AMERICAN POTASH CORP.

An Exploration Stage Enterprise

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED OCTOBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

Unaudited Interim Financial Statements

In Accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended October 31, 2017.

AMERICAN POTASH CORP.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars - unaudited)

	Note	October 31, 2017	July 31, 2017
ASSETS		$	$
Current			
Cash		410,390	53,697
Prepaid expenses		309,726	1,500
GST receivable		27,320	8,188
Accounts receivable	3	68,160	-
Marketable securities	3,4	440,000	280,000
Total current assets		1,255,596	343,385
Non-current assets			
Exploration and evaluation assets	3	735,935	585,896
Total non-current assets		735,935	585,896
Total assets		1,991,531	929,281
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	19,130	42,386
Due to related parties	7	8,428	12,833
Total liabilities		27,558	55,219
EQUITY			
Equity attributable to shareholders			
Share capital	6	8,328,935	6,961,371
Subscriptions received (receivable)	6	(10,000)	71,500
Reserves	6	2,279,016	2,097,182
Accumulated deficit		(8,633,978)	(8,255,991)
Total equity		1,963,973	874,062
Total liabilities and equity		1,991,531	929,281

Going concern – Note 1
Commitments – Note 9
Subsequent events – Note 13

On behalf of the board:

"Rudy de Jonge"	*"Lawrence Dick"*
Rudy de Jonge	Lawrence Dick

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

AMERICAN POTASH CORP.

Condensed Consolidated Interim Statements of Comprehensive Loss

(Expressed in Canadian Dollars - unaudited)

	Note	For the three months ended October 31, 2017	2016
General and administrative expenses			
Consulting fees	7	$ 324,388	$ 15,000
Foreign exchange		181	3,735
Interest expense and bank charges		851	157
Investor relations, website and promotion		8,624	-
Office and administration		3,977	844
Professional fees	7	13,369	7,297
Transfer agent and filing fees		6,320	3,147
Travel and entertainment		20,277	-
Net loss		(377,987)	(30,180)
Other comprehensive income			
Unrealized gain on marketable securities	4	160,000	-
Foreign currency translation		6,540	3,460
Total comprehensive loss		$ (211,447)	$ (26,720)
Loss per share, basic and diluted		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted		42,514,295	21,847,047

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

AMERICAN POTASH CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars - unaudited)

	For the three months ended October 31,	
	2017	**2016**
Cash provided by (used in):	$	$
Operating activities:		
Net loss for the period	(377,987)	(30,180)
Changes in non-cash working capital:		
GST receivable and accounts receivable	(71,998)	(1,245)
Prepaid expenses	(308,226)	2,092
Accounts payable and accrued liabilities	(23,256)	(30,653)
Due to related parties	(4,405)	3,412
	(785,872)	(56,574)
Investing activity:		
Exploration and evaluation assets and intangible assets	(150,039)	(33,457)
	(150,039)	(33,457)
Financing activities:		
Shares issued for cash (net of share issue costs)	1,177,700	71,138
Warrants exercised	108,364	-
	1,286,064	71,138
Effect of exchange rate changes	6,540	3,460
Net change in cash	356,693	(15,433)
Cash, beginning of period	53,697	29,430
Cash, end of period	410,390	13,997

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

AMERICAN POTASH CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars - unaudited)

