ORGANIC POTASH CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011
(Expressed in Canadian Dollars)

Collins Barrow
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Organic Potash Corporation

We have audited the accompanying consolidated financial statements of Organic Potash Corporation and its subsidiaries which comprise the consolidated statements of financial position as at June 30, 2012 and June 30, 2011 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended June 30, 2012 and June 30, 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Organic Potash Corporation and its subsidiaries as at June 30, 2012 and June 30, 2011, and its financial performance and its cash flows for the years ended June 30, 2012 and June 30, 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes the material uncertainties that cast significant doubt about Organic Potash Corporation's ability to continue as a going concern.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
October 18, 2012
Toronto, Ontario

Organic Potash Corporation

Consolidated Statements of Financial Position
As at June 30,

		2012		2011
Assets				
Current				
Cash	$	196,314	$	586,703
Other receivables (note 5)		48,475		35,500
Prepaids		23,696		-
Inventory		8,080		-
Notes receivable		-		5,296
		276,565		627,499
Property, plant and equipment (note 7)		404,227		-
Total Assets	$	680,792	$	627,499
Liabilities				
Current				
Accounts payable and accrued liabilities	$	39,557	$	387,327
Notes payable (note 4)		-		15,000
		39,557		402,327
Shareholders' Equity				
Share capital (note 8)		2,801,199		402,500
Contributed surplus (note 9)		724,829		-
Warrants (note 8)		387,194		-
Accumulated other comprehensive loss		(2,185)		-
Prepaid share subscriptions (note 10)		-		539,650
Deficit		(3,269,802)		(716,978)
		641,235		225,172
Total Liabilities and Shareholders' Equity	$	680,792	$	627,499

Nature of operations and going concern (note 1)
Commitments (note 13)
Subsequent events (note 15)

Approved by the Board

"Heather Welner" Director

"Michael Galloro" Director

The accompanying notes are an integral part of these audited consolidated financial statements

Organic Potash Corporation

Consolidated Statements of Loss and Comprehensive Loss
Years ended June 30,

		2012		2011
Salary and wages	$	726,742	$	-
Travel and promotion		170,046		63,824
Consulting		168,045		100,230
Office and general		216,544		11,764
Professional fees		166,747		538,660
Operating costs		46,147		-
Share-based payments (note 9)		724,829		-
Depreciation		8,812		-
Reverse acquisition transaction costs (note 6)		332,618		-
		2,560,530		714,478
Finance income		8,116		-
Foreign exchange loss		(410)		-
Loss before provision for income taxes		2,552,824		714,478
Income taxes		-		-
Net loss for the year		(2,552,824)		(714,478)
Exchange loss on translating to presentation currency		(2,185)		-
Loss and comprehensive loss for the year	$	(2,555,009)	$	(714,478)
Loss per common share, basic and diluted	$	(0.04)	$	(0.02)
Weighted average number of common shares, basic and diluted		63,949,044		34,205,479

The accompanying notes are an integral part of these audited consolidated financial statements

Organic Potash Corporation

Consolidated Statements of Changes in Equity
Years ended June 30, 2012 and 2011

	Share Capital	Contributed Surplus	Warrants	Accumulated other comprehensive loss	Prepaid Share Subscriptions	Deficit	Total Shareholders' Equity
Balance as at June 30, 2010	$ 2,500	$ -	$ -	$ -	$ -	$ (2,500)	$ -
Issuance of shares	400,000	-	-	-	-	-	400,000
Prepaid share subscriptions receivable	-	-	-	-	539,650	-	539,650
Loss and comprehensive loss for the year	-	-	-	-	-	(714,478)	(714,478)
Balance as at June 30, 2011	402,500	-	-	-	539,650	(716,978)	225,172
Private placements, net of cash issue costs	2,195,081	-	269,555	-	(539,650)	-	1,924,986
Broker warrants issued on private placements	(117,639)	-	117,639	-	-	-	-
Shares issued for reverse-takeover transaction	321,257	-	-	-	-	-	321,257
Share-based payments	-	724,829	-	-	-	-	724,829
Loss and comprehensive loss for the year	-	-	-	(2,185)	-	(2,552,824)	(2,555,009)
Balance as at June 30, 2012	$ 2,801,199	$ 724,829	$ 387,194	$ (2,185)	$ -	$ (3,269,802)	$ 641,235

