AMERICAN POTASH CORP.
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Form 51-102F1

Management's Discussion & Analysis of Financial Condition and Results of Operations for the Financial Year Ended July 31, 2014

Date: November 28, 2014

General

This Management's Discussion & Analysis ("MD&A") of American Potash Corp. ("American Potash" or the "Company") has been prepared by management and should be read in conjunction with the Company's audited consolidated financial statements for the years ended July 31, 2014 and July 31, 2013. The audited financial statements, together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The audited financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the operating results of the Company.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at www.sedar.com.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's "forecast", "estimate", "expect" and similar expressions, as they relate to the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Overview of Business

The Company was incorporated on June 5, 2006 under the laws of British Columbia. The Company's principal business activity is the acquisition and exploration of exploration and evaluation assets. On August 12, 2014, the Company changed its name to American Potash Corp. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") under the symbol 'AMP' and on the OTCQX International, a segment of the OTCQX marketplace in the U.S., under the symbol 'APCOF'.

The Company's head office and registered and records office is 1100 - 1111 Melville Street, Vancouver, BC, Canada V6E 3V6.

The Company is dedicated to the acquisition and development of potash mineral deposits in the United States and elsewhere. American Potash LLC ("*American Potash*"), a Nevada corporation wholly owned by the Company, owns and operates the Green River Potash Project in Utah. American Potash's area of interest covers key land positions in known potash-bearing sedimentary cycles in Utah.

The audited consolidated financial statements of the Company for the years ended July 31, 2014 and July 31, 2013 include the accounts of the Company and its 100% interest in American Potash LLC. Control is achieved when the Company has the power to govern the financial and 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.

The Company will hold its Annual General and Special Meeting at 10 a.m. Pacific Standard Time on December 19, 2014 at 2600 – 1066 West Hastings Street, Vancouver, BC.

The board of directors consists of Rudy de Jonge, Darryl Yea, Dr. Kent Ausburn, John Greig, Dr. Lawrence Dick, Kenneth R. Holmes, and John Proust. Michael Sieb is the President and Alexander Peck is the Chief Financial Officer. The members of the Audit Committee are Darryl Yea, John Greig and Dr. Lawrence Dick.

Results of Operations

During the year ended July 31, 2014, the Company generated a net loss of $728,715 (2013: $740,794) and a net comprehensive loss of $843,379 (2013: $701,126).

In July 2014, the Company entered into loan agreements with three directors and one consultant for a total of $24,000, repayable with 10% interest per annum on or before January 31, 2015 in cash or common shares at the option of the lenders. In August and October 2014, the Company entered into additional loan agreements with three directors and one consultant for a total of $32,200, repayable with 10% interest per annum on or before January 31, 2015 in cash or common shares at the option of the lenders.

Green River Potash Project

On January 31, 2014, fourteen (14) prospecting permits totaling 29,586 acres were formally signed and delivered to the Company, with an effective date of March 1, 2014; thereby initiating the Sweetwater Option period.

On February 14, 2014, upon receipt of the prospecting permits, the Company issued 20,000 common shares as a finder's fee.

Overall Performance

The following discussion of the Company's financial performance is based on the audited financial statements for the years ended July 31, 2014 and July 31, 2013.

The statement of financial position as at July 31, 2014 indicates a cash position of $19,167 (2013: $21,217) and short-term investments of $Nil (2013: $145,963). The Company has other current assets of GST receivables of $5,256 (2013: $57,001), prepaid expenses of $40,512 (2013: $33,104) and income tax receivable of $18,610 (2013: $Nil). Non-current assets consist of exploration and evaluation assets of $3,284,288 (2013: $2,017,260) and intangible assets of $Nil (2013: $928,802). During the current fiscal year, upon receipt of the 14 prospecting permits, the cost of attaining those permits ($1,133,716) was reallocated from intangible assets to exploration and evaluation assets.

Current liabilities at July 31, 2014 total $263,507 (2013: $70,286), comprising accounts payable and accrued liabilities of $157,658 (2013: $55,635), short-term loan payable of $24,000 (2013: $Nil) and due to related parties of $81,849 (2013: $14,651).

Shareholders' equity at July 31, 2014 is comprised of share capital of $5,123,876 (2013: $4,628,161), share-based payment reserves of $1,041,838 (2013: $989,914), warrant reserves of $454,368 (2013: $416,691), foreign currency translation reserve of $153,535 (2013: $38,871) and an accumulated deficit of $3,669,291 (2013: $2,940,576) for total shareholders' equity of $3,104,326 (2013: $3,133,061).

On November 8, 2013, the Company closed a non-brokered private placement of 1,759,232 units at a price of $0.15 per unit for gross proceeds of $263,885. Each unit consisted of one share of the Company and one-half of one warrant, exercisable for two years from date of grant at a price of $0.25 per share. Finders' fees of $11,190 were paid in connection with the partial closing. Using the residual method, a $Nil value was allocated to the attached warrants.

