AGENDA

3. Cautionary
4. Investment highlights
5. Potash Dragon team
6. Corporate structure
7. Exclusive water exploitation concessions
8. Catchment capacity
9. Isotope analysis
10. Water permits and consumers
11. Quillagua artesian aquifer location
12. Quillagua artesian aquifer geology
13. Gravimetric anomalies
14. PDI Hilaricos 2 water test work
15. Desalination and Hilaricos water supply costs
16. Financials
17. Development schedule

Jim and Gordon observing the artesian flow, January 2016

Cedric Mortimer showing the artesian water discovery while drilling for deep seated brines in September 2013
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND THE SALE AND DELIVERY OF SECURITIES

This presentation contains forward-looking information and forward-looking statements within the meaning of applicable Canadian securities laws. Some of the specific forward-looking statements in this presentation include statements regarding the potash, fertilizers and other key minerals industries, our acquisition, strategy and development plans, project schedules and statements regarding economic analysis of certain assets to be acquired. When used in this presentation, such statements use words, including but not limited to, “may”, “will”, “expect”, “believe”, “plan”, “intend”, “anticipate”, “future” and other similar terminology. The expected closing of our proposed acquisition of a Chilean and Namibian mining properties, our ability to develop those properties and to commence supplying potash, other fertilizers and other key minerals, any economic analysis regarding those mining properties, any statements regarding the potential for other minerals or the exploration and exploitation of other properties, and other forward-looking statements reflect management’s current expectations regarding future events and operating performance, but involve known and unknown risks, uncertainties and other factors which may cause the outcome of the proposed acquisition or the actual results, performance or achievements of Potash Dragon Inc (Barbados), and/or its affiliates (the “Company”) to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual events could differ materially from those projected herein and depend on a number of factors. These factors include, but are not limited to, actual future market conditions being different than anticipated by the Company’s management; material changes to government and environmental regulations affecting the Company’s operations; the ability of the Company to obtain the necessary permitting to develop the target properties or proposed marine terminal; material shifts in demographic trends. Material factors or assumptions that were applied to drawing a conclusion or making an estimate set out in the forward-looking information include, among others: the views of management of the Company regarding current and anticipated market conditions and the successful attainment of certain goals as discussed in this presentation. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although forward-looking information contained in this presentation is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. **Forward-looking statements speak only as of the date the statements are made. Readers should not put undue reliance on any forward-looking statements.**

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Discovery of a new Artesian Aquifer in one of the most arid places on earth

- The newly discovered warm, brackish, artesian aquifer, near the town of Quillagua on the border of region I & II in the Atacama Desert of Northern Chile, was intersected 550 meters below surface.
- It is hosted within a sequence of coarse conglomerates of the Altos de Pica formation, some 300 to 400 m thick, and is capped by a thick layer of impermeable fine grained formations.
- PDI has recently secured two exclusive water exploration concessions covering 67,239 hectares over this area in N Chile.
- Initial capacity is estimated to be in excess of 300 L/s of mine process water, with upside potential to double or triple this rate.

Low Start-Up Costs: Staged Investment

- Staged investments with an initial tranche of $5 million to drill the first two large diameter wells, define the aquifer capacity and apply for water permits for the aquifer.
- Additional equity of $9.5 million and $14.4 million in debt to drill the five production wells and install the distribution infrastructure.
- $16.7 million in annual free cash flow from year 4.