The accompanying notes are an integral part of these audited consolidated financial statements

Organic Potash Corporation

Consolidated Statements of Cash Flows
Years ended June 30,

	2012	2011
Cash flows provided from (used in):		
Operating activities		
Loss for the year	$ (2,552,824)	$ (714,478)
Items not affecting cash:		
Share-based payments (note 9)	724,829	-
Shares issued as considieration for professional fees	-	360,000
Reverse acquisition transaction costs (note 6)	332,618	-
Depreciation	8,812	-
Net changes in non-cash working capital:		
Other receivables	(12,975)	(35,500)
Prepaids	(23,696)	-
Inventory	(8,080)	-
Notes receivables	-	(5,296)
Accounts payable and accrued liabilities	(347,770)	387,327
Notes payable	(15,000)	15,000
	(1,894,086)	7,053
Investing activities		
Addtions to property, plant and equipment	(411,768)	-
	(411,768)	-
Financing activities		
Proceeds from issuance of units, net of issue costs (note 8)	1,924,986	579,650
Net assets from TRED acquisition (note 6)	(6,065)	-
	1,918,921	579,650
Effects of foreign currency translation	(3,456)	-
Increase (decrease) in cash	(390,389)	586,703
Cash, beginning of year	586,703	-
Cash, end of year	$ 196,314	$ 586,703

The accompanying notes are an integral part of these audited consolidated financial statements

1. Nature of operations and going concern

Organic Potash Corporation (originally incorporated under the name Ghana Canada Resources Inc.) (the "Company" or "OPC") was incorporated on June 26, 2009 under the Ontario Business Corporations Act. The address of the Company's registered office is 10 Wilkinson Road, Suite 22, Brampton Ontario, L6T 5B1, Canada.

The consolidated financial statements for the year ended June 30, 2012 were approved and authorized for issue by the Board of Directors on October 18, 2012.

The consolidated financial statements of OPC as at and for the years ended June 30, 2012 and 2011 include OPC and its subsidiaries, GC Resources Ltd. ("GC Resources") and GC Purchasing Ltd. ("GC Purchasing") (together referred to as the "Group" and individually as "Group entities"). OPC is engaged in the production and export of potash produced from agricultural waste, in particular, cocoa husks.

The consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has significant negative cash flows from operations. Whether and when the Company can attain profitability and positive cash flows is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company will need to raise capital in order to fund its operations. To address its financing requirements, the Company will seek financing through debt and equity financings, asset sales, and rights offerings to existing shareholders. The outcome of these matters cannot be predicted at this time.

2. Basis of presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(a) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except as detailed in the Company's accounting policies disclosed in note 3.

(b) Functional and presentation currency

These consolidated financial statements are presented in Canadian Dollars, which is the Company's presentation currency. OPC's functional currency is Canadian Dollars and the functional currency of all subsidiaries is the United States Dollar.

2. Basis of presentation (cont'd)

(c) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are noted below:

(i) Income taxes

Tax interpretations, regulations and legislations in the jurisdiction in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

(ii) Expense allocation

The Company estimated the allocation of costs to share issue costs and professional fees.

(iii) Share-based payments and warrants

Charges for share-based payments and the value of warrants are based on the fair value at the date of issuance. The share-based payments and warrants are valued using Black-Scholes option pricing model; inputs to the model include assumptions on share price volatility, discount rates and expected life outstanding.

(iv) Functional currency

Judgement is required to determine the functional currency of the parent and its subsidiaries. These judgements are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements as at and for the years ended June 30, 2012 and 2011, unless otherwise indicated. The accounting policies have been applied consistently by each entity in the Group.