On January 17, 2014, the Company closed a non-brokered private placement of 538,334 units at a price of $0.15 per unit for gross proceeds of $80,750. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant, exercisable for two years from date of grant at a price of $0.25 per share. Finders' fees of $1,905 were paid in connection with the private placement. Using the residual method, a $Nil value was allocated to the attached warrants.

On February 14, 2014, the Company issued an aggregate of 420,000 common shares at a fair value of $0.115 per share, pursuant to the Sweetwater Option.

On April 15, 2014, the Company closed a non-brokered private placement of 767,000 units at a price of $0.15 per unit for gross proceeds of $115,050. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant, exercisable for two years from date of grant at a price of $0.25 per share. Finders' fees of $1,500 were paid in connection with the private placement. Using the residual method, a fair value of $23,010 was allocated to the attached warrants.

On June 3, 2014, the Company closed a non-brokered private placement of 266,666 units at a price of $0.15 per unit for gross proceeds of $40,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant, exercisable for two years from date of grant at a price of $0.25 per share. Using the residual method, a fair value of $14,667 was allocated to the attached warrants.

The Company has a working capital deficit, which is current assets less current liabilities of $179,962 (2013: working capital of $186,999).

As at July 31, 2014, the Company has no earnings and therefore finances exploration activities by the issuance of its common shares. The key determinants of the Company's operating results are the following:

(a) the state of capital markets, which affects the ability of the Company to finance its exploration activities; and
(b) the write-down and abandonment of exploration and evaluation assets and intangible assets should permits for exploration not be granted and should exploration results provide further information that does not support the underlying value of such assets.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years.

	Year-Ended July 31, 2014	**Year-Ended July 31, 2013**	**Year-Ended July 31, 2012 Restated**
Net Sales or Total Revenues	$NIL	$NIL	$NIL
Net Income or (Loss)	$(728,715)	$(740,794)	$(944,563)
Net Comprehensive Income of (Loss)	$(843,379)	$(701,126)	$(926,934)
Net Income or (Loss) per share, basic and diluted	$(0.01)	$(0.01)	$(0.02)
Total Assets	$3,367,833	$3,203,347	$4,120,340
Weighted Average Number of Shares Outstanding-basic	53,605,905	51,531,529	37,879,762
Weighted Average Number of Shares Outstanding-diluted	53,605,905	51,531,529	37,879,762
Shareholders' Equity	$3,104,326	$3,133,061	$3,751,786

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed fiscal quarters of the Company, prepared in accordance with IFRS and stated in Canadian dollars:

	2014				2013			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net Sales/ Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss)	$(160,209)	$(175,613)	$(213,243)	$(179,650)	$(177,060)	$(111,302)	$(325,785)	$(126,647)
Basic Income (Loss) per share	$(0.00)	$(0.00)	$(0.01)	$(0.00)	$(0.00)	$(0.00)	$(0.01)	$(0.00)

Notes: 1. Fully diluted per share amounts are not scheduled as they would be anti-dilutive.

In quarter 2 of Fiscal 2013, the Company expensed $124,122 in share-based payments for 3,285,000 stock options cancelled and reissued to directors, officers and consultants. In quarter 4 of Fiscal 2013, this amount was corrected to $57,680, being the incremental increase in the value of the grants.

Liquidity & Capital Resources

The Company's cash balance is $19,167 and the Company has a working capital deficit of $179,962 at July 31, 2014 compared with a cash balance of $21,217 and working capital of $186,999 at July 31, 2013.

The Company will be required to raise additional cash for continued operations and exploration activities.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

The aggregate value of transactions and outstanding balances relating to key management personnel and entities which they have control over or significant influence of were as follows:

Services provided:

	Years ended July 31,	
	2014	**2013**
	$	$
Consulting fees	97,900	123,588
Wages and benefits	153,852	159,365
	251,752	282,953

Key management personnel compensation:

	Years ended July 31,	
	2014	**2013**
	$	$
Consulting fees	97,900	123,588
Wages and benefits	153,852	153,853
Share-based payments	46,784	56,894
	298,539	339,847

Commitments

The Company entered into loan agreements with three directors and one consultant for a total of $24,000, repayable with 10% interest per annum on or before January 31, 2015 in cash or common shares at the option of the lenders.

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.

On April 1, 2012, the Company entered into an employment agreement with Mike Sieb to provide services as President of the Company. Pursuant to the agreement, the Company agreed to issue 75,000 common shares on the second anniversary of employment (issued) and an additional 75,000 common shares on the third anniversary of employment.

New accounting standards and interpretations

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after July 31, 2014 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9); and
b) Amendments to IAS 32 Financial Instruments: Presentation.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

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 and short-term investments. The Company limits its exposure to credit loss by placing its cash and short-term investments 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 the Company's subsidiary American Potash LLC 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:

	July 31, 2014	**July 31, 2013**
	$	$
Cash	12	31,969
Accounts payable	(59,049)	(32,978)
	(59,037)	(829)

Based on the above net exposures, as at July 31, 2014, a 10% change in the US dollar to Canadian Dollar exchange rate would impact the Company's net loss by $5,904.