Experienced Management

- Seasoned professionals each with 30 years + experience.
- Team members with core competencies in the fields of deep well drilling.
- 4 senior executives sharing business development (Canada) and operating (Chile) responsibilities.
- Thorough knowledge of the northern Atacama Desert of Chile.
POTASH DRAGON TEAM

Gordon T Miller  President & CEO, Director, Pr Eng, NHDMM, PMD (UCT), SMP (Henley), MSAIMM

- Gordon is a registered professional mining engineer who has 33 years of mining experience
- Previously the founding CEO of Toronto listed First Uranium Corporation and CEO of Simmer and Jack Mines for six years. Before that Gordon spent four years with the Placer Dome Group in executive roles in South Africa, Canada and Australia.
- Gordon started his career with Johannesburg Consolidated Investments where he worked for 18 years and became Chief Operating Officer for Randfontein Estates and Western Areas Gold mines in South Africa
- Currently the President and CEO of Potash Dragon a 52% subsidiary of Gold Dragon Resources with assets in Chile

James W P Fisher  EVP and Director Ceng, Bsc (hons), EMBA (UCT), ARSM, FIMM, MSAIMM

- Jim is a Chartered Engineer, a fellow of The Institute of Materials, Minerals and Mining and has over 35 years’ experience in the Southern African mining industry, including nine years on the Zambian copper belt and the rest in South Africa, covering the metallurgy of gold, uranium, PGM’s and copper.
- Jim initiated the feasibility study into tailings treatment for what has become Mine Waste Solutions, serving as Chief Executive Officer of First Uranium South Africa. This led to the listing of First Uranium on the TSX. After which Jim was the Chief Operating officer and Director in the newly listed company

Wade J Spark  EVP & COO, P Eng BSc (Hons) Chem Eng

- Wade has over 30 years experience in the Oil & Gas industry having held Operations Manager, VP Ops/Eng, Asset Manager and GM positions with IOCs for the last 20 years.
- He has worked throughout North America, Asia, the Middle East and Africa, and has worked/lived extensively throughout Central and South America. Wade brings a wealth of project management and operations experience, as well as a new perspective, to GDR’s Chilean projects.

Robert K Mason  Secretary, General Counsel and Director B Comm (Hons), 1994 Carleton University: LLB, 1997 Osgoode Hall Law School at York University

- Rob represents issuers and underwriters on corporate finance transactions, alternative finance arrangements (royalties, streams, linked-notes), M&A mandates and proxy advisory matters, with a particular emphasis on mining and other natural resource sectors.
- He has extensive international experience, having recently led offerings by issuers located in South Africa, Australia, the United Kingdom and Canada with projects throughout the world. Rob also works in the technology and private equity sectors.
**CORPORATE STRUCTURE**

- **Gold Dragon Resources Corporation** (British Columbia)
- **Inspiration Mining Corporation** (Ontario)
- **Potash Dragon Inc.** (Barbados)
- **NewCo SpA** (Chile)
- **Llamara, Solida and Hilaricos potash, other fertilizers and related minerals**
- **Directors and Officers**
- **New Equity Investor**

**Investment Details**

<table>
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<tr>
<th>Tranche</th>
<th>Value</th>
<th>Ownership</th>
<th>Investment</th>
<th>Ownership</th>
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<tr>
<td>Start</td>
<td>$20m</td>
<td>100%</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>Tranche 1</td>
<td>$5m</td>
<td>80%</td>
<td>$5m</td>
<td>20%</td>
</tr>
<tr>
<td>Tranche 2</td>
<td>$9.5m</td>
<td>42%</td>
<td>$9.5m</td>
<td>58%</td>
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</tbody>
</table>
PDI has recently secured two exclusive water exploration concessions, covering 67,239 hectares in N Chile, from the Dirección General de Aguas del Ministerio de Obras Públicas (DGA).
Region I and II basin and subterranean water use statistics

### Catchment Statistics

- **Water Permits (L/s)**: 49, 4,506
- **Catchment area (km²)**: 2,062, 9,213
- **Total area (km²)**: 5,000, 10,000, 15,000, 20,000, 25,000, 30,000

#### Rio Loa entre Rio San Salvador y Quebrada Amarga
- Total area (km²): 26,292
- Water Permits (L/s): 49

#### Pampa del Tamarugal Y Salar de Llamara
- Total area (km²): 9,213
- Water Permits (L/s): 4,506

#### Catchment Utilisation

- **Pampa del Tamarugal Y Salar de Llamara**
  - Water use: 0.49 L/s/km²

- **Rio Loa entre Rio San Salvador y Quebrada Amarga**
  - Water use: 0.02 L/s/km²

Comparing to the Tamarugal and Llamara basins, the lower Rio Loa basin is only 5% utilised and has potential for 0.47 L/s/km², i.e., 960 L/s underutilised.

