HOLLE POTASH CORP.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2011 and OCTOBER 31, 2010

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Management's Responsibility

To the Shareholders of Holle Potash Corp. (the "**Corporation**"):

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the Management Discussions and Analysis (MD&A) is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors (‘Board”) is composed of Directors who may be neither a member of management nor an employee of the Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving financial information. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Corporation's external auditors.

MNP, sencrl, srl, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to meet periodically and separately with, both the Board and management to discuss their audit findings.

September 19, 2012

_____/s/ `Joël Gerbore'____________________
Joël Gerbore
President and CEO

MNP SENCRL srl / LLP

Independent Auditors' Report

To the Shareholders of Holle Potash Corp.:

We have audited the accompanying consolidated financial statements of Holle Potash Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2011 and October 31, 2010, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the 14 months ended December 31, 2011 and the 12 months ended October 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Holle Potash Corp. and its subsidiaries as at December 31, 2011 and October 31, 2010, and their financial performance and their cash flows for the 14 months ended December 31, 2011 and the 12 months ended October 31, 2010 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the uncertainty relating to the events and conditions that may cast significant doubt on the Company's ability to continue as a going concern.

[1]

Montréal, Québec
September 19, 2012

[1] CPA auditor, CA permit No. A113534

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HOLLE POTASH CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	December 31, 2011	October 31, 2010
ASSETS		
CURRENT		
Cash	$ 1,004,684	$ 13,937
Sundry receivables (Note 6)	259,816	4,486
Prepaid expenses	882,548	- - -
	2,147,048	18,423
PROPERTY, PLANT AND EQUIPMENT, net of depreciation (Note 7)	1,005,914	- - -
LONG TERM DEPOSITS	98,145	- - -
EXPLORATION AND EVALUATION ASSETS (Note 8 and 9)	4,933,969	3,543,928
TOTAL ASSETS	$ 8,185,076	$ 3,562,351
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 10)	$ 362,926	$ 2,080,970
Convertible debentures (Note 11)	475,250	- - -
	838,176	2,080,970
CONVERTIBLE DEBENTURES (Note 11)	- - -	149,042
TOTAL LIABILITIES	838,176	2,230,012
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 12)		
Issued and Outstanding – 112,997,985 (2010 - 70,216,773)	10,064,917	2,620,639
CONTRIBUTED SURPLUS (Note 13)	2,686,033	292,267
ACCUMULATED OTHER COMPREHENSIVE LOSS	(124,079)	- - -
ACCUMULATED DEFICIT	(5,279,971)	(1,580,567)
TOTAL SHAREHOLDERS' EQUITY	7,346,900	1,332,339
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 8,185,076	$ 3,562,351

Nature of Organization (Note 1)
Commitments (Note 18)
Contingencies (Note 19)
Subsequent Events (Note 22)

APPROVED ON BEHALF OF THE BOARD:

/s/ "*Joël Gerbore*"
Joël Gerbore, Director

/s/ "*Christian Okouna*"
Christian Okouna, Director

HOLLE POTASH CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Number of Capital Stock	Amount of Capital Stock	Contributed Surplus (Note 13)	Cumulative Translation Adjustment	Accumulated Deficit	Total Shareholders' Equity
Balance, November 1, 2009	26,534,956	$ 432,917	$ 75,322	$ - - -	$ (875,834)	$ (367,595)
Issuance of common shares for exploration and evaluation assets	9,545,454	2,386,364	- - -	- - -	- - -	2,386,364
Issuance of common shares for cash	15,909	3,000	- - -	- - -	- - -	3,000
Share based payment expense	46,317,423	87	- - -	- - -	- - -	87
Issuance costs	- - -	(5,064)	- - -	- - -	- - -	(5,064)
Cancellation of common shares	(12,196,969)	(196,665)	196,665	- - -	- - -	- - -
Convertible debentures option reserve	- - -	- - -	20,280	- - -	- - -	20,280
Net loss	- - -	- - -	- - -	- - -	(704,733)	(704,733)
Balance, October 31, 2010	70,216,773	$ 2,620,639	$ 292,267	$ - - -	$ (1,580,567)	$ 1,332,339
Balance, November 1, 2010	70,216,773	$ 2,620,639	$ 292,267	$ - - -	$ (1,580,567)	$ 1,332,339
Issuance of common shares for cash	33,160,000	7,090,924	1,199,076	- - -	- - -	8,290,000
Issuance costs	- - -	(931,949)	- - -	- - -	- - -	(931,949)
Issuance of common shares for services rendered	2,621,212	655,303	- - -	- - -	- - -	655,303
Issuance of common shares for services to be received (Note 12)	2,100,000	630,000	- - -	- - -	- - -	630,000
Issuance of common shares for services to be received and held in escrow (Note 12)	4,900,000	- - -	- - -	- - -	- - -	- - -
Granting of share-based payments	- - -	- - -	1,169,390	- - -	- - -	1,169,390
Convertible debentures option reserve	- - -	- - -	25,300	- - -	- - -	25,300
Translation of functional currency to reporting currency	- - -	- - -	- - -	(124,079)	- - -	(124,079)
Net loss	- - -	- - -	- - -	- - -	(3,699,404)	(3,699,404)
Balance, December 31, 2011	112,997,985	$ 10,064,917	$ 2,686,033	$ (124,079))	$ (5,279,971)	$ 7,346,900

HOLLE POTASH CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the Periods Ended	December 31, 2011	October 31, 2010
	(14 months)	(12 months)
EXPENSES		
Administrative and general expenditures (Note 15)	$ 3,349,688	$ 644,848
Marketing and selling expenditures (Note 16)	256,550	39,498
	3,606,238	684,346
LOSS BEFORE UNDERNOTED	(3,606,238)	(684,346)
Depreciation of property, plant and equipment	(6,105)	- - -
Foreign exchange gain (loss)	24,931	(18,214)
Financing expense	(123,655)	(2,173)
Interest income	11,663	- - -
NET LOSS	$ (3,699,404)	$ (704,733)
OTHER COMPREHENSIVE LOSS		
Translation of functional currency to reporting currency	(124,079)	- - -
Total other comprehensive loss	(124,079)	- - -
COMPREHENSIVE LOSS	$ (3,823,483)	$ (704,733)
NET LOSS PER COMMON SHARE (Note 12)		
Basic	$ (0.04)	$ (0.02)
Diluted	$ (0.04)	$ (0.02)

