of the Issuer.

On May 13, 2021, ExpoWorld Ltd. acquired, pursuant to a private agreement, beneficial ownership and control of 51,846,826 common shares of the Company at a price of \$0.000675 per share and 31,055,901 common share purchase warrants ("warrants") for no additional consideration. As a result of the above transaction, ExpoWorld Ltd. now beneficially owns and controls a total of 119,197,521 common shares which represents 39.8178% of the issued common shares of the Company, and beneficially owns and controls 31,055,901 warrants. If ExpoWorld Ltd. exercises all of the Warrants, it would beneficially own 150,253,422 common shares of the Company, which would represent approximately 45.47% of the issued common shares of the Company on a fully diluted basis. ExpoWorld Ltd. owned and controlled 67,350,695 common shares of the Company prior to the acquisition referred to above.

On May 13, 2021, 1254450 Ontario Limited acquired, pursuant to a private agreement, beneficial ownership and control of 38,885,120 common shares of the Company at a price of \$0.000675 per share and 10,000,000 warrants for no additional consideration. As a result of the above transaction, 1254450 Ontario Limited now beneficially owns and controls a total of 76,986,776 common shares which represents 25.7173% of the issued common shares of the Company, and beneficially owns and controls 10,000,000 warrants. If 1254450 Ontario Limited exercises all of the Warrants, it would beneficially own 86,986,776 common shares of the Company, which would represent approximately 26.3266% of the issued common shares of the Company on a fully diluted basis. 1254450 Ontario Limited owned and controlled 38,101,656 common shares Company prior to the acquisition referred to above.

On May 13, 2021, 582284 Ontario Limited acquired, pursuant to a private agreement, beneficial ownership and control of 12,961,706 common shares of the Company at a price of \$0.000675 per share and 21,055,900 warrants for no additional consideration. As a result of the above

transaction, 582284 Ontario Limited now beneficially owns and controls a total of 42,210,745 common shares which represents 14.1004% of the issued common shares of the Company, and beneficially owns and controls 21,055,900 warrants. If 582284 Ontario Limited exercises all of the warrants, it would beneficially own 63,266,645 common shares of the Company, which would represent approximately 21.1341% of the issued common shares of the Company on a fully diluted basis. 582284 Ontario Limited owned and controlled 29,249,039 common shares of the Company prior to the acquisition referred to above.

On July 12, 2021, the Company announced that at the Annual General Meeting of Shareholders of the Corporation on June 25, 2021, a new Board of Directors was appointed. The Board now consists of Bennett Kurtz, John Passalacqua and Marc Branson. In addition, Lorilee Kozuska resigned and thereafter Bennett Kurtz was appointed as the President, Chief Executive Officer, Chief Financial Officer and Secretary of the Corporation.

## **PERFORMANCE SUMMARY**

The Company is seeking a corporate transaction which will increase shareholder value. There is no timeline for any such transaction.

## **RESULTS OF OPERATIONS**

### **For the three months ended May 31, 2021**

The following analysis of the Company's operating results in the three months ended May 31, 2021, includes a comparison against the previously completed three months ended May 31, 2020.

#### **Revenue:**

The company has no revenue, as there are no active business operations.

#### **Expenses:**

**Accounting fees** for the three months ended May 31, 2021 were \$8,125 compared to \$nil for the three months ended May 31, 2020. The increase in costs is reflective of preparation of financials for annual and interim audits.

**Audit fees** for the three months ended May 31, 2021 were \$785 compared to \$nil for the three months ended May 31, 2020. The increase in costs is reflective of additional fees for the annual audit.

**Legal fees** for the three months ended May 31, 2021 were \$5,303 compared to \$nil for the three months ended May 31, 2020. The increase in costs is reflective of the fees to continue the revival and filings of the Company.

**Regulatory filing fees** for the three months ended May 31, 2021 were \$2,809 compared to \$nil for the three months ended May 31, 2020. The increase in costs is reflective of the filing fees to continue the revival of the Company.

**Loss for the period**

The net loss for the three months ended May 31, 2021 was \$17,022 as compared to \$nil, for the three months ended May 31, 2020. This represents an increase of net loss of \$17,022 and is primarily due to the items discussed above.

**SELECTED ANNUAL INFORMATION**

	Year ended Feb. 28/21	Year ended Feb. 29/20	Year ended Feb. 28/19
Gain (loss) from other items	\$ -	\$ -	\$ -
Net loss	\$ 65,661	\$ 16,250	\$ 6,250
Basic & diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)
Total assets	\$ 26,181	\$ -	\$ -

**SUMMARY OF QUARTERLY RESULTS**

The following quarterly financial data is derived from the annual audited financial statements of First Potash Corp. for the three-month periods ended on the dates indicated below. The information should be read in conjunction with the Company's annual audited financial statements and the accompanying notes thereto.

