POTASH RIDGE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

The following Management's Discussion and Analysis ("MD&A") of Potash Ridge Corporation ("Potash Ridge" or the "Corporation") is intended to enable the reader to assess material changes in the financial condition of the Corporation between December 31, 2013 and December 31, 2012 and results of operations for the three and twelve months ended December 31, 2013 and December 31, 2012.

This MD&A has been prepared as of March 27, 2014. It is intended to supplement and complement the audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2013 (collectively the "Financial Statements"). The reader should review the Financial Statements in conjunction with the review of this MD&A. This MD&A should also be read in conjunction with the Corporation's Annual Information Form ("AIF") dated March 27, 2014. Certain scientific and technical information regarding the Corporation's Blawn Mountain project contained in this MD&A is derived from the Corporation's technical report entitled "Technical Report – Resources and Reserves of the Blawn Mountain Project dated effective November 6, 2013" prepared for the Corporation by Steven B. Kerr, Lawrence D. Henchel, Jason N. Todd, Robert I. Nash and L. Ravindra Nath of Norwest Corporation (the "Technical Report"). The Financial Statements, AIF and the Technical Report can be found at *www.sedar.com*. The Corporation prepares and files its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). The currency referred to herein is the Canadian dollar, unless otherwise specified.

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS as prescribed by the IASB. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.

Overview of the Corporation's Business

Potash Ridge is a corporation existing under the *Business Corporations Act* (Ontario). Its registered office is located at 3 Church Street, Suite 600, Toronto, Ontario, M5E 1M2. On December 5, 2012, Potash Ridge's common shares were listed on the Toronto Stock Exchange (the "TSX"), under the symbol "PRK", in connection with the closing of its initial public offering (the "IPO"). The Corporation's common shares commenced trading on the OTCQX on April 29, 2013 under the symbol "POTRF".

The principal activity of the Corporation is the exploration, development and production of mineral resources and is currently focused on the exploration of alunite in order to produce sulphate of potash ("SOP"), co-product sulphuric acid and, potentially, alumina. The Corporation's principal mineral project is the Blawn Mountain project (the "Blawn Mountain Project" or the "Project"), comprised of 23.5 sections of land owned by the State of Utah, acting by and through the School and Institutional Trust Lands Administration ("SITLA"), and covering approximately 15,403 acres (6,233 hectares) of land located in Beaver County, Utah. The Blawn Mountain Project is the Corporation's only material property.

Overall Performance

Highlights of the year ended December 31, 2013

During 2013 to the date of this MD&A, the Corporation has continued exploration and development activities at the Blawn Mountain Project including achieving the following significant milestones:

- The Corporation commenced a metallurgical testing program in February 2013 with Hazen Research in support of the Corporation's pre-feasibility study (the "PFS") completed in November 2013, using a bulk sample collected during the Phase 1 drilling program and drill core samples collected during the Phase 2 drilling program. The program confirmed the most favourable process flowsheet and developed process design parameters, including required particle size, flotation, roasting and leaching conditions, for the selection of process equipment types and sizes. The results were incorporated into the PFS and will be used as part of the Corporation's anticipated feasibility study.
- The Phase 3 drilling program was completed in February 2013. An additional 18 holes in Areas 1 and 2 of the Project were drilled with the objective of moving inferred resources into measured and indicated. The results of the drilling campaign were incorporated into the PFS. The Corporation now has proven and probable reserves of 426 million tons which is sufficient to support a 40 year Project life.
- During 2013, the Corporation substantially increased its local presence in Utah. Five individuals joined the Project development team on a full time basis to assume various Project development roles including a senior metallurgist, two senior permitting resources and one Project controls manager. As at March 27, 2014, the Corporation had 16 full-time employees and three part-time contractors working on the Project.
- The Corporation's common shares commenced trading on the OTCQX on April 29, 2013 under the ticker symbol "POTRF".
- During April 2013, SITLA confirmed the Corporation's unconditional right to convert its exclusive exploration right into a long-term mining lease (the "Mining Lease").
- In late May 2013, the Corporation commenced pilot scale test work for its Blawn Mountain Project. The primary objectives of the pilot scale test work are to confirm the results of historic pilot plant testing, confirm the results of recent bench scale testing on a continuous basis, process optimization, and generation of concentrate and products for material characterization and downstream metallurgical testing.
- In June 2013, the Corporation announced that it produced SOP from alunite as part of its ongoing metallurgical testing program.
- In July 2013, the Corporation was informed by Beaver County that the right-of-way permit to upgrade the access road to its Blawn Mountain Project was granted.
- In September 2013, the Corporation received the results of an SOP market study that it commissioned earlier in the year. The results of the market study confirmed the excellent market potential for SOP.
- In November 2013, the Corporation received a positive PFS for its Blawn Mountain Project. The PFS, which was prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, demonstrates that the Project is technically and economically viable and that further development of the Project is justified.
- In December 2013, the Corporation filed its "Notice of Intention to Commence Large Mining Operations" with the Utah Division of Oil, Gas and Mining for its Blawn Mountain Project.