HOLLE POTASH CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Periods Ended	December 31, 2011	October 31, 2010
	(14 months)	(12 months)
Net loss for the period	$ (3,699,404)	$ (704,733)
Add (deduct):		
Depreciation of property, plant and equipment	6,105	- - -
Share-based payments	997,194	- - -
Non-cash financing expense	118,434	2,075
Share-based payment expense	655,303	87
	(1,922,368)	(702,571)
Change in non-cash working capital items:		
Sundry receivables	(255,743)	2,021
Prepaid expenses	(261,554)	- - -
Long-term deposits	(100,322)	- - -
Accounts payable and accrued liabilities	(1,706,822)	1,705,723
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(4,246,809)	1,005,173
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of convertible debentures	300,000	200,000
Issuance costs related to convertible debentures	(66,926)	(32,753)
Issuance of share capital and exercise of options and warrants	8,290,000	3,000
Issuance costs related to common shares	(931,949)	(5,064)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	7,591,125	165,183
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,050,083)	- - -
Investment in exploration and evaluation assets	(1,258,418)	(1,157,564)
CASH FLOWS USED IN INVESTING ACTIVITIES	(2,308,501)	(1,157,564)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(45,068)	- - -
INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	990,747	12,792
CASH		
Beginning of the period	13,937	1,145
End of the period	$ 1,004,684	$ 13,937

Supplemental Cash Flow Information (Note 5)

1. Nature of Organization

Description of the Business
Holle Potash Corp. (the "**Corporation**") was incorporated by way of amalgamation under the Canadian Business Corporations Act on September 2, 2008. The principal business of the Corporation is the exploration of mineral property within the Republic of Congo ("**ROC**"). The address of the registered office is 375 Boul. Roland-Therrien, Suite 230, Longueuil, Quebec.

These consolidated financial statements of the Corporation were authorized for issue by the board of directors in accordance with a resolution on September 19, 2012

Going Concern
The accompanying consolidated financial statements have been prepared on the basis that the Corporation will continue as a going concern. Accordingly, they do not purport to give effect to adjustments, if any, that may be necessary should the Corporation be unable to continue its operations and therefore be required to realize its assets and discharge its liabilities and commitments in other than the ordinary course of business.

The business of exploration involves a high degree of risk and capital commitment and there can be no assurance that current exploration programs will result in eventual profitable commercial mining operations. The Corporation has no source of revenue, and has significant cash requirements to meet its exploration costs and administrative overhead. This has resulted in the Corporation incurring losses in fiscal 2011 of $3,699,404 (2010 - $704,733) and an accumulated deficit of $5,279,971 (October 31, 2010 - $1,580,567) respectively.

2. Basis of Preparation

Change in Fiscal Year
On July 11, 2011, the Corporation decided to change its fiscal year end to December 31 from October 31, which was approved by the board of directors of the Corporation. Therefore the year ended December 31, 2011 covers a fourteen month period from November 1, 2010 to December 31, 2011

Statement of Compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**").

Basis of Measurement
These consolidated financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention except for certain financial instruments which are measured at amortised cost.

Use of Judgments, Estimates and Assumptions
The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these judgments, estimates and assumptions are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those judgments, estimates and assumptions. Areas where judgments, estimates and assumptions are significant to the consolidated financial statements are disclosed in note 4.

2. Basis of Preparation - continued

Basis of Consolidation
All of the entities (Holle Potash African Holdings Ltd. (British Virgin Island ("BVI")), Holle Potash (ROC) Ltd. (BVI) and Afrimines S.A. (Republic of Congo ("**ROC**"))) are wholly-owned subsidiaries of Holle Potash Corp. The consolidated financial statements have been prepared to represent the activities of all of the above entities.

Functional and Presentation Currency
These consolidated financial statements are presented in Canadian dollars at cost, unless otherwise stated, which is the parent corporation's functional currency as well as the functional currency for Holle Potash African Holdings Ltd. and Holle Potash (ROC) Ltd. The functional currency of Afrimines S.A. ("**Afrimines**") is the Central African CFA Franc ("**CFA**").

3. Summary of Significant Accounting Policies

Cash and cash equivalents
Cash and cash equivalents consist of cash at banks or on hand and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash, as December 31, 2011 and October 31, 2010, there were no restrictions on the Corporation's cash and cash equivalents.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost and are depreciated over their estimated useful lives at the following annual rates:

Buildings	10 - 20% declining balance
Office equipment	10 - 30% declining balance
Office furniture and fixtures	10 - 20% declining balance
Machinery Equipment	30% declining balance

Exploration and Evaluation Assets
The Corporation capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include depreciation of building and equipment related to exploration activities, mineral property acquisition costs and exploration and development expenditures, net of any recoveries, and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statement of comprehensive loss to the extent that they are not expected to be recovered. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Once an economically-viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mining assets under construction within property, plant and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project, net of any impairment provisions, are written off.

3. Summary of Significant Accounting Policies - continued

From time to time the Corporation may acquire or dispose of an exploration property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration property costs and recoveries when the payments are made or received.

Impairment of financial assets
Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in operations. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognised, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognised in operations.

Externally Acquired Intangible Assets
Intangible assets are recognised on business combinations if they are separable from the acquired corporation or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Deferred Financing Costs
Financing costs related to the Corporation's proposed financing are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to operations.

Incremental costs incurred in respect of raising capital are charged against equity or debt proceeds raised. Costs associated with the issuance of common share are charged to capital stock upon the raising of equity. Costs associated with the issuance of debt are amortized using the effective interest method over the life of the debt.

Warrants
The Corporation measures the fair value of warrants issued using the Black-Scholes option pricing model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk-free interest rate. The fair value of warrants issued to agents in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus.

When the Corporation issues units under a private placement comprising common shares and warrants, it follows the fair value method of accounting for these warrants. Under this method, the fair value of warrants issued is estimated using the Black-Scholes option pricing model. The fair value is allocated to warrants from the net proceeds and the balance of the net proceeds is allocated to the common shares issued. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as contributed surplus.