		Common Shares		Share-based Payment Reserve	Warrant Reserve	Other Comprehensive Income	Shares Subscription Received (Receivable)	Deficit	Total Equity
	Note	Number of Shares	Amount						
			$	$	$	$	$	$	**$**
Balance on July 31, 2016		21,150,409	6,357,586	1,047,433	501,105	338,349	-	(8,052,209)	**192,264**
Shares issued for private placement	6	1,320,709	36,589	-	34,549	-	-	-	**71,138**
Net loss for the period		-	-	-	-	-	-	(30,179)	**(30,179)**
Foreign currency translation		-	-	-	-	3,460	-	-	**3,460**
Balance on October 31, 2016		22,471,118	6,394,175	1,047,433	535,654	341,809	-	(8,082,388)	**236,683**
Balance on July 31, 2017		30,301,152	6,961,371	1,235,144	563,617	298,421	71,500	(8,255,991)	**874,062**
Shares issued for private placement	6	12,920,000	1,259,200	-	-	-	(81,500)	-	**1,177,700**
Exercise of warrants	6	1,083,638	108,364	-	-	-	-	-	**108,364**
Net loss for the period		-	-	-	-	-	-	(377,987)	**(377,987)**
Unrealized gain on marketable securities	4	-	-	-	-	160,000	-	-	**160,000**
Foreign currency translation		-	-	-	-	21,834	-	-	**21,834**
Balance on October 31, 2017		44,304,790	8,328,935	1,235,144	563,617	480,255	(10,000)	(8,633,978)	**1,963,973**

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

1. NATURE OF OPERATIONS

American Potash Corp. (the "Company") was incorporated on June 5, 2006 under the laws of British Columbia. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") under the symbol 'AMP'. The Company is dedicated to the acquisition and development of potash mineral deposits in the United States and elsewhere.

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

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at October 31, 2017, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral properties exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements were authorized for issue on December 29, 2017 by the directors of the Company.

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended July 31, 2017.

These condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended July 31, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation

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

Basis of consolidation

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

	Country of Incorporation	Percentage owned as at October 31, 2017	2016	Principal Activity
American Potash LLC ("American Potash")	United States	100%	100%	Mineral exploration

3. EXPLORATION AND EVALUATION ASSETS

Green River Potash Project

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

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

- USD$70,000 upon signing the option agreement (paid);
- 40,000 shares of the Company upon grant of the permits representing not less than 25,000 acres (issued February 14, 2014);

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Green River Potash Project (Continued)

- USD$50,000 cash and 600,000 shares of the Company on or before the first anniversary date of the start of the Sweetwater Option Period (40,000 shares issued February 14, 2014);
- USD$50,000 cash and 150,000 shares of the Company on or before the second anniversary date;
- USD$50,000 cash and 150,000 shares of the Company on or before the third anniversary date; and
- USD$50,000 cash on or before the fourth anniversary date.

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

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

On February 23, 2015, the Company fulfilled the first anniversary obligations to the optionors, pursuant to the Sweetwater Option agreement, by issuing 3.6 million shares in the Company and paying US$10,000. During the year ended July 31, 2017, the scheduled payments were amended.

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

On November 5, 2015, the Company entered into an amending agreement to the option agreement, as amended with Sweetwater River Resources LLC. Pursuant to the amending agreement, the parties agreed that the 12 new potash prospecting permits that Sweetwater has applied for in Utah shall be subject to the option agreement. Accordingly, the Company will continue to hold an option to acquire a 100% interest in the new prospecting permits applied for

(Expressed in Canadian Dollars - unaudited)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Green River Potash Project (Continued)

by Sweetwater pursuant to the terms of the option agreement. The parties agreed that the remaining USD$175,000 of cash payments required under the Sweetwater Option shall be paid as follows:

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

On December 21, 2015, the Company has received verification by the BLM regional office in Moab, Utah, of receipt and official documentation and filing of the Company's 12 potash permit applications in the Paradox basin of southeast Utah, United States, that the Company has under option through an agreement with Sweetwater River Resources LLC. However, BLM notified the Company that it will not process any potash claim application until late 2016 as BLM is in the process of finalizing the environmental impact statement for the area where the claims are located. As a result, the payments of $154,570 made to Sweetwater River Resources LLC for application related costs were capitalized as refundable deposits as at October 31, 2017.

In 2011, the Company acquired eleven non-contiguous Utah State Trust Land potash lease units. The eleven lease units are all within the boundaries of the BLM potash prospecting permit applications held by the Company. As at October 31, 2017, the Company has nine non-contiguous Utah State Trust Land potash lease units.