- In February 2014, the Corporation filed its ground water discharge permit application.
- The Corporation was notified that the Utah office of the U.S. Army Corp of Engineers (“ACOE”) concurred with the Corporation’s findings that no jurisdictional waters or wetlands will be impacted by the Project. The Corporation received final confirmation from ACOE and a letter stating that a “Department of the Army Permit” is not required for the Project in March 2014.
- In March 2014, the Corporation converted its exclusive exploration right into a Mining Lease. As a result, the Corporation became obligated to make a payment to SITLA in the amount of US$1,020,000. This upfront payment requirement was replaced with an initial payment of US$200,000 plus five equal semi-annual installments of US$164,000 commencing in March 2015, with the final instalment payment in March 2017. The Corporation will incur a financing charge of 5.75% per annum on these future payments. The Corporation also made a minimum annual royalty payment of US$46,200 and an annual rental payment of US$11,500 to SITLA as required under the terms of the Mining Lease.

Outlook

Efforts towards several key milestones, expected to be achieved in 2014 and beyond, are underway with the goal of further advancing the development of the Blawn Mountain Project.

- The Corporation continues to advance its permitting strategy:
  - The water rights application, submitted jointly with SITLA in late 2012, is currently being reviewed by the Utah Division of Water Rights. The approval of this application is anticipated in Q2 2014;
  - The Corporation filed an application for a large mining permit with the Utah Division of Oil, Gas and Mining in late 2013 and it is anticipated that the approval of the application could be received in mid-2014; and
  - Air monitoring data was collected over a one year period that ended in October 2013. Modeling for the air permit application will continue in parallel with a feasibility Study.
- The Corporation is currently working on commercial and infrastructure arrangements in line with the ongoing development of the Project.
- The Corporation is seeking to secure off-take, partnership and financing arrangements. The Corporation is seeking to raise additional financing of approximately US$25 million to fund its proposed feasibility study and for nearer term working capital requirements. The Corporation currently expects that this additional funding will bring the development of the Project to the beginning of the execution phase and the commencement of detailed engineering, assuming receipt of a positive feasibility study.

Blawn Mountain Project

The Corporation intends to continue to develop a surface mine at the Blawn Mountain Project and to construct a processing plant large enough to produce an average of 645,000 tons per annum of a premium-priced SOP, and 1.4 million tons per annum of co-product sulphuric acid. The Corporation is also evaluating the marketability of the Project’s alumina rich residue material, currently not included in the Project economics.

Pursuant to an agreement dated April 1, 2011 as amended on June 4, 2012 and August 21, 2012 (the “Exploration and Option Agreement”) covering 11,550 acres (4,674 hectares), the Corporation acquired from SITLA the exclusive right until March 31, 2014 (the “Option Period”) to explore the Blawn Mountain Project for potash, metalliferous minerals and clay minerals. Pursuant to the Exploration and Option Agreement, the Corporation acquired an option (the “Lease Option”) to convert its exclusive exploration right into the Mining Lease at any time during the Option Period.

The Mining Lease, which was entered into on March 24, 2014, has an initial term of 10 years and will remain in effect beyond the initial term as long as the Corporation is producing minerals profitably from, or demonstrates diligent exploration, development or operation on, the Project. The Corporation holds the Mining Lease through its wholly owned subsidiary, Utah Alunite Corporation ("UAC").