3. Significant accounting policies (cont'd)

Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

OPC's significant subsidiaries are:

	Country of Incorporation	Ownership Interest Total
GC Resources Ltd.	Ghana	100%
GC Purchasing Ltd.	Ghana	100%

(ii) Transactions and balances eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of each Group entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income and comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3. **Significant accounting policies** (cont'd)

Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of Group entities with a functional currency that differs from the presentation currency are translated to the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the financial period end;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- equity transactions are translated using the exchange rate at the date of the transaction; and
- all resulting exchange differences are recognized as a separate component of equity as cumulative translation adjustments.

When a foreign operation is disposed of, the relevant amount in the translation is transferred to profit or loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income.

Financial instruments

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Fair value through profit and loss
Other receivables	Loans and receivables
Notes receivable	Loans and receivables

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Notes payable	Other financial liabilities

3. Significant accounting policies (cont'd)

Financial instruments (cont'd)

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to contractual provisions of the instrument.

The Company has the following non-derivative financial assets:

Fair value through profit and loss ("FVTPL")

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statement of loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

(ii) Other financial liabilities

All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-derivative financial liabilities is comprised of accounts payable and accrued liabilities and notes payable.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

3. Significant accounting policies (cont'd)

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: fair value measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: fair value measurements are based on inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: fair value measurements are those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of June 30, 2012 and June 30, 2011, except for cash, none of the Company's financial instruments are recorded at fair value in the balance sheet. Cash is classified as Level 1.

Determination of fair values

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(ii) Non-derivate financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3. Significant accounting policies (cont'd.)

Property, plant and equipment

Property, plant and equipment is recorded at historical cost or deemed cost less accumulated depreciation and accumulated impairment losses, if any. Improvements that increase the future economic benefit of an asset are capitalized; other repairs and maintenance are expensed. The Company's property, plant and equipment are reviewed for indications of impairment at each reporting date. If indication of impairment exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of (i) fair value less costs to sell, and (ii) value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market estimates of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds it recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis. Impairment losses can be subsequently reversed when an asset recovers in fair value, but must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment been recognized.

Amortization is computed under the straight-line method over the following estimated useful lives:

Equipment, furniture and fixtures	3 to 10 years
Vehicles	3 to 5 years
Leasehold improvements	5 years

Amortization of assets under construction begins when they are ready for their intended use.

Share capital

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effect.

Share-based payments

The Company offers a share option plan for its directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured using the Black-Scholes option pricing model when issued to employees. Where share-based payments are issued to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. If the fair value is not readily determinable the amount is based on the fair value of the equity instrument granted. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. Any consideration paid on exercise of share options is credited to share capital. The contributed surplus resulting from share-based compensation is transferred to share capital when the options are exercised.

3. Significant accounting policies (cont'd)

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in loss except to the extent that the tax relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

The Group presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Group by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is determined by adjusting the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of dilutive instruments such as options and warrants, adjusted for own shares held. Diluted loss per share has not been presented since the amount would be anti-dilutive.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended June 30, 2012, and have not been applied in preparing these consolidated financial statements.

The Company is currently assessing the effects of IFRS 9 Financial Instruments (Classification and Measurement), which becomes effective on January 1, 2015, and IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and IFRS 13 Fair Value Measurement, all of which become effective January 1, 2013. The extent of the impact has not been determined.

4. Notes payable

Notes payable consisted of notes owing to three directors of the Company, which bore no interest and had no specified terms of repayment. The amounts owing were repaid in 2012.

5. Other receivables

	June 30, 2012		June 30, 2011	
HST receivable	$	41,170	$	35,500
Other receivables		7,305		-
	$	48,475	$	35,500

6. Amalgamation with Tulox Real Estate Development Inc.

On February 10, 2011, the Company entered into a non-binding letter of intent to negotiate exclusively with Tulox Real Estate Development Inc. ("TRED"), a reporting issuer. On March 21, 2011, the Company signed an amalgamation agreement with TRED such that each TRED shareholder will receive one common share of the newly amalgamated company ("Amalco") for every two and one half (2.5) common shares of TRED, on a post-consolidated basis, and all OPC shareholders would receive one common share of Amalco for each share of OPC being exchanged. The net assets of TRED are not significant. As a result of the amalgamation, the former shareholders of TRED owned 4% and the original owners of the Company owned 96% of the outstanding shares of the amalgamated entity. On July 8, 2011, the Company completed the amalgamation and on August 15, 2011, listed on the Canadian National Stock Exchange.