The DGA has stopped issuing permits in the Pampa del Tamarugal Y Salar de Llamara catchment area, as the water resource is satiated.

Catchment area is the area above 2,500 m.a.s.l., that receives regular rainfall.

### DGA Derchos I Region PdT

- **Rio Loa entre Rio San Salvador**
  - L/s: 0 - 14, 15 - 37, 38 - 70, 71 - 120, 121 - 233

### Legend

- Gold/Water Well Survey Points
- SRTM 30 Contours + 2500m
- Hidrografía_Sur
- Hidrografía Noreste
- Cuenca_Rio_Lo entre Rio San Salvador y Quebrada
- Cuenca_Pampa_del_Tamarugal Y Salar de Llamara
- Red hidrográfica_Región I y II 2015

Catchment areas as defined by the DGA.
The Oxygen 18 isotope indicates the water in the Quillagua aquifer fell as rain between 2,650 and 2,900 m.a.s.l. and then migrated to the 400 m.a.s.l. where it is found in the Hil No. 2 Borehole.

The artesian nature, elevated temperature, isotopic composition and chemistry differentiate the aquifer from surrounding groundwater.
Twenty five major mining companies operate within Regions I and II of Northern Chile.

Mining companies have 64% of all permitted aquifer use capacity.

The ability to apply for new water permits in the north of the pampa is severely constrained by aquifer capacity.

New groundwater supply capacity can only be sourced from the extremely rare occurrence of new aquifer discoveries, such as the one discovered by PDI.

Mining companies implementing large water projects now use desalinated water or sea water, which negatively impacts copper and molybdenum flotation recoveries, and has very significant capital and operating cost constraints.
Sierra de Moreno: source of aquifer feeders into Altos de Pica conglomerates up-lifted to 2700m a.s.l.

Subsurface structural disturbances are evident in the surface geology and contours.

Arcas Fan has significant changes in geometry.

Window of the section view shown on next slide.

Five times vertical exaggeration. Viewed from the NW
Both drill holes and the TEM geophysics confirm a thick layer of plastic clays acting as an aquiclude for the high pressure aquifer.

Artesian aquifer is situated 550 meters below surface at Hil No. 2.

Faulting and basement elevation forming barrier at the “toe”.

Capped by a thick layer of impermeable fine grained clays, shown in blue. Picture of core above.

The aquifer is hosted within a sequence of coarse conglomerates of the Altos de Pica formation shown in yellow. Picture of core below.

Five times vertical exaggeration. Viewed from the NW.
GRAVITY ANOMALIES

SFB 267 gridding: Bouguer Anomaly overlain with residual gravity contours, Keifer et al. (1999)

SFB 267 gridding: Isostatic Anomaly overlain with residual gravity contours, Keifer et al. (1999)
March 2016. Flow rate was steady at 1 L/s for 24 hours at a temp of 39 °C. After 24hrs of free flow the shut in pressure reached 52 psi in 15min.

**Hilaricos No. 2 water buffering test**

- **Hil No. 2 water requires similar lime consumption as tap water to reach a pH of 11, making it preferable for use in copper and molybdenum flotation compared to sea water.**

**Hilaricos No. 2 Analysis**

<table>
<thead>
<tr>
<th></th>
<th>Seawater</th>
<th>Quillagua aquifer</th>
<th>Relative to Seawater</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDS mg/L</td>
<td>34,926</td>
<td>11,835</td>
<td>34%</td>
</tr>
<tr>
<td>Cl mg/L</td>
<td>19,345</td>
<td>2,975</td>
<td>15%</td>
</tr>
<tr>
<td>Mg mg/L</td>
<td>1,295</td>
<td>89</td>
<td>7%</td>
</tr>
</tbody>
</table>

The Quillagua aquifer water is not potable without treatment. The dissolved minerals are predominantly Na₂SO₄, with a low ratio of Cl and Mg making it excellent for mineral processing.