In the first half of 2013, the Corporation entered into new exploration leases with SITLA and acquired the exclusive right to explore an additional 3,854 acres (1,559 hectares) of land adjacent to the Project for metalliferous minerals and water.

Financial Capability

The Corporation is an exploration and development stage entity and has not yet achieved profitable operations. It is subject to risks and challenges similar to companies in a comparable stage of development. These risks include, but are not limited to, the challenges of securing adequate capital to fund its activities, operational risks inherent in the mining industry, and global economic and commodity price volatility. The underlying value of the Blawn Mountain Project and the recoverability of the related capitalized costs are entirely dependent on the Corporation's ability to successfully develop the Blawn Mountain Project by, among other things, securing necessary permits, obtaining the required financing to complete the development and construction, and upon future profitable production from, or the proceeds from the disposition of its mineral property.

The Corporation incurred a comprehensive loss for the year ended December 31, 2013 of $4,560,525 (year ended December 31, 2012 - $4,779,366) and reported an accumulated comprehensive deficit of $10,468,874 as at December 31, 2013 (December 31, 2012 - $5,908,349). The Corporation's sole source of funding has been the issuance of equity securities for cash. As at December 31, 2013, the Corporation had $8,031,855 (December 31, 2012 - $22,775,890) in cash and cash equivalents and short term deposits. There are no sources of operating cash flows. The Corporation intends to use its existing cash resources to continue the execution of its permitting strategy, pursue commercial and infrastructure arrangements for the development of the Blawn Mountain Project, and incur project management and general corporate and operating expenditures. The Corporation is managing its existing cash resources prudently to meet all of its existing financial commitments for the foreseeable future.

The Corporation will continue to seek and evaluate various financing alternatives to address future development funding requirements, including the completion of an expected feasibility study. The Corporation expects that it will require additional funding of approximately US$25 million to fund its proposed feasibility study and for nearer term working capital requirements. The Corporation currently expects that this additional funding will bring the development of the Project to the beginning of the execution phase and the commencement of detailed engineering, assuming receipt of a positive feasibility study. Although the Corporation has been successful in its past fundraising activities, there are no assurances as to the success or timing of future fundraising efforts or as to the sufficiency of funds raised.

Selected Financial Information

	Potash Ridge Corporation			
	Year ended		Three months ended	
	December 31 2013	December 31 2012	December 31 2013	December 31 2012
Revenue				
Interest income	**$ 60,183**	$ 103,837	**$ 9,254**	$ 11,542
Expenses				
Management, employee and director	**$ 2,190,707**	$ 1,371,627	**$ 692,125**	$ 516,253
General and administrative	**1,931,542**	904,395	**535,050**	389,942
	$ 4,122,249	$ 2,276,022	**$ 1,227,175**	$ 906,195
Professional fees	**$ 1,213,379**	$ 1,351,126	**$ 331,552**	$ 546,747
Net Loss				
Total comprehensive loss	**$ (4,560,525)**	$ (4,779,366)	**$ (913,080)**	$ (2,104,116)
Per Common Share, basic and fully diluted	**$ (0.05)**	$ (0.07)	**$ (0.01)**	$ (0.03)

Financial Position as at	December 31 2013	December 31 2012
ASSETS		
Current		
Cash and cash equivalents	**$ 8,031,855**	$ 17,800,890
Short term deposits	**-**	4,975,000
Restricted cash	**268,041**	212,353
Receivables	**28,979**	361,386
Other current assets	**240,490**	227,434
	8,569,365	23,577,063
Exploration and evaluation assets	**21,107,864**	10,300,480
Property, plant and equipment	**578,458**	368,734
Restricted cash	**510,272**	-
Other non-current assets	**45,006**	108,708
	$ 30,810,965	$ 34,354,985
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 1,579,528**	$ 1,677,517
SHAREHOLDERS' EQUITY		
Capital stock	**33,428,933**	33,267,933
Contributed surplus	**6,271,378**	5,317,884
Deficit	**(10,435,305)**	(5,902,684)
Accumulated other comprehensive loss	**(33,569)**	(5,665)
	29,231,437	32,677,468
	$ 30,810,965	$ 34,354,985

Results of Operations

Revenue

The Corporation did not generate any revenue during the years ended December 31, 2013 and December 31, 2012, as all of the operating activities of the Corporation were directed towards the exploration and development of the Blawn Mountain Project. Interest income of $60,183 was earned for the year ended December 31, 2013 (year ended December 31, 2012 - $103,837) on the Corporation's cash, cash equivalents and short-term deposits. During the three months ended December 31, 2013, interest income was $9,254 (three months ended December 31, 2012 - $11,542).