3. Summary of Significant Accounting Policies - continued

Foreign Currency Translation
Foreign currency transactions are translated into the functional currency of each consolidated entity, using the gain and loss from exchange rates prevailing at the dates of the transactions (spot exchange rate). Exchange differences resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in operations. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not re-translated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

On consolidation, Afrimines has been translated into Canadian dollars for presentation purposes as follows: assets and liabilities have been translated at the rate in effect at the Statement of Financial Position date; the statement of comprehensive loss is translated at the average rate for the year. Exchange gain or loss is recorded in equity and recognized as accumulated other comprehensive loss within shareholders' equity. Exchange differences that arise relating to long-term intercompany balances that form part of the net investment in a foreign operation are also recognized in this separate component of equity through other comprehensive loss. On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange differences in other comprehensive loss is recognized within income or loss in the consolidated statement of comprehensive loss.

Current Income Tax
Current tax expense, comprising of current and deferred tax and recognized in the statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity, is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the taxation authorities.

Deferred Taxes
Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Taxes
Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination are made.

Earnings Per Share
Earnings per share is calculated using the weighted average number of common shares outstanding during the period. The treasury stock method of calculating diluted earnings per share is used, which assumes that all outstanding stock options granted with an exercise price below the average market value are exercised during the period. The difference between the number of shares assumed and the number of shares assumed purchased is then included in the denominator of the diluted earnings per share computation. Diluted loss per share has not been recorded for the year as the effect would have been anti-dilutive.

3. Summary of Significant Accounting Policies - continued

Financial Instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

The Corporation classifies its financial assets into one of the categories discussed below depending on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Fair value through profit or loss

Cash and cash equivalents includes cash on hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Corporation will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For sundry receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive loss. On confirmation that the sundry receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Corporation's loans and receivables comprise of sundry receivables in the statement of financial position.

Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value, other than those arising due to exchange rate fluctuations and interest calculated using the effective interest rate, recognised in other comprehensive loss and accumulated in the available-for-sale reserve. Exchange differences on investments denominated in a foreign currency and interest calculated using the effective interest rate method are recognised in profit or loss.

Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive loss, is recognised in operations.

3. Summary of Significant Accounting Policies - continued

Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available-for-sale reserve. On sale, the cumulative gain or loss recognised in other comprehensive loss is reclassified from the available-for-sale reserve to profit or loss.

Financial liabilities
The Corporation classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship, the Corporation's accounting policy for each category is as follows:

Other financial liabilities
Other financial liabilities include the following items:

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Liability components of convertible debentures are measured as described further below.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The following is a summary of the accounting model the Corporation has elected to apply to each of its significant categories of financial instruments outstanding:

Cash	Fair value through profit and loss
Sundry receivables	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Convertible debentures	Other financial liabilities

The Corporation initially measures all its financial instruments at fair value. Subsequent measurement and treatment of any gain or loss is recorded as follows:

(a) Fair values through profit and loss are measured at fair value at the statement of financial position date with any gain or loss recognised immediately in earnings. Interest and dividends earned from held-for-trading are also included in loss for the period.

(b) Other financial liabilities are measured at amortized cost using the effective interest method.

(c) Transaction costs that are directly attributable to the issuance of financial assets or liabilities are accounted for as part of the carrying value at inception, and are recognised over the term of the assets or liabilities using the effective interest method. Any gains or losses are recognised in earnings.

3. Summary of Significant Accounting Policies - continued

Fair Value Hierarchy
The Corporation classifies financial instruments recognised at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value as per IFRS 7 – Financial Instruments: Disclosures. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

> Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
>
> Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
>
> Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Convertible Debentures
The proceeds received on issue of convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the convertible debentures. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debentures option reserve" within the contributed surplus section of the shareholders' equity, net of income tax effects.

Transaction costs that relate to the issue of the convertible debt are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds. Transaction costs that relate jointly to more than one transaction are allocated to those transactions using a basis of allocation that is rational and consistent with similar transactions. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised within operations.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

3. Summary of Significant Accounting Policies - continued

Share-Based Payments
Stock options issued by the Corporation are accounted for in accordance with the fair value based method. The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to earnings on a straight line basis over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to contributed surplus. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The historical forfeiture rate is also factored in to the calculations. When options are exercised, the amount received, together with the amount previously recorded in contributed surplus are added to capital stock.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive loss is charged with the fair value of goods and services received.

When options are exercised, the amount received, together with the amount previously recorded in contributed surplus, is added to capital stock.

Provisions, contingent liabilities and contingent assets
Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted when the time value of money is significant.

Any reimbursement that the Corporation can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities arising from present obligations are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization. Possible inflows of economic benefits to the Corporation that do not yet meet the recognition criteria of an asset are considered contingent assets.

3. Summary of Significant Accounting Policies - continued

The Corporation's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. The Corporation's operations are in compliance with current laws and regulations. Any provisions resulting from mining property restorations would be charged to the cost of the mining properties when it is possible to reasonably estimate the amount.

Impairment of non-financial assets (excluding inventories, investment properties and deferred taxes)
The Corporation's assets are reviewed for indications of impairment at each statement of financial position's date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("**CGUs**").

Impairment charges are included in operations, except to the extent they reverse gains previously recognised in other comprehensive loss. An impairment loss recognised for goodwill is not reversed.

Segment reporting
In accordance with IFRS 8, Operating Segments, it is mandatory for the Corporation to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board of Directors in order to assess each segment's performance. In this regard, the Corporation conducts its business in a single operating segment being the acquisition, exploration and development of exploration properties. All exploration properties are located in the Republic of Congo.

Recent accounting pronouncements
Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("**IFRIC**") that are mandatory for accounting periods beginning on or after January 1, 2011. The standards impacted that are applicable to the Corporation are as follows:

(i) IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, recognition of financial instruments, impairment and hedge accounting. The Corporation is currently assessing the impact of this standard and does not plan on early adopting.

3. Summary of Significant Accounting Policies - continued

(ii) In May 2011, the IASB issued IFRS 10, Consolidated Financial Statements ("**IFRS 10**"). IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces Standing Interpretations Committee ("SIC") -12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements. This new standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Corporation has not yet begun the process of assessing the impact of this new standard will have on its condensed interim consolidated financial statements and annual consolidated financial statements or whether to early adopt.