	May 31/21	Feb. 28/21	Nov. 30/20	Aug 31/20
Total assets	\$ 1,950	\$ 26,181	\$ -	\$ -
Working capital (deficiency)	(25,183)	(8,161)	(22,500)	(22,500)
Shareholders' equity	(25,183)	(8,161)	(22,500)	(22,500)
Net loss	(17,022)	(65,661)	-	-
Loss per share	\$0.000	\$0.000	\$0.000	\$0.000

	May 31/20	Feb. 29/20	Nov. 30/19	Aug 31/19
Total assets	\$ -	\$ -	\$ -	\$ -
Working capital (deficiency)	(22,500)	(22,500)	(6,250)	(6,250)
Shareholders' equity	(22,500)	(16,250)	(6,250)	(6,250)
Net loss (income)	-	(16,250)	-	-
Loss (earnings) per share	\$0.000	\$0.000	\$0.000	\$0.000

## LIQUIDITY AND CAPITAL RESOURCES

	February 28, 2021	February 29, 2020	February 28, 2019
Working capital (deficiency)	\$ (8,161)	\$ (22,500)	\$ (6,250)
Deficit	(10,402,325)	(10,336,664)	(10,320,414)

The Company's financial instruments consist of accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The Company is not exposed to significant interest, currency, or credit risk arising from financial instruments.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing. If the Company is not successful in raising sufficient capital, the Company may have to curtail or otherwise limit its operations. From time to time the Company works to raise additional capital through private placements or other equity financing. See "Risk Factors" of this MD&A.

As of May 31, 2021, the Company has cash in trust of \$1,950 and \$27,133 in current liabilities. The Company intends to raise capital by future financings. However, current market conditions make it difficult to raise funds by private placements of shares. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. These factors all cast doubt about the liquidity of the Company and its ability to continue as a going concern.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

## PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the Company.

## CAPITAL STOCK

The authorized capital stock of the company is an unlimited number of common shares and an unlimited number of preferred shares issuable in series. As at August 13, 2021, the Company had 299,357,691 common shares outstanding with a paid-up capital of \$8,927,636 and as at May 31, 2021 and February 28, 2021, the Company had 299,357,691 common shares outstanding with a paid-up capital of \$8,927,636.

## **Options**

As at August 13, 2021 and May 31, 2021, the Company had 2,325,000 options outstanding and exercisable. During the year ended February 28, 2021, the Company had 1,248,800 stock options expire and during the year ended February 29, 2020, the Company did not have any stock option activity.

At May 31, 2021 the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining Contractual Life (years)	Expiry Date
2,125,000	2,125,000	0.15	0.31	September 22, 2021
200,000	200,000	0.07	0.84	April 1, 2022
2,325,000	2,325,000	0.14		

The weighted average contract life remaining on the above stock options is 0.36 years.

## **Warrants**

The Company issued and has outstanding, 62,111,801 purchase warrants as at August 13, 2021, May 31, 2021 and as at or during the year ended February 28, 2021. The Company did not have any warrant activity or outstanding share purchase warrants as at or during the year ended February 29, 2020.

The following is a summary of warrants outstanding as at May 31, 2021:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Outstanding at August 13, 2021, May 31, 2021 and February 28, 2021	62,111,801	\$0.000645	January 8, 2026

## **RELATED PARTY TRANSACTIONS**

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

### **Key management personnel**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's

Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	<b>For the three months ended</b>	
	<b>May 31, 2021</b>	<b>May 31, 2020</b>
Consulting and professional fees	\$ 3,250	\$ -
Directors fees	-	-
	<u>\$ 3,250</u>	<u>\$ -</u>

### **Other related parties**

As at May 31, 2021, \$3,250 (February 28, 2021, \$20,000) was included in accounts payable as due to the CEO/CFO of the Company.

### **FINANCIAL INSTRUMENTS**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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.

The fair value of the Company's cash in trust, accounts payable and accrued liabilities, approximate carrying value, which is the amount payable on the statement of financial position. The Company's other financial instrument, cash, is measured at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

#### *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company as of May 31, 2021, has cash in trust of \$1,950 and has \$27,133 in current liabilities. The Company intends to raise capital by future financings; however, the low price of the Company's common shares and current market conditions may make it difficult to raise funds by private placements of shares.



### *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 equity prices.

a) 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.

The risk that the Company will realize a loss as a result of a decline in the fair value of its financial instruments is low, as the Company has no short-term investments.

b) Foreign currency risk

As at May 31, 2021, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

## **RISK FACTORS**

### **Financing**

The Company does not currently have any operations generating cash. The Company is therefore dependent upon debt and equity financing to carry out its plans. There can be no assurance that such financing will be available to the Company.