Expenses

Three months ended December 31, 2013 and December 31, 2012

During the three months ended December 31, 2013, the Corporation incurred management, employee, director, general and administrative costs of $1,227,175 (three months ended December 31, 2012 - $906,195). Spending in 2013 of $692,125 was related to the salaries of management, employees, and director costs (three months ended December 31, 2012 – $516,253). As at December 31, 2013, the Corporation had 16 full-time employees (December 31, 2012 – eight full-time employees). Spending in 2013 of $535,050 was related to other general and administrative expenses (three months ended December 31, 2012 – $389,942) which increased period over period by $145,108 due to higher rent and office expenses related to the Corporation's new Salt Lake City office which opened in July 2013. The Corporation also incurred increased travel and investor relations expenses, including public company costs associated with being listed on the TSX and costs related to the OTCQX listing in April 2013.

During the three months ended December 31, 2013, the Corporation incurred professional fees of $331,552 (three months ended December 31, 2012 - $546,747), including legal and audit fees of $66,789 (three months ended December 31, 2012 – $360,880) and consulting fees of $316,404 (three months ended December 31, 2012 - $93,976). In Q4 2012, the Corporation incurred significant legal and audit fees related to its IPO. The decreased professional fees in Q4 2013 related to a reduced need for legal and audit services. The decrease in professional fees was partially offset by an increase in consulting fees of $222,428 which primarily related to the engagement by the Corporation of strategic and financial advisors to assist in the development of the Project.

During the three months ended December 31, 2013, the Corporation incurred a foreign exchange gain of $876,367 (three months ended December 31, 2012 - $75,304) which was the result of a strengthening US dollar against the reporting currency of the Corporation which is the Canadian dollar.

As a result of the above, the Corporation recognized a net comprehensive loss of $913,080 for the three months ended December 31, 2013 (three months ended December 31, 2012 - $2,104,116).

Year ended December 30, 2013 and December 31, 2012

During the year ended December 31, 2013, the Corporation incurred management, employee, director, general and administrative costs of $4,122,249, (year ended December 31, 2012 - $2,276,022). In 2013, the Corporation spent $2,190,707 for the salaries of management and employees, and director costs (year ended December 31, 2012 – $1,371,627). As at December 31, 2013, the Corporation had 16 full-time employees (December 31, 2012 – eight full-time employees). In 2013, the Corporation incurred $1,931,542 of other general and administrative expenses (year ended December 31, 2012 – $904,395) which increased year over year by $1,027,147 as a result of additional rent and office expenses related to the Toronto office which opened August 2012 and the Salt Lake City office which opened in July 2013. The Corporation also incurred increased travel and investor relations expenses, including public company costs associated with being listed on the TSX and costs related to the OTCQX listing in April 2013.

During the year ended December 31, 2013, the Corporation incurred professional fees of $1,213,379 (year ended December 31, 2012 - $1,351,126), including legal and audit fees of $189,870 (year ended December 31, 2012 – $930,132)

and consulting fees of $934,919 (year ended December 31, 2012 - $365,969). In 2012, the Corporation incurred significant legal and audit fees related to its financing activities, including its IPO. The decreased professional fees in 2013 related to a reduced need for legal and audit services. The decrease in professional fees was partially offset by an increase of $568,950 in consulting fees which primarily related to the engagement by the Corporation of strategic and financial advisors to assist in the development of the Project.

During the year ended December 31, 2013, the Corporation incurred a foreign exchange gain of $1,714,905 (2012 – loss of $127,600) due to the strengthening of the US dollar in the year to date against the reporting currency of the Corporation which is the Canadian dollar.

As a result of the above, the Corporation recognized a net comprehensive loss of $4,560,525 for the year ended December 31, 2013 (year ended December 31, 2012 - $4,779,366).