(iii) In May 2011, the IASB issued IFRS 11 - Joint Arrangements ("**IFRS 11**"). IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operations. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operations. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interest in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities – Non-monetary Contributions by Ventures. This new standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Corporation has not yet begun the process of assessing the impact of this new standard will have on its condensed interim consolidated financial statements and annual consolidated financial statements or whether to early adopt.

(iv) In May 2011, the IASB issued IFRS 12, Disclosure of Interest in Other Entities ("**IFRS 12**"). IFRS 12 establishes disclosure requirements for interest in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. This new standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Corporation has not yet begun the process of assessing the impact of this new standard will have on its condensed interim consolidated financial statements and annual consolidated financial statements or whether to early adopt.

(v) In May 2011, the IASB issued IFRS 13, Fair Value Measurement ("**IFRS 13**"). IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under exiting IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

(vi) Amendments to IAS 27 Consolidated and Separate Financial Statements: This Amendment affects in particular the treatment of non-wholly-owned subsidiaries. Transactions which increase or decrease the interest in a subsidiary without altering control will no longer give rise to changes in the carrying value of the subsidiary's assets or liabilities (including its associated goodwill) and will not give rise to a gain or loss. Any difference between the consideration paid or received and the adjustment to the carrying value of the non-controlling interest will be recognised directly in equity. In addition, total comprehensive income must now be attributed to owners of the parent and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance. Previously, unfunded losses in such subsidiaries would be attributed entirely to the group. The Amendment does not require the restatement of previous transactions and has had no effect on the current financial year.

3. Summary of Significant Accounting Policies - continued

(vii) IAS 12: Deferred Tax: Recovery of Underlying Assets (Effective for periods beginning on or after January 1, 2012) introduces an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value.

(viii) IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20") was issued in October 2011. It provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when one of the two benefits accrue to the entity from the stripping activity: useable ore that can be used to produce inventory or improved access to further quantities of material that will be mined in future periods.

4. Summary of Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Judgements, estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Fair Value of Financial Instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Share-based payment transactions
The Corporation measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 13 - Contributed Surplus.

4. Summary of Accounting Judgements, Estimates and Assumptions - continued

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Useful lives of property, plant and equipment

The Corporation estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

5. Supplemental Cash Flow Information

	December 31, 2011	October 31, 2010
Interest received	$ 11,663	$ - - -
Interest paid	- - -	- - -
Income taxes paid	- - -	- - -
Non-cash transactions		
Share-based payment	1,652,500	87
Accreted financing charges	118,434	2,075
Issuance of common shares for exploration and evaluation assets	- - -	2,386,364

6. Sundry Receivables

	December 31, 2011	October 31, 2010
Canadian sales tax receivable	$ 250,694	$ 4,486
ROC Value Added Tax receivable	9,122	- - -
	$ 259,816	$ 4,486

7. Property, Plant and Equipment

Costs		Building		Office Equipment		Exploration Equipment Not Available for Use		Total
Balance, November 1, 2009 and 2010	$	- - -	$	- - -	$	- - -	$	- - -
Additions		6,564		50,717		954,966		1,012,247
Balance, December 31, 2011	$	6,564	$	50,717	$	954,966	$	1,012,247

Accumulated Depreciation		Building		Office Equipment		Not in Service		Total
Balance, November 1, 2009 and 2010	$	- - -	$	- - -	$	- - -	$	- - -
Depreciation Expense		- - -		6,105		- - -		6,105
Capitalized to exploration and evaluation assets		228		- - -		- - -		228
Balance, December 31, 2011	$	228	$	6,105	$	- - -	$	6,333

Balance		Building		Office Equipment		Not in Service		Total
Balance, November 1, 2009 and 2010	$	- - -	$	- - -	$	- - -	$	- - -
Balance, December 31, 2011	$	6,336	$	44,612	$	954,966	$	1,005,914

8. Acquisition of Afrimines S.A.

On October 14, 2010, the Corporation acquired all of the issued and outstanding shares of Afrimines in consideration for 9,545,454 common shares of the Corporation at a value of $0.25 per common shares, US$1,150,000 (CA$1,157,564) and a future conditional liability of US$1,000,000 (Note 19 and 21). In accordance with IFRS 3, Afrimines did not constitute a business as at the purchase date and, accordingly, was treated as a purchase of an asset; thus the contingent payment is excluded from the purchase price of CA$3,543,928 until actually paid. Afrimines is a potash exploration company established in 2008 and is located in the ROC. Afrimines has two exploration licenses namely the Manenga license and the Tchitondi license (Note 9).

By law of the Congo, Afrimines has to have a December 31, year end. As such for the October 31, 2010 year end, the Corporation had a different year end from Afrimines; however, there were no major transactions in the stub period.

9. Exploration and Evaluation Assets

The following is a summary of the Corporation's exploration properties:

Balance, November 1, 2009	$	- - -
Acquisition costs		3,543,928
Balance, October 31, 2010	$	3,543,928
Exploration properties		1,390,041
Balance, December 31, 2011	$	4,933,969

The acquisition of these properties took place through the acquisition of Afrimines on October 14, 2010 and is recorded at their fair value on that date.

Manenga and Tchitondi Properties
The Corporation is currently engaged in the exploration and project development for potash in the Republic of Congo ("**ROC**").

The Manenga and Tchitondi permit, located in the coastal area of ROC in Kouilou and were awarded to Afrimines SA by the ROC government through Decree 2008 -83 and 2008 -82. The permits were renewed by the government on July 20, 2011 for an additional 2 year period.

The Manenga permit area covers an area of 342.4 square kilometres and is located in the southern portion of the ROC Kouilou province adjacent to the border of the Province of Cabinda, Angola.

The Tchitondi permit area covers an area of 338.5 square kilometres and is located in the eastern portion of the ROC onshore basin up to the basin edge.

10. Accounts Payable and Accrued Liabilities

	December 31, 2011	October 31, 2010
Trade payable	$ 344,282	$ 34,823
Due to related parties	18,644	741,683
Due on acquisition of Afrimines	- - -	1,304,464
	$ 362,926	$ 2,080,970

11. Convertible Debentures

In October 2010, the Corporation issued a $200,000 convertible debentures and a further $300,000 in November 2010. The convertible debentures' coupon rate is at 0% and mature on March 31, 2012. Under the terms of the agreement, the convertible debentures would be automatically converted upon the completion of a going public transaction. The conversion ratio is 4,000 common shares of the Corporation per $1,000 of convertible debentures.