As the shareholders of the Company controlled Amalco post amalgamation, the acquisition was accounted for as a reverse acquisition. TRED did not meet the definition of a business under IFRS 3. The assets and liabilities of the Company are included in the consolidated statement of financial position at their pre-amalgamation carrying values, which approximates fair value. Share capital and deficit of TRED are eliminated. The fair value of the consideration in the reverse acquisition is equivalent to the fair value of 2,415,467common shares controlled by the original shareholders of the Company. The purchase price of TRED has been allocated as follows:

Purchase price:		
2,415,467 common shares of the Company at $0.133 per share	$	321,257
Allocated as follows:		
HST receivable	$	1,800
Accounts payable and accrued liabilities		(7,865)
Note payable to the Company eliminated on amalgamation		(5,296)
Reverse acquisition transaction costs		332,618
	$	321,257

7. Property, plant and equipment

	Equipment, Furniture and Fixtures	Vehicles	Leasehold Improvements	Equipment Under Construction	Total
Cost					
Balance at June 30, 2010 and 2011	$ -	$ -	$ -	$ -	$ -
Additions	24,765	101,616	18,499	266,888	411,768
Balance at June 30, 2012	24,765	101,616	18,499	266,888	411,768
Accumulated depreciation					
Balance at June 30, 2010 and 2011	-	-	-	-	-
Depreciation	2,923	5,889	-	-	8,812
Balance at June 30, 2012	2,923	5,889	-	-	8,812
Exchange differences	127	610	-	534	1,271
Net Book Value	$ 21,969	$ 96,337	$ 18,499	$ 267,422	$ 404,227

For the year ended June 30, 2012, $8,812 (2011 - $Nil) of depreciation expense was recorded. All of the Company's property, plant and equipment are located in Ghana. Equipment under construction is the costs incurred to date for a mini processing plant.

8. Share capital and warrants

Authorized: an unlimited number of common shares

Issued and outstanding:

	Common Shares	Amount
Balance, June 30, 2010	25,000,000	$ 2,500
Shares issued under the terms of consulting agreement	20,000,000	400,000
Balance, June 30, 2011	45,000,000	402,500
Private placement	16,909,785	2,245,152
Shares issued on RTO	2,415,467	321,257
Share issuance costs	-	(167,710)
Balance, June 30, 2012	64,325,252	$ 2,801,199

Warrants:

	Warrants	Amount
Balance, June 30, 2011, and 2010	-	$ -
Private placement warrants	8,454,883	291,316
Finders' warrants on private placement	1,690,978	117,639
Warrant issuance costs	-	(21,761)
Balance, June 30, 2012	10,145,861	$ 387,194

8. Share capital and warrants (cont'd)

Expiry Date	Number of Warrants	Weighted Average Exercise Price
February 15, 2013	8,454,883	$ 0.30
February 15, 2013	1,690,978	0.15
	10,145,861	$ 0.27

Issuance of common shares and warrants

On January 13, 2011, the Company signed a consulting agreement ("Agreement") formalizing advisory services that have been provided to the Company with regards to the Company's structure, financing options and assistance with a going public transaction. Under the terms of the Agreement the Company issued 20,000,000 common shares as compensation for services with a fair value of $400,000. Of the services provided, 10% has been deemed to relate to the raising of capital through the issuance of shares resulting in share issuance costs of $40,000. Under the terms of the Agreement, if certain performance objectives are not met, the Company has the option to repurchase the shares for one dollar.