Exploration and Evaluation Assets

In accordance with the Corporation's accounting policies, expenditures incurred on exploration and evaluation of the Blawn Mountain Project have been capitalized and recorded as exploration and evaluation assets. A continuity schedule and description of the exploration and evaluation costs incurred and capitalized in the years ended December 31, 2013 and December 31, 2012 is presented in the table, below:

	December 31, 2013	December 31, 2012
Balance, beginning of period	$ 10,300,480	$ 2,292,127
Drilling	1,296,691	2,712,521
Pre-feasibility study	4,923,590	-
Professional and labour	2,310,942	859,397
Preliminary economic assessment	188,601	2,612,988
Employee salary and benefits	1,630,274	570,171
Employee share based compensation (non-cash)	223,011	769,166
Acquisition of land mineral lease	83,804	143,651
Transportation	91,252	142,425
Equipment rentals	12,140	119,247
Data acquisition	9,331	(1,958)
Field expenditures	6,929	77,327
Other	3,922	3,418
Bankable feasibility Study	26,897	-
Total exploration and evaluation expenditures	**10,807,384**	8,008,353
Balance, end of period	**$ 21,107,864**	$ 10,300,480

During the year ended December 31, 2013, the Corporation expended $4,923,590 on the PFS which was successfully completed in November 2013 and $1,296,691 on the Phase 3 drilling program. Professional and labour incurred during 2013 of $2,310,942 was primarily related to the engagement of legal counsel and external service providers working on the regulatory, environmental and permitting aspects of the Project.

During the year ended December 31, 2012, the Corporation expended $2,612,988 on its Preliminary Economic Assessment which was successfully completed in November 2012 and $2,712,521 on the Phase 2 drilling program. In 2012, professional and labour expenditures of $859,397 were primarily incurred in respect of the engagement of legal counsel and external service providers working on the regulatory, environmental and permitting aspects of the Project.

Summary of Annual Results

Selected financial statement information for the three most recent years:

	December 31 2013	December 31 2012	December 31 2011[2]
Exploration and evaluation assets	21,107,864	10,300,480	2,292,127
Total assets	30,810,965	34,354,985	19,114,421
Working capital[1]	6,989,837	21,899,546	14,901,596
Shareholders' equity	29,231,437	32,677,468	17,263,980
Interest income	60,183	103,837	594
Expenses	6,307,709	4,749,556	1,147,833
Net comprehensive loss	(4,560,525)	(4,779,366)	(1,128,983)
Basic and diluted loss per share	(0.05)	(0.07)	(0.04)

(1) Working capital is a non-IFRS measure and is defined as being current assets minus current liabilities. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.
(2) Period from February 6, 2011 to December 31, 2011.

Meaningful comparison of expenses and operations between years is not practical due to the start up nature of the Corporation. However, general trends can be summarized as follows:

- Net losses were driven primarily by salaries, general and administrative expenses, non-cash share based compensation and professional fees relating to legal expenses, auditors and the engagement of specialist industry consultants;

- Total assets are comprised of two main categories: cash, cash equivalents and short term deposits from financings still available to the Corporation and the capitalized evaluation and exploration expenditures related to the Blawn Mountain Project; and

- Total assets decreased by $3,544,020 as at December 31, 2013 compared to December 31, 2012 mainly as a result of a reduction in cash, cash equivalents and short term deposits of $14,744,035, offset against an increase of $10,807,384 in exploration and evaluation assets related to expenditures on the PFS, Phase 3 drilling program and permitting initiatives.

Liquidity and Capital Resources

Cash Resources and Liquidity

At December 31, 2013, the Corporation had working capital[1] of $6,989,837 (December 31, 2012 - $21,899,546) comprising of cash, cash equivalents and short term deposits of $8,031,855 (December 31, 2012 - $22,775,890) and receivables, restricted cash, prepaid expenditures and other assets of $537,510 (December 31, 2012 - $801,173) offset by current liabilities of $1,579,528 (December 31, 2012 - $1,677,517).