Green River Potash Project Expenditures

	Total for three months ended October 31, 2017	**Total for year ended July 31, 2017**
Mineral acquisition costs:	$	$
Balance, beginning	1	1
Balance, ending	1	1
Exploration and evaluation expenditures:		
Balance, beginning	275,483	232,824
Federal permit	6,447	19,346
Foreign exchange translation	9,002	23,313
Balance, ending	290,932	275,483
Total	290,933	275,483

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Lithium Brines Project

During the year ended July 31, 2017, the Company acquired 230 lithium claims in Utah. On April 11, 2017, as amended on October 18, 2017 the Company closed a joint venture earn-in option agreement with Power Metals Corp. ("Power Metals") to explore and develop lithium brines beneath the Company's existing lithium claims and Utah state lithium leases. The agreement entitles Power Metals to earn up to 65% of all of the Company's lithium holdings in Utah by completing the following:

- Finance and complete two exploration wells targeting lithium brine occurrences beneath the Company's U.S. federal lithium claims and/or its Utah state lithium leases; the drill rig must be mobilized on site for the first well within six months of the definitive agreement signing date and the second well within one year of the definitive agreement signing date;
- Deliver to American Potash a cash deposit of $250,000 within 90 days of the definitive agreement signing date (subsequently deleted on amendment on October 18, 2017);
- Issue one million common shares of Power Metals to the Company; shares will be issued according to the following schedule: one-third 180 days after the definitive agreement date, one-third after 270 days of the definitive agreement date and one-third on the first anniversary of the definitive agreement date (received).

On June 7, 2017, the Company received 1,000,000 of Power Metals (PWM) from the joint venture earn-in option agreement with Power Metals. The fair value of the shares at acquisition date and at July 31, 2017 were $280,000 and recorded as a reduction to the mineral properties, resulting in a gain on disposition of $145,290 (Note 4).

On September 26, 2017, the Company's joint venture partner, Power Metals, has signed the definitive agreement with MGX Minerals Inc. ("MGX").

The transaction terms are as follows:

- MGX acquires all of Power Metals' current U.S. petrolithium brine assets.
- MGX acquires a 20-per-cent working interest in all of Power Metals' current hard-rock assets and any future assets that Power Metals acquires for the following 36 months.
- MGX has the right to purchase an additional 15-per-cent working interest of Power Metals' hard-rock assets for a period of 36 months for a total of $10-million.
- MGX receives a call option to purchase up to 10 million common shares of Power Metals at a price of 65 cents per share for a period of 36 months.
- MGX pays to Power Metals three million common shares of MGX.

(Expressed in Canadian Dollars - unaudited)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Lithium Brines Project Expenditures

	Total for three months ended October 31, 2017	Total for year ended July 31, 2017
Mineral acquisition costs:	$	$
Balance, beginning	-	-
Acquisition of claims	-	107,720
Disposition of mineral property	-	(107,720)
Balance, ending	-	-
Exploration and evaluation expenditures:		
Balance, beginning	-	-
Federal permit	71,101	50,028
Disposition of mineral property	(68,160)*	(26,990)
Foreign exchange translation	-	(23,038)
Balance, ending	2,941	-
Total	2,941	-

*As at October 31, 2017, the Company recorded an accounts receivable of $68,160 for disposition of mineral property.

Colorado Project

On March 30, 2017, the Company entered into an option agreement to acquire 608 U.S federal placer mining claims located in the southeast extension of the Paradox basin in San Miguel county, southwest Colorado. The beneficial ownership of the claims will be assigned for a total consideration $79,300, which is made up of the following costs:

- Staking costs of USD$76,000 ($125 per Claim);
- County registration Fee of USD$3,300 ($8.25 per Claim).

The purchase price shall be paid as follows:

- USD$53,300 within 5 business days of the execution of the agreement (paid); and
- USD$26,000 within 60 days of the payment date (paid).