The convertible debentures issued in fiscal 2010 of $200,000 were originally recorded as a liability less financing costs of $32,753 and less an equity portion credited to contributed surplus (Note 13) of $20,280 for a net value of $146,967.

11. Convertible Debentures – continued

The convertible debentures issued in fiscal 2011 of $300,000 were originally recorded as a liability less financing costs of $66,926 and less an equity portion credited to contributed surplus (Note 13) of $25,300 for a net value of $207,774.

The charge to operations of the fair value of the financing costs and the convertible option feature has the effect of increasing the nominal interest rate on the liability to an average effective rate of 24.4%.

		Total
Convertible debentures issued in 2010	$	200,000
Less: Financing costs		(32,753)
Less: Equity portion credited to contributed surplus		(20,280)
Add: Accreted financing charges		2,075
Balance at October 31, 2010		149,042
Convertible debentures issued in 2011		300,000
Less: Financing costs		(66,926)
Less: Equity portion credited to contributed surplus		(25,300)
Accreted financing charges		118,434
Balance at December 31, 2011		475,250

12. Capital Stock

The Corporation is authorized to issue an unlimited number of common shares and unlimited preferred shares.

On October 15, 2010, the shareholders of the Corporation passed a resolution to consolidate its common shares on the basis of 1 old common share for 0.530303 new common shares. All reference to common shares herein are referred to the new common shares.

During the year ended October 31, 2010, the Corporation had the following share capital transactions:

1. The Corporation issued 46,317,423 common shares for services at an ascribed value of $87, of which 3,181,818 common shares were issued to officers and directors of the Corporation.
2. The Corporation raised $3,000 by issuing 15,909 common shares.
3. The Corporation cancelled 12,196,969 common shares with a book value of $196,965, which such amount being credited to contributed surplus.

12. Capital Stock - continued

During the fiscal period ended December 31, 2011, the Corporation had the following share capital transactions:

1. The Corporation raised $8,290,000 by issuing 33,160,000 units, where each unit is comprised of one common share and one-half share purchase warrant series H1 ("**SPW Series H1**") via four different tranches. Each full SPW Series H1 is exercisable into one common share at an exercise price of $0.375 at any time until the date that is two years following the earlier of: (i) the date the Corporation completes a going public transaction, such going public transaction having to be completed on or before May 1, 2011, (ii) May 2, 2011, if no such going public transaction has been completed, and (iii) the date the Corporation completes an offering of equity securities or equity equivalent securities of not less than $5,000,000 at a price of at least $0.375 per common share. Concurrently with these private placements, the Corporation granted the brokers with a total of 2,636,800 broker purchase warrants ("**BPW Series B1**"). Each BPW Series B1 entitles the holder to purchase one common share of the Corporation and one share purchase warrant ("**BPW Series B1B**") at a price of $0.25 at any time until the date that is two years following the earlier of: (i) the date the Corporation completes a going public transaction, such going public transaction having to be completed on or before May 1, 2011, (ii) May 2, 2011, if no such going public transaction has been completed, and (iii) the date the Corporation completes an offering of equity securities or equity equivalent securities of not less than $5,000,000 at a price of at least $0.375 per common share. Each BPW B1B entitles the holder to purchase one common share of the Corporation at a price of $0.375 at any time until the date that is two years following the earlier of: (i) the date the Corporation completes a going public transaction, such going public transaction having to be completed on or before May 1, 2011, (ii) May 2, 2011, if no such going public transaction has been completed, and (iii) the date the Corporation completes an offering of equity securities or equity equivalent securities of not less than $5,000,000 at a price of at least $0.375 per common share
2. The Corporation issued 2,621,212 common shares for services at an ascribed value of $655,303.
3. The Corporation issued 7,000,000 common shares for services in December 2011 at an ascribed value of $2.1 million. Of these, 4.9 million common shares with a value of $1,470,000 are held in escrow subject to the close of the Corporation's going public transaction (Note 22) concurrently with a minimum of $6.5 million raised. Accordingly, the 4.9 million have been accounted for as issued but not as outstanding until the services have been provided.

Loss Per Share
Net loss per share and weighted average common shares outstanding are calculated as follows:

	December 31, 2011	October 31, 2010
Net loss available to common shareholders	$ (3,699,404)	$ (704,733)
Weighted average shares outstanding – basic and diluted	96,689,730	34,513,022

13. Contributed Surplus

The Corporation's Incentive Stock Option Plan ("the "**Plan**") provides for the issuance of a maximum of 10% of the issued and outstanding common shares at an exercise price equal or greater than the market price of the Corporation's common shares on the date of the grant to directors, officers, employees and consultants to the Corporation. The option period for options granted under the Plan is for a maximum period of 10 years. Options granted may vest over certain time periods, determined by directors on the day of grant, within the option period, which will limit the number of options that may be exercised. Each stock option is exercisable into one common share of the Corporation at the price specified in the terms of the option.

The fair values of the options were based on the Black-Scholes option-pricing model. The following assumptions were used to value them:

Issue Date	Fiscal 2011
Exercise price	$ 0.25 – 0.375
Weighted average expected option life	10 years
Weighted average risk free interest rate	2.9%
Weighted average volatility	120.0%
Weighted average dividend yield	0.0%
Weighted average fair value	0.2373

The stock options activity is summarized below:

	Number	Weighted Average Exercise Price
Balance, November 1, 2009 and 2010	Nil	$ N/A
Granted	5,025,000	0.2568
Exercised	Nil	N/A
Cancelled	Nil	N/A
Forfeited	Nil	N/A
Balance, December 31, 2011	5,025,000	$ 0.2568

The following table summarizes the weighted average exercise price and the weighted average remaining contractual life of the options outstanding and exercisable as at December 31, 2011.

Outstanding					Exercisable	
Exercise Price	Number of Options	Expiry Date	Weighted Average Remaining Life	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
$ 0.250	4,750,000	July 2021	9.5 years	$ 0.250	4,750,000	$ 0.250
0.375	275,000	April 2021	9.3 years	0.375	Nil	0.375

At December 31, 2011, all but 98,000 options are exercisable.