The Corporation intends to use its existing cash resources to continue execution of its permitting strategy, pursue commercial and infrastructure arrangements for the development of the Blawn Mountain project, and incur project management and general corporate and operating expenditures. The Corporation will continue to seek and evaluate various financing alternatives to address future development funding requirements, including the commencement of an expected feasibility study. The Corporation expects that it will require additional funding of approximately US$25 million to fund its proposed feasibility study and for nearer term working capital requirements. Although the Corporation has been successful in its past fundraising activities, there are no assurances as to the success or timing of future fundraising

[1] "Working capital" is a non-IFRS measure and is defined by the Corporation as current assets less current liabilities. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.

efforts or as to the sufficiency of funds raised. The Corporation is managing its existing cash resources prudently to meet all of its existing financial commitments for the foreseeable future. The Corporation does not generate any operating cash flows and is reliant on external sources of funding. An inability to raise additional financing may materially impact the future assessment of the Corporation to continue as a going concern.

Financing Activities

In January 2013, 350,000 stock options were exercised at an exercise price of $0.25, resulting in net cash proceeds of $87,500 and a fair value of $161,000 recorded in share capital.

On December 5, 2012, the Corporation closed its IPO of 14,944,746 common shares at a price of $1.00 per common share for aggregate gross proceeds of $14,944,746. The Corporation incurred $1,655,310 of underwriters' commission and other issuance costs directly relating to the issuance of these common shares. As partial compensation for the underwriters' commission, the Corporation issued 103,066 common shares to the underwriters in connection with the IPO.

On December 5, 2012, concurrent with the closing of the IPO, the Corporation issued 5,055,254 units (the "Private Placement Units") to Sprott Resource Partnership on a private placement basis for an aggregate subscription price of $5,055,254. Each Private Placement Unit consists of one non-voting share of the Corporation and one warrant to acquire one non-voting share exercisable at a price of $1.00 until December 5, 2014. $0.70 of the $1.00 unit price was allocated to non-voting share capital (before consideration of issue costs), or $3,538,678 in the aggregate, with the remaining $0.30 or $1,516,576 in the aggregate allocated to the warrants (before consideration of issuance costs) based on their relative fair values at the time of issuance. The Corporation incurred $84,828 of issuance costs in connection with the Private Placement Units.

At the time of the IPO, and as disclosed in the final prospectus dated November 27, 2013, the Corporation estimated that it intended to spend $12.9 million on the Project's next phase of development. This phase included the PFS, a mettalurgical test program, a third phase of exploration drilling, ongoing permitting and environmental matters and Project management activities. In 2013, the Corporation spent $8.9 million on these activities.

Uses of Cash

The Corporation used $5,977,049, for operating activities during the year ended December 31, 2013 primarily for the payment of operating expenses. In addition, during the year ended December 31, 2013, the Corporation used $4,243,357 for investing activities, as a result of $4,975,000 of cash received for a matured term deposit, offset against $8,849,056 of expenditures for the continuing exploration and development activities at the Blawn Mountain Project. The Corporation also generated $87,500 in financing activities, representing the net proceeds received from the exercise of 350,000 stock options.

During the year ended December 31, 2012, the Corporation used cash of $5,097,945 for operating activities and $12,329,416 for investing activities, of which $6,986,615 was for exploration activities at the Blawn Mountain Project and $4,975,000 was invested in short term deposits, respectively.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the Corporation has 81,653,778 common shares and 5,055,254 non-voting shares issued and outstanding.

Commitments and Contingencies

In March 2014, the Corporation converted its exclusive exploration right into a Mining Lease. As a result, the Corporation became obligated to make a payment to SITLA in the amount of US$1,020,000, of which US$200,000 was paid immediately and the balance is payable in instalments of US$164,000 every six months commencing in March 2015, with the final instalment payment in March 2017. The Corporation will incur a financing charge of 5.75% per annum on these future payments. The Corporation also made a minimum annual royalty payment of

US$46,200 and an annual rental payment of US$11,500 to SITLA as required under the terms of the Mining Lease.

Under the terms of the Mining Lease, if and when the Project commences production, SITLA is entitled to a production royalty of 5% of the gross value of potash and clay minerals and 4% of the gross value of metalliferous minerals (including alumina) sold.

