**Organic Potash Corporation** **February 28, 2014**
**December 31, 2013**
**Management's Discussion and Analysis ("MD&A")**

## Introduction

The following discussion and analysis is a review of operations, current financial position and outlook for Organic Potash Corporation (the "**Company**" or "**OPC**") and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2013, and the unaudited condensed interim consolidated financial statements for the three and six month periods ended December 31, 2013. Results are presented for the three months ended December 31, 2013. Amounts are reported in Canadian dollars based upon the unaudited condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards.

This MD&A provides management's view of the financial condition of the Company and the results of its operations for the reporting periods indicated. Additional information related to OPC is available as filed on the Canadian Securities Administrators' website at www.sedar.com.

## Forward-looking information

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, the future price of resources, the estimation of resources, the realization of resource estimates, the timing and amount of estimated future production, costs of production, capital and operating expenditures, access to sufficient liquidity and capital resources, requirements for additional capital, government regulations and limitations of insurance coverage. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "foresees" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on assumptions. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; future prices of resources; possible variations recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the industry; political instability; delays in obtaining financing or in the completion of construction activities, as well as those factors discussed in the section entitled "Risk Factors" in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or result, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## General Development of the Business

*General*

The Company (originally incorporated under the name Ghana Canada Resources Inc.) was incorporated in Ontario on June 26, 2009. The Company has two subsidiaries, both incorporated under the laws of Ghana, GC Purchasing Ltd. ("GCP") and GC Resources Ltd. ("GCR"). The Company is engaged in the production and export of potassium carbonate produced from agricultural waste, in particular, cocoa husks.

On July 31, 2009, GCR entered into a license agreement with GC Technology Limited ("Technology"), acquiring the rights to manufacture and sell organic potassium carbonate produced using Technology's patented process to manufacture industrial grade potassium carbonate from the ash of cocoa husks.

The Company has its head office in Canada, a subsidiary office in Accra, Ghana, and has acquired land which will be used to set up a full scale plant and administrative office in Takoradi, Ghana to run its manufacturing and processing operations. Currently the Company has a smaller scale prototype plant which is in pre-commercial operation and is working towards commercial operations and sales. Ghana is the second largest cocoa producer in the world and shares a border with the largest cocoa producer in the world, the Ivory Coast. The combined cocoa production of Ghana and the Ivory Coast accounts for approximately 60% of the world's cocoa production.

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 were not significant. On July 8, 2011, the Company completed the amalgamation and on August 15, 2011, listed on the Canadian National Stock Exchange ("CNSX"). The Company trades under the symbol OPC.

*Sales Update*

During the six month period ended December 31, 2013, the Company had trial sales to organizations in the amount of approximately $4,400, which were netted against operating expenses. The Company has signed a potassium carbonate sales agreement with one of the purchasers which allows for sales of up to 15MT per month. Upon the Company completing its current financing and finalizing changes to the plant, the Company will remain focused on optimizing sales quantities to the customers who have purchased from its trial sales.

The Company received a letter of intent from a large cocoa producer and food distributor expressing interest in purchasing from the Company quantities in excess of 25MT per month upon the Company completing required certifications to sell to the food industry. The Company is also in discussions with other potential customers, including one who consumes approximately 720MT of potassium carbonate on a monthly basis.

The Company has received its Kosher certification and is continuing work on its HACCP (hazard analysis and critical control points) and Halal certifications which are required to be able to sell into the food industry, and to the potential customer the letter of intent was received from. The Company will also pursue ISO 22000 and GMP (good manufacturing processes).

## Selected Financial Information and Management's Discussion and Analysis

*Summary of Quarterly Results*

The following table sets out selected unaudited financial information, presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS"), for each of the last eight quarters ended, up to and including December 31, 2013. The information contained herein is drawn from interim financial statements of the Company for each of the aforementioned quarters.

| **Year** | **2013** | **2013** | **2013** | **2013** |
|---|---|---|---|---|
| **Ending** | **December 31** | **September 30** | **June 30** | **March 31** |
| Finance Income (Loss)[1] | $ 47,312 | $ (61,963) | $ 18,645 | $ (5,221) |
| Working Capital (Deficit) | (1,186,367) | (881,805) | (639,727) | (337,104) |
| Expenses | 370,344 | 414,831 | 448,103 | 407,599 |
| Net Loss | (370,344) | (414,831) | (423,364) | (412,820) |
| Net Loss (per Share) | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.01) |

| **Year** | **2012** | **2012** | **2012** | **2012** |
|---|---|---|---|---|
| **Ending** | **December 31** | **September 30** | **June 30** | **March 31** |
| Finance Income (Loss) [1] | $ 24,620 | $ (74,048) | $ 8,559 | $ (365) |
| Working Capital | (80,563) | 299,669 | 237,008 | 735,766 |
| Expenses | 469,424 | 439,848 | 386,738 | 383,928 |
| Net Loss | (444,804) | (513,896) | (378,179) | (384,293) |
| Net Loss (per Share) | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.01) |

(1) Finance Income (Loss) consists of interest expense, accretion, interest income and foreign exchange gain (loss).