(Expressed in Canadian Dollars - unaudited)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Colorado Project Expenditures

	Total for three months ended October 31, 2017	**Total for year ended July 31, 2017**
Mineral acquisition costs:	$	$
Balance, beginning	99,006	99,006
Balance, ending	99,006	99,006
Exploration and evaluation expenditures:		
Balance, beginning	211,407	-
Claim registration fees	121,504	211,407
Foreign exchange translation	10,144	-
Balance, ending	343,055	211,407
Total	442,061	310,413

4. MARKETABLE SECURITIES

The Company's marketable securities consist of shares in Power Metals (Note 3). The fair market value of the shares is summarized as follows:

	Number of shares		**October 31, 2017**	**Number of shares**		**July 31, 2017**
Balance, beginning	1,000,000	$	280,000	-	$	-
Addition	-		-	1,000,000		270,000
Increase in fair value	-		160,000	-		10,000
Balance, ending	1,000,000	$	440,000	1,000,000	$	280,000

The fair value of the shares at October 31, 2017 has been determined by reference to the closing price of the shares on the TSX-V on October 31, 2017. At the date, the closing price was $0.44 (July 31, 2017 – $0.28).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2017	**July 31, 2017**
	$	$
Accounts payable	18,213	41,469
Taxes payable	917	917
	19,130	42,386

6. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued and outstanding

At October 31, 2017, there were 44,304,790 (July 31, 2017 – 30,301,152) issued and fully paid common shares.

(c) Common shares

Period ended October 31, 2017

On August 9, 2017, the Company closed a non-brokered private placement for 12,920,000 units at a $0.10 per unit for gross proceeds of $1,292,000. Each unit is composed of one common share of the issuer and one common share purchase warrant. Each warrant will be exercisable into a common share of the Company for a period of 12 months at an exercise price of $0.15. Using the residual method, a $Nil value was allocated to the warrants. In connection with the closing of the private placement, the Company paid $32,800 cash for finders' fees. As at October 31, 2017, the Company has an outstanding receivable of $10,000 in relation to this private placement.

During the period ended October 31, 2017, the Company issued 1,083,638 common shares related to the exercise of 1,083,638 warrants at an exercise price of $0.10 per share.

Year ended July 31, 2017

During the year ended July 31, 2017, the Company received $71,500 in share subscriptions toward a private placement which was closed during the current period.

On May 26, 2017, the Company closed a non-brokered private placement for 2,075,000 units at $0.10 per unit for gross proceeds of $207,500. Each unit consisted of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share of the Company for a period of 12 months at an exercise price of $0.15. Using the residual value method, the value attributed to the warrants was $36,500. In connection with the closing of the private placement, the Company paid $7,525 cash and issued 75,250 purchase warrants for finders' fees. Each finder's warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.15 for a period of one year. The fair value of the finder's warrants was determined to be $4,646 using the Black-Scholes valuation model with the following assumptions: expected life – 1 years, average risk-free interest rate – 0.69%, expected dividend yield – 0%, and average expected stock price volatility – 231%.

On April 13, 2017, the Company issued 50,000 common shares related to the exercise of 50,000 warrants at an exercise price of $0.10 per share.

6. SHARE CAPITAL (Continued)

(c) Common shares (Continued)

Year ended July 31, 2017 (Continued)

On March 20, 2017, the Company closed the first tranche of a non-brokered private placement for 1,388,888 units at $0.09 per unit to raise total proceeds of $125,000 out of $250,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant will be exercisable into a common share of the Company for a period of 24 months at an exercise price of $0.12. Using the residual method, a $Nil value was allocated to the warrants.

On March 30, 2017, the Company closed the second tranche of a non-brokered private placement for 1,388,890 units at a $0.09 per unit to raise the rest of the total proceeds of $125,000 out of $250,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant will be exercisable into a common share of the Company for a period of 24 months at an exercise price of $0.12. Using the residual method, the value attributed to the warrants was $13,888. In connection with the closing of the private placements, the Company paid $1,250 in finders' fees.

On December 1, 2016, the Company closed a non-brokered private placement of 2,927,256 units at a price of $0.055 per unit for gross proceeds of $161,000. Each unit consisted of one common share and one common share purchase warrant. Each Warrant will be exercisable into a common share of the Company for a period of twelve months at an exercise price of $0.10. Using the residual method, a $Nil value was allocated to the attached warrants. In connection with the closing of the private placement, the Company issued 109,453 finders' warrants and paid $19,562 in finders' fees. Each finder warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.10 for 12 months. The fair value of the finder's warrants was determined to be $5,744 using the Black-Scholes valuation model with the following assumptions: expected life – 1 years, average risk-free interest rate – 0.68%, expected dividend yield – 0%, and average expected stock price volatility – 169%.