The contractual obligations of the Corporation as at December 31, 2013 were as follows:

	Less than 1 year	1 - 5 years	After 5 years	Total
Exploration agreement [1]	$ 1,146,296	$ 245,692	$ 491,383	$ 1,883,371
Exploration leases	14,518	55,872	89,039	159,429
Operating leases	458,093	1,425,418	473,220	2,356,731
Purchase obligations	143,750	-	-	143,750
Total	**$ 1,762,657**	**$ 1,726,982**	**$ 1,053,643**	**$ 4,543,281**

[1]Subsequent to December 31, 2013 US$820,000 has been re-classified to the 1-5 years category.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Convertible Securities

As at December 31, 2013, the Corporation had the following convertible securities outstanding:

Expiry date	Type	Fair value ($) (at issuance)	Exercise price ($)	Issued	Exercised	Outstanding
November 27, 2014 (a)	Subscriber Warrants	0.04	0.50	10,787,500	40,000	10,747,500
November 27, 2014	Broker unit options	0.15	0.25	1,685,600	-	1,685,600
November 27, 2014	Broker warrants	0.42	0.75	839,458	-	839,458
December 5, 2014 (b)	Warrants	0.30	1.00	5,055,254	-	5,055,254
				18,367,812	40,000	18,327,812

a) Subscriber Warrants

On August 8, 2011, the Corporation issued 10,787,500 subscriber warrants, each warrant entitling the holder thereof to purchase one common share of the Corporation at a price of $0.50 per common share. The warrants expire on November 27, 2014.

b) Private Placement Unit Warrants

On December 5, 2012, the Corporation issued 5,055,254 warrants, each warrant entitling the holder thereof to purchase one non-voting share of the Corporation at a price of $1.00 per non-voting share. The warrants expire on December 5, 2014.

Incentive Stock Options (Share-Based Compensation)

The Corporation has an incentive stock option plan (the "Plan") whereby the Corporation may grant stock options to eligible employees, officers and directors at an exercise price to be determined by the Board of Directors.
During the year ended December 31, 2013, the Corporation granted a total of 890,000 stock options to certain

employees. These stock options were granted with a term of 10 years from the date of grant. The options vest as to one-third on each of the date of grant and the first and second anniversary thereof.

The Corporation uses the Black Scholes option-pricing model to determine the fair value of options granted.

The total share-based compensation for the year ended December 31, 2013 was $1,026,994 (2012 - $1,809,926). In 2013, the Corporation capitalized $223,011 as exploration and evaluation assets and recognized an expense of $803,983 in the consolidated statement of loss and comprehensive loss during the year.

In 2012, the Corporation capitalized $769,166 as exploration and evaluation assets and recognized an expense of $1,040,760 in the consolidated statement of loss and comprehensive loss during the year.

The following table summarizes incentive stock options outstanding as at December 31, 2013:

Grant date	Number outstanding	Number vested and exercisable		Exercise price	Expiry date	Weighted average remaining actual life
December 9,2011	2,500,000	2,500,000	$	0.25	December 9, 2021	7.9 years
January 26, 2012	600,000	600,000		0.75	January 26, 2022	8.0 years
February 1, 2012	60,000	60,000		0.75	February 1, 2022	8.0 years
December 5, 2012	2,940,000	1,960,000		1.00	December 5, 2022	8.9 years
March 27, 2013	110,000	36,667		1.00	March 27, 2023	9.2 years
April 1, 2013	30,000	10,000		1.00	April 1, 2023	9.2 years
November 22, 2013	750,000	250,000		0.14	November 22, 2023	9.9 years
	6,990,000	5,416,667				

Income Taxes

Since inception, the Corporation has not incurred any current income taxes. By nature of its activities to date and for the foreseeable future, the Corporation does not expect to incur current income taxes. As at December 31, 2013, the Corporation has available Canadian tax losses of $8,631,587 and U.S. tax losses of $2,548,260. These tax losses will expire between 2031 and 2033. The Corporation also has other deductible temporary differences of $2,468,057 as at December 31, 2013. The Corporation has not recognized the benefits of these tax losses or other deductible temporary differences in the 2013 audited consolidated financial statements as the recoverability of these future tax benefits cannot be assured.

Transactions with Related Parties

The Corporation's related parties as defined by International Accounting Standard 24 "Related Party Disclosures" ("IAS 24"), include the Corporation's subsidiary, UAC, executive and non-executive directors, senior officers, and entities controlled or jointly-controlled by the Corporation's directors or senior officers. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All related party transactions entered into by the Corporation have been approved by the Board of Directors.