725,000 options granted during the year with a fair value of $172,196 were capitalised and included in exploration and evaluation assets.

The fair value of the warrants is based on the Black-Scholes option-pricing model. The fair values of warrants issued during the period ending December 31, 2011 were calculated with the following parameters:

13. Contributed Surplus - continued

Issue Date	Fiscal 2011
Exercise price	$ 0.250 - 0.375
Weighted average expected option life	2 - 2.25 years
Weighted average risk free interest rate	1.59 - 1.79%%
Weighted average volatility	60.0%
Weighted average dividend yield	0.0%
Weighted average fair value	0.0609

The warrants that are issued and outstanding as at December 31, 2011 are as follows:

Number of Warrants	Exercise Price (CA$)	Warrant Type	Issuance Date	Expiry Date	Fair Value
8,000,000	0.375	Investor Warrants	Feb. 2011	May 2013	$ 469,840
1,280,000	0.250	Broker Unit	Feb. 2011	May 2013	115,284
640,000	0.375	Broker Warrants (1)	Feb. 2011	May 2013	37,587
1,340,000	0.375	Investor Warrants	Feb 2011	May 2013	77,921
214,400	0.250	Broker Unit	Feb 2011	May 2013	19,197
107,200	0.375	Broker Warrants (1)	Feb 2011	May 2013	6,233
7,040,000	0.375	Investor Warrants	March 2011	May 2013	395,436
563,200	0.250	Broker Unit	March 2011	May 2013	49,416
281,600	0.375	Broker Warrants (1)	March 2011	May 2013	15,817
200,000	0.375	Investor Warrants	May 2011	May 2013	10,568
16,000	0.250	Broker Unit	May 2011	May 2013	1,354
8,000	0.375	Broker Warrants (1)	May 2011	May 2013	423
19,690,400					$ 1,199,076

(1) For these warrants to be exercisable their related unit must first be exercised.

Contributed Surplus is comprised to the following:

	General	Convertible Debt Option Reserve	Share-Based Payments	Warrants	Total
Balance, November 1, 2009	$ 69,769	$ - - -	$ - - -	$ 5,553	$ 75,322
Cancellation of common shares	196,665	- - -	- - -	- - -	196,665
Convertible debentures (Note 11)	- - -	20,280	- - -	- - -	20,280
Balance, October 31, 2010	266,434	20,280	- - -	5,553	292,267
Convertible debentures (Note 11)	- - -	25,300	- - -	- - -	25,300
Expiration of warrants	5,553	- - -	- - -	(5,553)	- - -
Granting of share-based payments	- - -	- - -	1,169,390	- - -	1,169,390
Issuance of warrants in conjunction common shares to brokers	- - -	- - -	- - -	245,312	245,312
Issuance of warrants in conjunction common shares	- - -		- - -	953,764	953,764
Balance, December 31, 2011	$ 271,987	$ 45,580	$ 1,169,390	$ 1,199,076	$ 2,686,033

14. Related Party Transactions

Subsidiaries

Name	Country of incorporation	Percentage of Ownership 2011	2010
Holle Potash African Holdings Ltd.	BVI	100%	100%
Holle Potash (ROC) Ltd.	BVI	100%	100%
Afrimines S.A.	ROC	100%	100%

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

	December 31, 2011	October 31, 2010
Payable to directors or officers	$ 16,629	$ 682,954
Payable to related entities with common directors	- - -	58,729
	$ 16,629	$ 741,683

During the period ended December 31, 2011, the Corporation recorded $15,350 (October 31, 2010 - $7,678) with respect of premises that it rented from an entity with a common director.

During the period ended December 31, 2011, the Corporation recorded $382,268 (October 31, 2010 - $22,976) with respect of legal services paid to a legal firm with a partner that became a director of the Corporation subsequent to the fiscal period ended December 31, 2011.

The Corporation considers directors, officers and managers as key management personnel. Their compensation and allowances are as follows:

During the period ended December 31, 2011, the Corporation recorded $734,518 (October 31, 2010 - $337,501) in respect of administrative and management fees as well as bonus for executive services from managers and entities with common directors and officers. In addition, the Corporation paid $219,174 with respect of administrative and managerial services to individuals directly from its senior management team.

During the period ended December 31, 2011, the Corporation granted share-based payments with a value of $1,145,640 (October 31, 2010 – $Nil) to directors and officers of the Corporation and its subsidiaries.

During the period ended December 31, 2011, the Corporation recorded $72,247 (October 31, 2010 - $24,000) with respect of professional services and travel and other allowances paid to managers and entities with common directors and officers as well as management.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

15. Administrative and General Expenditures

	2011	2010
Consultants and management fees	$ 1,299,917	$ 337,501
Share-based payments	997,194	- - -
Office supplies	120,885	2,365
Import and various ROC taxes	49,650	- - -
Salaries	53,870	6,006
Premises	44,078	7,678
Professional fees	778,064	289,753
Other	6,030	1,545
	$ 3,349,688	$ 644,848

16. Marketing and Selling Expenditures

	2011	2010
Business development	$ 11,448	$ 257
Travelling	216,761	30,644
Telecommunication	28,341	8,597
	$ 256,550	$ 39,498

17. Income Taxes

a) Significant items comprising the net deferred income tax assets and liabilities of the Corporation as at December 31, 2011 and October 31, 2010 are as follows:

	2011	2010
Deferred income tax assets		
Losses carried forward in Canada	$ 576,111	$ 143,436
Losses carried forward in the Republic of Congo	134,208	- - -
Undeducted share issuance and financing costs	216,003	10,397
Excess of tax basis over carrying amount of property, plant and equipment	1,403	- - -
Excess of tax basis over carrying amount of exploration and evaluation assets	15,653	- - -
Other	7,924	(4,147)
	951,302	149,686
Deferred income tax liabilities charged directly to equity on convertible debentures	(9,590)	(3,853)
Losses not recognised	(941,712)	(145,833)
Net deferred income tax	$ - - -	$ - - -

b) Numerical reconciliation of income tax expense at the statutory tax rates for the year ended December 31, 2011 of 26.90% (October 31, 2010 – 26.90%) in Canada and 30.00% (October 31, 2010 – 30.00%) in the Republic of Congo are as follows:

17. Income Taxes - continued

	2011	2010
Expected Income Tax Recovery	$ (746,991)	$ (80,543)
Permanent Differences	330,311	64,330
Future tax impact on current timing differences	(189,723)	(2,281)
Timing differences	(173,823)	10,077
Tax effect of tax losses not recognised	795,879	8,417
Other	(15,653)	- - -
	$ - - -	$ - - -

c) At December 31, 2011, the Corporation has non-capital losses available that may be carried forward to apply against future income for Canadian tax purposes, which has not been recognized in these financial statements, as follows:

Year	Amount
2028	240,940
2029	236,154
2030	56,126
2031	1,608,455
	$ 2,141,675

The Corporation also has losses from operations of $447,359 (October 31, 2010 – NIL) that may be carried forward to apply against future income for the Republic of Congo tax purposes. The losses expire in 2014 and have not been recognized in these financial statements.