On July 7, 2011, OPC completed a private placement financing of 16,909,785 units at $0.15 per unit for gross proceeds of $2,536,468. Each unit consists of one common share and one half of one warrant exercisable at $0.30 for a period of eighteen months from the date of listing. The Company paid finder's fees of 10% finder's warrants resulting in the issuance of 1,690,978 finder's warrants exercisable at $0.15 with a Black-Scholes option pricing model value of $117,639. All warrants provide the Company the option to call the warrants if the shares trade at a closing price of $0.45 or greater for 10 consecutive trading days. The value of $2,245,152 less issuance costs of $167,710 has been attributed to the common shares. The remaining value of $291,316 less issuance costs of $21,761 has been attributed to the warrants issued based on the Black-Scholes option pricing model and has been credited to warrants within shareholders' equity.

On July 8, 2011, the Company completed an amalgamation with TRED (note 6), under which it issued 2,415,467 shares at a value of $0.133 per share to the former owners of TRED.

The fair value of the Company's warrants issued was estimated using the Black-Scholes option pricing model using the following assumptions:

Volatility, based on industry comparables	100%
Risk-free interest rate	1.10%
Expected life (years)	1.5 years
Dividend yield	Nil
Share price	$0.15

9. Share-based payments

The Company implemented a stock option plan under which it is authorized to grant options to its directors, officers, employees and consultants for the purchase of up to 10% of the issued and outstanding common shares. The term of the stock options under the plan shall not exceed 10 years, have an exercise price not less than the current market price and may be subject to vesting terms as determined by the board of directors.

	Number of Options	Weighted Average Exercise Price
Balance at June 30, 2011, and 2010	-	$ -
Granted	6,432,525	0.15
Balance at June 30, 2012	6,432,525	$ 0.15

The Company had the following stock options outstanding at June 30, 2012:

Grant Date	Exercise Price ($)	Weighted Avg Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
July 7, 2011	0.15	4.02	6,432,525	6,432,525

The fair value of the Company's stock options issued that vested immediately was estimated using the Black-Scholes option pricing model using the following assumptions:

Volatility, based on industry comparables	100%
Risk-free interest rate	2.29%
Expected life (years)	5 years
Dividend yield	Nil
Forfeiture rate	Nil
Share price	$0.15
Average fair value	$0.11

10. Prepaid share subscriptions

Prepaid share subscriptions consists of cash received, net of issuance cost, related to a private placement under which the shares had not been issued. The prepaid share subscriptions relate to the subscription of 3,864,333 units at $0.15 per unit with regards to a private placement, net of issue costs. Each unit consists of one common share and one half of one warrant exercisable at $0.30 per warrant for a period of eighteen months. During the year ended June 30, 2012, the Company completed the private placement.

11. Income taxes

Provision for income taxes

The major factors that cause variations from the Company's combined federal and provincial statutory Canadian income tax rates are as follows:

	2012	2011
Loss before income taxes	$ 2,552,824	$ 714,478
Statutory rate	27.25%	29.26%
Expected income tax recovery at combined basic Federal and Provincial tax rate	695,645	209,044
Effect on income taxes of:		
Change in rates	(116,043)	(28,721)
Permanent differences	(289,042)	(11,703)
Tax assets not recognized	(290,559)	(168,620)
Income tax expense	$ -	$ -

Deferred Tax Balances

The Company's future income tax assets and liabilities are valued using the deferred income tax rate of 25.00%. The tax effects of temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are as follows:

	2012	2011
Non-capital losses carry forward	$ 459,179	$ 168,620
Tax assets not recognized	(459,179)	(168,620)
Deferred income tax asset	$ -	$ -

Losses Carried Forward

The Company has non-capital losses that will expire, if not utilized, as follows:

2030	$ 2,500
2031	674,478
2032	1,159,737
Total	$ 1,836,715

12. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including foreign exchange/currency risk and commodity price risk)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Directors have overall responsibility for establishment and oversight of the Company's risk management framework.