On September 20, 2016, the Company closed a non-brokered private placement of 1,320,709 units at a price of $0.055 per unit for gross proceeds of $72,634. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.10 for a period of 24 months. Using the residual method, a $Nil value was allocated to the attached warrants. In connection with the closing of the private placement, the Company paid $1,500 cash and issued 27,288 purchase warrants for finders' fees. Each finder's warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.10 for a period of 24 months. The fair value of the finder's warrants was determined to be $1,734 using the Black-Scholes valuation model with the following assumptions: expected life – 1 years, average risk-free interest rate – 0.6%, expected dividend yield – 0%, and average expected stock price volatility – 249%.

(Expressed in Canadian Dollars - unaudited)

6. SHARE CAPITAL (Continued)

(d) Basic and diluted loss per share

Diluted loss per share did not include the effect of 2,400,000 (July 31, 2017 – 2,400,000) stock options and 29,902,642 (July 31, 2017 – 18,066,280) warrants as the effect would be anti-dilutive.

(e) Stock options

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

During the year ended July 31, 2017, the Company granted 1,800,000 (2016 – Nil) stock options to its officers, directors and consultants. The options are exercisable at a price ranging from $0.10 to $0.15 and may be exercised within 1 to 5 years from the date of issuance. The options vested immediately upon grant. The share-based payment expense of $187,711 was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 1-5 years, average risk-free interest rate – 1.11% - 1.28%, expected dividend yield – 0%, and average expected stock price volatility – 201%-230%.

The continuity of exercisable stock options for the period ended October 31, 2017 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
		$
Balance, July 31, 2016	600,000	0.50
Options Issued	1,800,000	0.11
Balance, July 31, 2017 and October 31, 2017	2,400,000	0.20

Details of options outstanding and exercisable at October 31, 2017 are as follows:

Number of Options Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
600,000	0.50	0.21
1,600,000	0.10	4.39
200,000	0.15	0.73
2,400,000	0.20	3.42

(Expressed in Canadian Dollars - unaudited)

6. SHARE CAPITAL (Continued)

(f) Share purchase warrants

The continuity of warrants for the period ended October 31, 2017 is as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price ($)
Balance, July 31, 2016	9,463,900	0.22
Warrants issued	3,724,352	0.10
Warrants issued	2,777,778	0.12
Warrants issued	2,150,250	0.15
Warrants exercised	(50,000)	0.10
Balance, July 31, 2017	18,066,280	0.17
Warrants issued	12,920,000	0.15
Warrants exercised	(1,083,638)	0.10
Balance, October 31, 2017	29,902,642	0.14

Details of warrants outstanding as at October 31, 2017 are as follows:

Number of Warrants Outstanding	Weighted Average Exercise Price	Average Remaining Contractual Life (Years)
71,400	$0.60	0.35
1,568,000	$0.60	0.35
7,254,500	$0.14	2.45
587,643	$0.10	0.87
2,573,071	$0.10	0.07
1,388,888	$0.12	1.38
1,388,890	$0.12	1.43
2,150,250	$0.15	0.58
12,920,000	$0.10	0.78
29,902,642	$0.17	1.14

(g) Share based payment reserve

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

(h) Warrant reserve

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

(Expressed in Canadian Dollars - unaudited)

6. SHARE CAPITAL (Continued)

(i) Foreign currency translation reserve

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

7. RELATED PARTY TRANSACTIONS

Related party balances

The following amounts are payable to related parties as at October 31, 2017 and July 31, 2017:

	October 31, 2017	July 31, 2017
	$	$
Companies controlled by directors of the Company	2,100	13,274
Directors and officers of the Company	6,328	(441)
	8,428	12,833

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

As at October 31, 2017, the Company made a $13,670 prepayment to a company controlled by a director of the Company for consulting services (Note 9).