Deferred tax assets have not been recognised because at this stage of the Corporation's development, it is not probable that future taxable profit will be available against which the Corporation can utilize such deferred income tax asset.

18. Commitments

The Corporation has entered into various operating leases as well as consulting agreements and is responsible for minimum principal payments. The Corporation's minimum future payments as at December 31, 2011 and October 31, 2010 are approximately as follows:

	2011	2010
Not later than 1 year	$ 701,283	$ 625,264
Later than 1 year and not later than 5 years	103,399	222,696
Later than 5 years	- - -	- - -
	$ 804,682	$ 847,960

19. Contingencies

From time to time, the Corporation may be exposed to claims and legal actions in the normal course of business, some of which may be initiated by the Corporation. In May 2011, a potential claim was instituted against the Corporation on behalf of a former director and a company controlled by him of an undisclosed amount and a vague claim to some entitlement to common shares of the Corporation. Neither the possible outcome nor the amount can be reasonably determined.

In May, 2012, the Corporation received a legal notice on behalf of a former shareholder of Afrimines, S.A. The notice was a request for information regarding the acquisition of Afrimines, S.A. by the Corporation and stated that, should satisfactory information not be provided, the individual reserves the rights to institute a lawsuit against the Corporation that would request the payment of an unnamed amounts and/or seeking the cancellation of the sale whereby the Corporation purchased all of the issued and outstanding shares of Afrimines, S.A. Certain exchanges took place in the months of May and June 2012 and no further follow up to the claim was received. Neither the possible outcome nor the amount can be reasonably determined.

In July 2012, the Corporation received a legal notice on behalf of two former shareholders of Afrimines, S.A. The notice called upon the Corporation to establish, within eight days, sufficient capital or availability of financing to proceed with the work program in the ROC; failing to provide, the agreement by which the Corporation acquired all the issued and outstanding shares of Afrimines, S.A. would be considered to be null and void. Certain discussions ensued between the Corporation and said former shareholders, no substantive reply to the demand letter was provided and no further follow up to the claim was received. Counsel believes that the grounds asserted would not, in all probability, lead to the cancellation of the agreement as claimed. Neither the possible outcome nor the amount can be reasonably determined.

In addition, a future conditional liability of US$1 million, in the form of cash considerations, is due to the previous shareholders of Afrimines, upon obtaining a National Instrument 43-101 compliant report indicating a reserve of a minimum of 50 million metric tons recoverable, exploitable, measurable and indicative reserves of carnalities on the Manenga and Tchitondi licenses (Note 8).

20. Capital Management and Liquidity

The Corporation manages its cash, common shares, stock options and warrants as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to pursue the exploration of its exploration properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

20. Capital Management and Liquidity - continued

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy, in general, is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The nature of the industry in which the Corporation operates is very capital intensive. As a result, the Corporation prepares annual capital expenditure budgets and utilizes authorizations for expenditures for projects to manage capital expenditures. As at December 31, 2011 and October 31, 2010, the Corporation did not have any short-term interest bearing investments.

The Corporation's strategy is to satisfy its liquidity needs using cash on hand, cash flows generated from operating activities and through its revolving advances facility. Revenue, available cash balances, draws on the revolving advances credit facility and financing of indebtedness are the Corporation's principal sources of capital used to pay operating expenses and recurring capital and leasing costs in its business.

The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures, development costs and potential mining expansion. The Corporation's strategy is to meet these needs with one or more of the following:

- cash flows from operations;
- common share and warrants offering;
- proceeds from sales of assets; and
- revolving advances facility.

The following table presents the contractual maturities of the Corporation's financial liabilities as at October 31, 2011:

		Payments by Periods			
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 2,080,970	$ 2,080,970	$ - - -	$ - - -	$ - - -
Convertible debenture	200,000	- - -	200,000	- - -	- - -

The following table presents the contractual maturities of the Corporation's financial liabilities as at December 31, 2011:

		Payments by Periods			
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 362,926	$ 362,926	$ - - -	$ - - -	$ - - -
Convertible debentures	500,000	500,000	- - -	- - -	- - -

21. Financial Instruments and Risk Management

The Corporation's operations expose the Corporation to market risk, credit risk, and liquidity risk. The Corporation manages its exposure to these risks by operating in a manner that minimizes these risks. Senior management employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Corporation's business objectives and risk tolerance levels. The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Board has established policies in setting risk limits and controls and monitors these risks in relation to market conditions.

(a) Fair Value of Non-Derivative Financial Instruments

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. The carrying value and fair value of financial instruments being of equal value are as follows:

	2011	2010
Financial assets		
Cash	$ 1,004,684	$ 13,937
Sundry receivables	259,816	4,486
Financial liabilities		
Accounts payable and accrued liabilities	362,926	2,080,970
Convertible debenture	475,250	149,042

(b) Fair Value Hierarchy

The Corporation values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Corporation maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash	$ 1,004,684	$ - - -	$ - - -	$ - - -

Level 3 fair values are based on a number of valuation techniques other than observable market data. There are no level 3 values currently recorded on the statement of financial position of the Corporation.

21. Financial Instruments and Risk Management - continued

(c) Other Risks

Risk Management
In the normal course of business, the Corporation is exposed to financial risk that arises from its indebtedness, including fluctuations in interest rates and in the credit quality of its customers. Management's involvement in operations helps identify risks and variations from expectations.

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

Liquidity Risk
Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating loss, which is used to finance working capital and capital expenditure requirements, and to meet the Corporation's financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

Obtaining long-term debt with fixed interest rates minimizes interest rate cash flow risk.