(i) Credit risk

Credit risk is the risk of financial loss associated with counterparty's inability to fulfill its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Company manages its credit risk by predominantly dealing with counterparties with a positive credit rating. As at June 30, 2012, $7,305 of the balances receivable are to third parties and the remaining amounts are with government organizations. As at June 30, 2011, all balances receivable are with government organizations or other credit worthy parties. The Company is also exposed to credit risk on cash and maintains its balances with high credit Canadian and Ghanaian institutions.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's executives continually review the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The Group's operating cash requirements, including amounts projected, are continuously monitored and adjusted as input variables change. These variables include but are not limited to, changes to government regulations relating to prices, taxes, royalties, and availability of markets. As these variables change, liquidity risks may necessitate the need for the Group to pursue equity issuances, obtain debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner. The Company currently has cash on hand in excess of current liabilities. All accounts payables are due within 30 days.

12. Financial risk management (cont'd.)

Risk management framework (cont'd.)

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The significant market risk to which the Group is exposed is foreign exchange risk.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk primarily related to operating and capital expenditures, denominated in currencies other than the Canadian dollar, primarily US Dollars (USD) and Ghanaian Cedi (GHC). The following financial instruments are shown in Canadian dollars.

	USD	GHC	Total
Cash	$ 131,805	$ 5,618	$ 137,423
Other receivable	-	7,305	7,305
Accounts payable and accrued liabilities	(4,870)	(12,041)	(16,911)
Total	$ 126,935	$ 882	$ 127,817
Effect of +/- 10% change in exchange rate	$ 12,694	$ 88	$ 12,782

(iv) Capital management

The Company includes equity, comprised of share capital, contributed surplus, warrants, cumulative translation adjustment, prepaid share subscriptions and deficit in the definition of capital, which at June 30, 2012, totalled $641,235 (2011 - $225,172).

The Group's objectives when managing its capital are to safeguard its ability to continue as a going concern, to pursue the production of organic potassium carbonate, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Group may issues new shares, issue new debt, acquire or dispose of assets. As at June 30, 2012 and 2011, the Group has not entered into any debt financing except for temporary interest free notes from related parties which have all been repaid.

The Group is not subject to externally imposed capital requirements or covenants.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable. There was no change in managements approach to managing capital during the year.

13. Commitments

On July 31, 2009, GC Resources entered into a license agreement with GC Technology Limited ("GC Technology"), a company where a director of the Company is a director, acquiring the rights to manufacture and sell organic potash produced using GC Technology's patented process to manufacture industrial grade potash from the ash of cocoa husks. The licensing agreement has a term of 20 years and shall expire on August 30, 2029. As consideration for the license granted, GC Resources is to pay GC Technology an ongoing royalty fee equal to 4% of the gross sales of potash up to a maximum of US$800,000 per year.

The Company signed a 99 year lease for land in Takoradi, Ghana for which it plans to construct a potassium carbonate production facility. Upon receiving appropriate registration of title, the Company will be required to pay US$60,000, which is the total cost for the entire 99 year lease.

In addition, total future annual lease payments for premises are as follows:

2013	$ 34,800

14. Related party transactions

Transactions with related parties are incurred in the normal course of business and are measured at their fair values, which is the amount of consideration established and approved by the related parties. During the year ended, the Company incurred:

a) consulting fees totaling $15,000 (2011 - $52,800) to two companies each controlled by a different director and other key management personnel;

b) legal fees recorded as professional fees totally $45,750 (2011 - $75,000), to a law firm in which a director of the Company is a partner; and

c) rent expense, recorded as office and general, totaling $10,000 (2011 - $Nil), to a company controlled by a director.

As at June 30, 2012, $Nil (2011 - $142,800), remains in accounts payable and accrued liabilities.

Key management personnel are comprised of the Company's directors and officers. In addition to their salaries, key management personnel also participate in the Company's share based compensation program.

Short-term benefits	$ 490,096
Share-based payments	349,314
	$ 839,410

15. Subsequent events

On July 9, 2012, and September 17, 2012, the Company completed a private placement offering of convertible debentures in the amount of $270,000, and $300,000 respectively, all maturing on May 31, 2015. The convertible debentures bear interest at a rate of 10% per annum, payable semi-annually. They are convertible at $0.10 per unit, each unit consisting of one common share and one half common share purchase warrant. The convertible debentures are secured by all of the assets of the Company.