(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. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

Contractual maturity analysis is as follows:

	Less than 3 months	3-12 months	1-5 years	Longer than 5 years	Total
	$	$	$	$	$
July 31, 2014					
Accounts payable	137,658	-	-	-	137,658
Due to related parties	81,849	-	-	-	81,849
Short-term loan	24,000	-	-	-	24,000

	Less than 3 months	3-12 months	1-5 years	Longer than 5 years	Total
	$	$	$	$	$
July 31, 2013					
Accounts payable	40,635	-	-	-	40,635
Due to related parties	14,651	-	-	-	14,651

(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 loans payable which bear interest at fixed rates. The Company's operating cash flows are substantially independent of changes in market interest rates. 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.

The following is an analysis of the Company's financial assets measured at fair value as at July 31, 2014 and 2013:

	As at July 31, 2014		
	Level 1	Level 2	Level 3
	$	$	$
Cash	19,167	-	-
Total	19,167	-	-

	As at July 31, 2013		
	Level 1	Level 2	Level 3
	$	$	$
Cash	21,217	-	-
Short term investments	145,963	-	-
Total	167,180	-	-

Summary of Outstanding Share Data
The Company's issued and outstanding share capital as at the date of this MD&A is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at November 28, 2014, the Company has 55,332,898 common shares issued and outstanding, 4,385,000 stock options outstanding and 6,465,616 warrants outstanding.

Additional Disclosure for Junior Issuers
The Company has expensed the following material cost components during the years ended July 31, 2014 and 2013 and the quarters ended July 31, 2014 and 2013:

		Year Ended July 31,		Three Months Ended July 31,	
	Notes	**2014**	**2013**	**2014**	**2013**
		$	**$**	**$**	**$**
Accounting and audit fees	(a)	55,031	125,486	26,365	32,411
Consulting fees	(b)	104,615	151,565	21,561	58,205
Foreign exchange		15,770	5,613	1,140	6,375
Insurance		12,762	13,229	3,112	3,415
Interest expense and bank charges		1,191	1,512	201	548
Investor relations, website and promotion	(c)	165,651	72,068	43,526	21,687
Legal fees		65,646	77,206	28,677	21,562
Office and administration		35,945	25,212	4,045	13,573
Office Rent		20,013	20,680	3,000	8,678
Share-based payments		51,924	76,401	4,707	(47,721)
Transfer agent and filing fees		32,592	31,469	5,901	11,794
Travel and entertainment		32,811	19,779	(2,975)	9,241
Wages		153,852	159,365	39,558	42,500

(a) Accounting and audit fees – Fiscal 2013 fees are primarily related to work done in connection with the Company's acquisition of Confederation's 50% share of American Potash LLP.

(b) In September, 2012, a director of the Company was contracted to provide services as Managing Member of American Potash LLC at a rate of US$3,000 per month. This contract was terminated effective November 30, 2013.

(c) During the current year the Company paid $90,000 for a full year of investor relations, while during fiscal 2013, the Company paid $30,000 for four months to the same consultant.

The Company has capitalized the following exploration and evaluation assets during the year:

Green River Potash Project Expenditures

	For the year ended July 31,	
	2014	**2013**
	$	$
Mineral acquisition costs:		
Balance, beginning	1,711,665	1,677,518
Cash	-	28,999
Shares	48,300	-
Reallocation from intangible assets	1,133,716	-
Foreign exchange translation	36,503	5,148
Balance, ending	2,930,184	1,711,665
Exploration and evaluation expenditures:		
Balance, beginning	305,595	266,248
Bonding	10,341	7,833
General administration	30,973	15,390
Surveys	-	3,859
Geological consulting	-	2,063
Foreign exchange translation	7,195	10,202
Balance, ending	354,104	305,595
Total	3,284,288	2,017,260

Risks and Uncertainties

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to support commercial production stage are also very substantial.

The following sets out the principal risks faced by the Company.

Exploration Risk. The Company is seeking mineral deposits, on exploration projects where there are not yet established ore reserves. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company’s property holdings within existing investors’ investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company’s planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market Risks. The Company’s securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity Price Risks. The Company’s exploration projects seek mineral resources in Utah. While there have been price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors’ evaluations, perceptions, beliefs and sentiments will continue to favour these target resources. An adverse change in the resource prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing Risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Corporation and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that price fluctuations and volatility will not continue to occur.

Key Personnel Risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel, including the board of directors. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable Risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Grant of Permits. There is a risk that, for various potential political, environmental, or other reasons, the BLM will not grant the exploration permits to American Potash. In that event, the BLM applications will hold no value.

Proposed Transactions

There are no proposed transactions currently approved by the Board of Directors.

Other MD&A Requirements

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

The Company's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company.