The Corporation does not trade in financial instruments and is not exposed to any significant interest rate price risk.

Market Risk
Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Corporation's net loss or the value of financial instruments. These risks are generally outside the control of the Corporation. The objectives of the Corporation are to mitigate market risk exposure within acceptable limits, while maximizing returns.

21. Financial Instruments and Risk Management - continued

Foreign Currency Risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Corporation had the following accounts dominated in US Dollar, Euro and CFA.

	December 31, 2011		October 31, 2010	
US Dollars				
Cash	$	- - -	$	1,118
Accounts payable and accrued liabilities		16,250		1,002,500
Euro				
Cash	Euro	- - -	Euro	126
Accounts payable and accrued liabilities		- - -		200,000
CFA				
Cash	CFA	18,303,624	CFA	- - -
Sundry receivables		4,538,225		
Accounts payable and accrued liabilities		177,028,750		- - -

At December 31, 2011, with other variables unchanged, a 10% change in the:

- US/CDN exchange rate would impact pre-tax losses by $1,653 (2010 - $102,389);
- Euro/CDN exchange rate would impact pre-tax losses by $Nil (2010 – 28,170);
- CFA/CDN exchange rate would impact pre-tax losses by $28,143 (2010 - $Nil);

Exposure to foreign exchange rates varies during the year depending on the volume of foreign transactions.

In addition, the Corporation has a future conditional liability of US$1,000,000, as per note 8.

Commodity Risk

The nature of the Corporation's operations results in exposure to fluctuations in commodity prices. Management continuously monitors commodity prices of potash. As at December 31, 2011 and October 31, 2010, the Corporation did not have any significant exposure to derivative financial instrument agreements or fixed physical contracts. The Corporation is particularly exposed to the risk of movements in the price of potash. Declining market prices for potash could have a material effect on the Corporation's future profitability and ability to raise capital if and when required, and the Corporation's current policy is not to materially hedge its exposure to potash in accordance with shareholders' preference.

Credit Risk

Credit risk related to accounts receivable arises from the possibility that debtors may be unable to fulfill their commitments. The Corporation mitigates this risk by regularly monitoring the financial health and aging of any amounts due from its debtors.

As of the date of these consolidated financial statements the Corporation's only debtor is the government of Canada and the Congo for sales taxes receivable and therefore the Corporation does not believe it is currently exposed to any significant credit risk.

Fair Values

Financial instruments include cash, sundry receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate fair value due to their short-term nature.

21. Financial Instruments and Risk Management - continued

Sensitivity analysis

Financial instruments included in sundry receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at December 31, 2011 and October 31, 2010, the carrying value of the Corporation's financial instruments approximated their fair value. Based on management's knowledge and experience of the financial markets, the Corporation believes that the movements in interest rates that are reasonably possible over the next twelve month period will not have a significant impact on the Corporation.

22. Subsequent Events

1. On February 12, 2012, the Corporation and Boost Capital Corp. ("Boost") signed a Letter Agreement confirming their intention, upon and subject to the terms and conditions set out within the Letter Agreement to proceed with an amalgamation of Boost and the Corporation, on a ratio of one-to-one. Such amalgamation would constitute as the Qualifying Transaction for Boost, being a Capital Pool Corporation, as the term is defined within the policies of the TSX Venture Exchange. Concurrently with this transaction, it is agreed that a private placement of up to $14 million would be done, and lead by Salman Partners Inc, an independent investment dealer.

2. On March 12, 2012, the Corporation converted the $500,000 convertible debt into 2,000,000 common shares.

3. On April 26, 2012, the Corporation raised $5,963,120 by issuing 19,877,067 units, where each unit will be comprised of one common share and one-half share purchase warrant. Concurrently with this private placement, the Corporation granted the brokers with a total of 1,192,624 broker purchase warrants. The funds raised via this private placement were placed in escrow less the estimated legal expense of the broker of $88,875 and the estimated expenses of the broker being $25,000, upon satisfaction by the Corporation of the escrow release conditions and until the escrow deadline on June 29, 2012. Given that the Corporation did not met the escrow release conditions at that date, the funds were used to repurchase the subscription receipts for cancellation at a repayment equal to the issue price.

4. On August 13, 2012, the Corporation signed an agreement with Salman Partners to be the lead agent for a private placement offering. According to the term sheet of the private placement, the Corporation will raise up to $6,000,000, by issuing up to 24,000,000 units at an issue price of $0.25 per unit. Each unit will be comprised of one common share and one-half share purchase warrant. Each full warrant will be exercisable into one common share at an exercise price of $0.285 at any time prior to the date that is two year from the date of listing of the Corporation on the TSX Venture Exchange. In addition, the Corporation will grant the agents an oversubscription option to increase the size of the offering by up to 3,600,000 units or $900,000 at the same issue price, exercisable up to two days prior to the Closing Date for a total offering of 27,600,000 units or $6,900,000. As an additional consideration, the Corporation will grant to the agents compensation options entitling the agents to subscribe to 6% of the total number of subscriptions received pursuant to the placement. Each compensation option will be exercisable for a period of two years following the date of listing at an exercise price of $0.25. The closing date of the placement will be on or about October 15, 2012. The funds raised via this private placement will be placed in escrow, less one-third of the agent commission and the agent expenses, upon satisfaction by the Corporation of the escrow release conditions and until the escrow deadline on December 21, 2012. After that date the Corporation will have to repurchase the subscription receipts for cancellation at a repayment equal to the issue price. Concurrently with this private placement, the Corporation will pay to the agents a commission of 6% of the gross proceeds received pursuant to the offering.

22. Subsequent Events - continued

5. In May and June 2012, certain shareholders advanced to the Corporation $393,000 in cash considerations with the understanding that they will be automatically converted into common shares upon the completion of a going public transaction at a value per share identical to the value per share in the going public transaction.

6. In September 2012, the Board of Directors of the Corporation approved the grant of a bonus to four members of management. The payment of the bonus will become due upon the closing of a successful financing of $5,000,000 or more. The Corporation's maximum future payments amounts to $100,000 in cash and $265,000 in common shares of the Corporation at a price per share equivalent to the price per share of the contemplated $5,000,000 financing.