During the year ended July 31, 2016, directors of the Company provided the Company with short term loans (Note 8).

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

Services provided by:	October 31, 2017	October 31, 2016
	$	$
Consulting fees	93,078	15,000
Professional fees	24,000	6,000
Management bonus	50,000	-
	167,078	150,659

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

Key management compensation included the consulting fees of $93,078 (2016 – $15,000).

8. SHORT TERM LOANS

During the year ended July 31, 2016, a director of the Company provided $50,000 in a short-term loan. The loan was unsecured, repayable upon completion of a financing by the Company, and bore interest at a rate of 1% per annum (Note 7). The Company repaid the loan during the year ended July 31, 2017.

During the year ended July 31, 2016, a third party provided $50,000 in a short-term loan. The loan was unsecured, repayable upon completion of a financing by the Company, and bore interest at a rate of 6% per annum (Note 7). The Company repaid the loan during the year ended July 31, 2017.

9. COMMITMENTS

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

On March 1, 2017, the Company amended the agreement with St. Cloud Mining Services Inc. to an increased rate of $7,500 per month (Note 7).

On August 16, 2017, the Company entered into a market making agreement with ACON Actienbank AG (“ACON”), a market maker based in Frankfurt, Germany, whereby the Company engaged ACON to provide market making services on the Frankfurt Stock Exchange on behalf of the Company. In consideration for the market making services, the Company has agreed to pay a fee in the amount of 5,000 euros plus value-added tax (if applicable) on a quarterly basis. The term of the agreement is for a period of 12 months and will be extended for an unlimited period if it is not terminated.

On September 25, 2017, the Company engaged the services of German Mining Networks (“German Mining”), based in Frankfurt, Germany. German Mining will work to increase investor awareness of the Company in Europe. The investor relations firm has been retained for an initial three months at a rate of $3,500 per month plus expenses.

On September 26, 2017, the Company’s joint venture partner, Power Metals, has signed the definitive agreement with MGX Minerals Inc. (“MGX”) previously announced through a binding letter of intent agreement on August 2, 2017. The concluded transaction terms are as follows:

- MGX acquires all of Power Metals' current U.S. petrolithium brine assets;
- MGX acquires a 20% working interest in all of Power Metals' current hard-rock assets and any future assets that Power Metals acquires for the following 36 months;
- MGX has the right to purchase an additional 15% working interest of Power Metals' hard-rock assets for a period of 36 months for a total of $10-million;
- MGX receives a call option to purchase up to 10 million common shares of Power Metals at a price of 65 cents per share for a period of 36 months; and
- MGX pays to Power Metals three million common shares of MGX;

9. COMMITMENTS (Continued)

Final completion of the transaction is subject to final regulatory approval from both the CSE and the TSX Venture Exchange.

On October 26, 2017, the Company signed a six-month extension agreement with MGX. This extension applies to its joint venture option agreement dated April 3, 2017. The extension agreement extends the financing requirement of the first well to March 31, 2018, and the second well to 12 months after September 30, 2018. The Company also waived the requirement of the USD$250,000 deposit which was included in its April 3, 2017 agreement.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

(a) Credit Risk

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

(b) Foreign Exchange Rate Risk

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

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

	October 31, 2017	**July 31, 2017**
	$	$
Cash	2,578	12
Accounts receivable	68,160	-
Accounts payable	(8,542)	(8,271)
	62,196	(8,259)

Based on the above net exposures, as at October 31, 2017, a 10% change in the US dollar to Canadian Dollar exchange rate would impact the Company's net income by $6,220.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity Risk

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

(d) Price Risk

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

(e) Interest Rate Risk

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

(f) Fair Values

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

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

Cash and marketable securities are measured using level 1 inputs.

11. CAPITAL MANAGEMENT

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

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

11. CAPITAL MANAGEMENT (Continued)

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

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

12. SEGMENTED INFORMATION

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

13. SUBSEQUENT EVENTS

No subsequent events.