

POTASH DRAGON INC.: GOLDWATER PROJECT INFORMATION MEMORANDUM

The information contained herein, while obtained from sources which we believe to be reliable, is not guaranteed as to its accuracy or completeness and confers no right to purchasers. Information contained herein may be amended. This memorandum is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy the securities referred to herein. All amounts herein are in US dollars unless otherwise noted.



OPPORTUNITY

- Potash Dragon Inc. (“PDI”) has secured exclusive water exploration permits (covering 67,239 hectares) in respect of two new untapped aquifers in Northern Chile (one being artesian in nature)
- The aquifers are estimated to have an initial capacity in excess of 300 L/s of process water, with very significant upside potential, at elevations between 650 and 1000 m a.s.l.
- Based on exploration drilling and geophysical results, we have discovered and delineated a deep, warm, brackish, artesian aquifer near the town of Quillagua, the top of which is located ~ 550 meters below surface.
- The salt content of this aquifer is estimated to be 13,000 ppm Total Dissolved Solids (TDS) compared to sea water at 35,000 TDS and fresh water at ~500 TDS
- The nearest water production wells, in the Pampa del Tamarugal, are located approximately 50 km to the north and 90 km south of our project area, respectively
- The deep, pressurised and unconnected aquifer is hosted within a sequence of coarse conglomerates of the Altos de Pica formation
- PDI’s aquifer discoveries provide a significant opportunity for obtaining mining process water at a significantly reduced cost as compared to pumping seawater inland
- PDI is interested in monetizing its water exploration rights through a sale or joint venture transaction.



Dr. Cedric Mortimer shows the QAA water discovery in 2013



Hil-2 drill hole: Artesian flow test, March 2016



Core from 377 to 380 meters below surface showing the occurrence of a tuff layer, recently age dated by Sernageomin, within a thick sequence of clays that form the aquiclude. (13.45 ± 0.07 Ma.)



Core from 639 to 652 meters below surface showing disaggregated and missing core, from within a thick sequence of sands, conglomerates and cobbles that host the pressurized aquifer

ADDITIONAL INFORMATION

Additional technical information can be obtained with respect to the aquifers at <http://www.golddragonresources.ca/>.

THE PDI TEAM

Management of PDI includes the following individuals:



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



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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information and forward-looking statements within the meaning of applicable Canadian securities laws. Any number of events and circumstances could cause forward-looking statements to be incorrect. Although forward-looking information contained in this circular 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.**