*Discussion on Results of Quarterly Operations*

*Finance Income (Loss)*

The only income the Company has generated to date is interest earned on its cash balances which are nominal based on the current cash balances. During the quarter ended December 31, 2013, the Company incurred $30,607 of interest and accretion expense, which is comparable to the prior periods. The Company also had an overall foreign exchange gain due to fluctuations between the Canadian Dollar compared to both the Ghanaian Cedi and the United States Dollar. A significant portion of the foreign exchange gain relates to intercompany debt.

*General and Administration Expenses*

During the quarter ended December 31, 2013, general and administration expenses increased by approximately $45,000 from the quarter ended September 30, 2013. The main reason for the increase is because Company recorded additional salaries and wages of approximately $215,000, an increase of approximately $44,000 from the prior period of $171,000. The reason for the increase was due to an additional accrual for certain unpaid wages.

*Operating Expenses*

During the quarter ended December 31, 2013, the Company saw an increase in operating expenses to approximately $71,000 from $47,000 for the quarter ended September 30, 2013. The main reason for the increase is tied to certain factory salaries and wages contained in operating costs that were recorded during the quarter. When compared to the quarter ended June 30, 2013, where operating expenses of approximately $88,000 were incurred, there was a decrease of $17,000. The Company expects a reduction in operating expenses during the next quarter until it is able to close on a financing large enough to move the plant to a new location and obtain the HACCP and Halal certifications.

*Going Concern*

The Company has no source of revenue and has limited cash available to meet its administrative overhead. In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. There can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company.

The financial statements associated with this MD&A have been prepared in accordance with IFRS applicable to an entity expected to continue as a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

*Liquidity, Capital Resources and Financings*

At December 31, 2013, the Company had a cash balance of $13,271 (June 30, 2013, – $13,376) and working capital deficit of $1,186,367 (June 30, 2013 - $639,727). The Company's commitments consist of the royalty under the licensing agreement and US $60,000 to complete the land acquisition upon receiving proper approvals. The Company does not have sufficient cash on hand to pay these commitments, and the Company currently has negative working capital, hence additional financing is required to pay for capital, operating and administrative costs to move the business forward.

As at February 15, 2014, the Company has a working capital deficit of approximately $1,124,000.

*Off Balance Sheet Arrangements*

The Company has no off balance sheet arrangements.

*Commitments and Contingencies*

The Company has a license agreement with Technology to use a patented process to manufacture and sell organic potassium carbonate from the ash of cocoa husks. Under the terms of the license agreement, the Company has the exclusive rights to the use of the patented process for all of Western Africa where over 70% of the worldwide cocoa production occurs. The license agreement has a term of 20 years and expires on August 30, 2029 with an option to extend for 20 years. As consideration for the license, the Company must pay a royalty of 4% on the gross sales 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.

*Transactions with Related Parties*

Transactions with related parties are incurred in the normal course of business. During the period ended, the Company:

During the three and six month periods ended December 31, 2013, the Company incurred legal fees of $15,000 (2012 - $15,000) and $30,000 (2012 - $30,000), respectively, to a company controlled by a director of the Company. As at December 31, 2013, $89,100 (June 30, 2013 - $56,500), remains payable.

During the three and six month periods ended December 31, 2013, the Company incurred rent expense, recorded as office and general, totaling $3,000 (2012 - $3,000) and $6,000 (2012 - $6,000), respectively, to a company controlled by a director. As at December 31, 2013, $11,000 (June 30, 2013 - $5,000), remains payable.

As at December 31, 2013, the Company owes approximately $659,667 (June 30, 2013 - $393,333) to executive officers for outstanding salaries payable.

The Company has received interest free loans from a directors and senior officers of the Company, and from company's controlled by the directors and senior officers. The total of these loans amounts to $78,592, and consists of GHS 64,912, USD $17,000 and CAD $33,000. All of these amounts remain outstanding as at December 31, 2013, and are presented in accounts payable and accrued liabilities.