From “The use of seawater as process water in concentration plant and the effects on the flotation performance of Cu-Mo ore” By Lauri Vecki, 2013
We have compared:

- The cost to desalinate sea water and supply this to a mine in the Altiplano +/- 4,000 m.a.s.l.,
- With supplying the same mine from GoldWater which is located at 960 m.a.s.l. and 80 km inland.

This equates to a capital cost of $0.16 m/L/s, of extremely rare inland water capacity, compared to desalination plants that have a typical capital cost of $0.94 m/L/s, a saving of 75% less capital cost per liter.

GoldWater could supply water at 44% less operating cost per m³ compared to desalinated water.
PDI Water Utility Economics

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<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Total capital $</td>
<td>$50,980,695</td>
</tr>
<tr>
<td>Capital intensity $/L/s</td>
<td>$159,315</td>
</tr>
<tr>
<td>Water sold (m³)</td>
<td>174,706,049</td>
</tr>
<tr>
<td>Revenue Received</td>
<td>$485,090,582</td>
</tr>
<tr>
<td>Pre escalated price benchmark ($/m³)</td>
<td>$2.48</td>
</tr>
<tr>
<td>Pre escalated sales price ($/m³)</td>
<td>$2.23</td>
</tr>
<tr>
<td>Revenue Received ($/m³)*</td>
<td>$2.78</td>
</tr>
<tr>
<td>Gross operating cost $</td>
<td>$48,153,023</td>
</tr>
<tr>
<td>Cost of water ($/m³)*</td>
<td>$0.57</td>
</tr>
<tr>
<td>Operating margin</td>
<td>80%</td>
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<tr>
<td>Discount rate</td>
<td>6%</td>
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<tr>
<td>NPV of Sales of Water</td>
<td>$159</td>
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<tr>
<td>IRR of water supply</td>
<td>47%</td>
</tr>
</tbody>
</table>

* Revenue and cost escalated at 2% each year

PDI intends initially to raise development equity capital of $5.0m to be followed by an additional equity financing of $9.5m concurrent with a debt financing of $14.5m to bring the project into production. The capital expenditure occurs over a three-year period and the project is expected to be cash flow positive in the fourth year from initiation.
### DEVELOPMENT SCHEDULE

**PDI: Water utility project development schedule**

<table>
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<tr>
<th>Phase</th>
<th>Date</th>
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<tbody>
<tr>
<td>PDI Funding</td>
<td>Jan-16</td>
</tr>
<tr>
<td>Ext Funding Part 1</td>
<td>Feb-16, Mar-16, Apr-16</td>
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<tr>
<td>Production Well permit</td>
<td>May-16</td>
</tr>
<tr>
<td>Ext Funding Part 2</td>
<td>Jul-16, Aug-16, Sep-16</td>
</tr>
<tr>
<td>Production</td>
<td>Nov-16, Dec-16</td>
</tr>
</tbody>
</table>

- **DGA Exploration Permit 26 Nov 2015**
- Geophysics Phase 1
- Geophysics Phase 2
- Geophysics Phase 3
- Additional TEM surveys
- Pipeline DIA
- Hil2
- Hil2a
- Hil1a
- Hil3
- Hil4
- Hil5
- Hil6
- Hil7
- Hil8
- Hilaricos Distribution Infrastructure
- Isabel Wells
- Isabel Distribution Infrastructure

### Progressive Cash Flow and Funding

- Cash Flow
- Equity
- Debt
- Operating Profit
Thank you