*Outstanding Share Data*

For information regarding outstanding share capital of the Company, please see the table presented below as at February 15, 2014.

| | |
|---|---|
| Common shares | 69,191,919 |
| Warrants | 2,100,000 |
| Stock options | 6,132,525 |

Subsequent to period end, the Company closed on the second tranche of its private placement raising gross proceeds of $220,000, and issuing 2,200,000 common shares and 1,100,000 common share purchase warrants, exercisable at $0.30.

*Critical Accounting Estimates*

The preparation of financial statements in accordance with IFRS requires management to make judgments, assumptions and estimates that affect the financial results of the Company. These estimates are reviewed regularly, but changes in circumstances and new information may result in actual results that differ materially from current estimates.

Significant areas requiring the use of management estimates relate to the calculation of deferred taxes, allocations to share issue costs, functional currency, amounts allocated to the liability versus equity components of convertible debentures, and assumptions used for the Black-Scholes option pricing model for the valuation of warrants and share-based payments.

*Recent Accounting Pronouncements Issued and Not Yet Applied*

New standards, amendments to standards and interpretations are not yet effective for the period ended December 31, 2013, and have not been applied in preparing these interim consolidated financial statements are:

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

*Risk Factors*

The Company is exposed to a variety of risks and uncertainties, including, but not limited to the risks set out below:

*No Ongoing Operations and No Production History*

The Company will be a potassium carbonate producer and export company with no current or historical producing operations or revenue.

*The Company's Operations are Subject to Operational Risks and Hazards Inherent in the Potassium Carbonate Industry*

The Company's business will be subject to a number of inherent risks and hazards, including; environmental pollution, accidents or spills; industrial and transportation accidents, which may involve hazardous materials; labour disputes; power disruptions, accidents; failure of plant and equipment to function correctly, the inability to obtain suitable or adequate equipment, fires; blockades or other acts of social activism; changes in the regulatory environment; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, and technical failure of production methods. There is no assurance that these risks will not have adverse effects on the Company.

*The Company Will Require Additional Capital in the Future*

The Company has limited financial resources. The Company will continue to make substantial capital expenditures related to development and production. The development of the potassium carbonate manufacturing plant and related activities can require significant expenditures, with a period of time occurring before production can commence. There can be no assurance that the Company will be able to obtain necessary financing in a timely manner on commercially acceptable terms, if at all. Failure to obtain such additional financing could result in delay or indefinite postponement of development of its potassium carbonate project.

*Environmental Risks and Hazards*

The Company's operations will be subject to environmental regulation in the jurisdictions in which it operates. These regulations set forth limitations on the general, transportation, storage and disposal of waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

*Government Regulation*

The Company's planned production and export activities may be subject to various laws governing production, export, taxes, labour standards and occupational health, safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Company believes its production and export activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulation governing operations or more stringent implementation thereof could have an impact on the Company and cause increased expenditures or reduction in levels of production.

*Cocoa Husk Risks*

The Company is dependent on the cocoa husks to be supplied by the cocoa farmers in Western Africa. If harm were to come to the cocoa crop through natural disasters such as flood, drought or disease among others, the Company's ability to produce potassium carbonate could be significantly impacted. If other technologies were to be created which call for the use of cocoa husks, the Company would be exposed to competition in obtaining the husks.

*Competition*

The industry is competitive and the product is typically produced through the extraction of potassium carbonate or potash through mining. The Company will be competing with established potash companies in the mining industry for initial sales. The Company has no firm purchase commitments from any customers due to the early stage of operations. As the Company's potassium carbonate is produced through a manufacturing process converting cocoa husks to potassium carbonate, customers may be hesitant with purchasing from the Company versus a competitor. Such competition may result in the Company being unable to acquire desired entry in the market.

*Political Risk*

The Company's future prospects may be affected by political decisions about the potassium carbonate market. There can be no assurance that the Canadian, Ghanaian, or other government or quasi-governmental authority will not enact legislation or other rules affecting the production of potassium carbonate, or restricting to whom the Company can sell to.

## *Disclosure Controls and Procedures*

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

The Company's management reviewed the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2013. Based on this review, the Chief Executive Officer and Chief Financial Officer have concluded that the disclosure controls and procedures are effective to ensure that information required to be disclosed in reports that are filed and submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time periods specified in those rules and forms.

It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that the disclosure controls and procedures will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and frauds. A control system, no matter how well designed or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met.