Transactions with related parties were as follows:

		Short term compensation and benefits or fee		Share-based awards		Total
Year ended December 31, 2013						
Senior officers	$	1,793,528	$	382,681	$	2,176,210
Directors		230,429		595,000		825,429
Year ended December 31, 2012						
Senior officers		1,329,650		1,305,202		2,634,852
Directors		183,500		472,500		656,000

Indemnities Provided to Directors and Officers

In 2012, the Corporation agreed to indemnify each of its directors and officers in respect of certain liabilities or expenses which such directors and officers may incur as a result of acting as a director or officer of the Corporation or its related corporate entities. The indemnity agreements include an indemnification for all costs, charges, expenses, losses, damages, fees (including any legal, professional or advisory fees or disbursements), liabilities and amounts paid to settle or dispose of any civil, criminal or administrative proceeding. The Corporation believes it carries sufficient Directors and Officers insurance to cover any potential claims for indemnity.

Financial Instruments and Risk Management

The Corporation has classified its cash, cash equivalents, short-term deposits and receivables as loans and receivables, which are measured at amortized cost. Payables and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, cash equivalents, short-term deposits, receivables, accounts payable and accrued liabilities reflected in the consolidated statement of financial position approximate fair value because of the short term nature of these instruments.

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

Credit Risk Management

The Corporation's main credit risk arises from its cash, cash equivalents and short-term deposits with banks. Substantially all of the Corporation's cash, cash equivalents and short-term deposit balances are with one major Canadian chartered bank, from which management believes the risk of loss to be remote. The Corporation maintains a current account with a Utah based regional bank. The Corporation limits its counterparty credit risk on its deposits by dealing only with highly rated financial institutions.

Liquidity Risk Management

The Corporation's ability to remain liquid over the long term depends on its ability to obtain additional financing through the issuance of additional securities, entering into credit facilities or entering into joint ventures, partnerships or similar arrangements. The Corporation manages liquidity risk by maintaining adequate cash balances in order to meet liabilities as they come due. As at December 31, 2013, the Corporation had cash and cash equivalents balance of $8,031,855 (December 31, 2012 - $17,800,890) and short-term deposits of $nil (December 31, 2012 – $4,975,000) to settle liabilities of $1,579,528 (December 31, 2011 - $1,677,517).

The Corporation regularly monitors actual cash flows to budgets and updates projected cash forecasts as needed. The Corporation will defer discretionary expenditures, as required, in order to manage and conserve its available cash balances for current liabilities and commitments. The Corporation will need to raise additional capital through equity issuances or other available means in order to continue funding its operations, exploration and evaluation activities and eventual development of the Project.

Foreign Currency Risk Management

Cash and cash equivalents are comprised of cash at banks and on hand, and short term money market instruments with an original maturity of three months or less. The Corporation's cash and cash equivalents and short term deposits are denominated in the following currencies:

	As at December 31, 2013	As at December 31, 2012
Cash and cash equivalents		
Denomination in Canadian dollars	**$2,418,474**	$7,601,688
Denomination in U.S. dollars	**5,613,381**	10,199,202
Short term deposits		
Denomination in U.S. dollars	**-**	4,975,000
Cash and cash equivalents and short term deposits	**$8,031,855**	$22,775,890

The Corporation is exposed to foreign exchange rate fluctuations between the Canadian and U.S. dollars. Based on the balances at December 31, 2013, net income will increase or decrease by, approximately $281,000 (December 31, 2012 - $759,000) given a 5% increase or decrease in the U.S. dollar relative to the Canadian dollar.

The Corporation's expenditures on the evaluation, exploration and development of the Project are incurred primarily in U.S. dollars. The Corporation's administrative and head office expenditures are incurred primarily in Canadian dollars. Historically, the Corporation has raised equity denominated in Canadian dollars. The Corporation partially mitigates its exposure to foreign exchange rate fluctuations by purchasing a level of U.S. denominated cash to fund activities expected to be incurred by the Project. The Corporation does not engage in and has no plans to engage in foreign currency hedging activities.

Interest Rate Risk Management

The Corporation has cash balances that earn interest subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes the interest rate risk is remote as investments have maturities of one year or less and the Corporation currently does not carry interest bearing debt at floating rates.

Capital Risk Management

The Corporation defines capital as total shareholders' equity including share capital, other reserves, deficit and accumulated other comprehensive loss. The Corporation manages its capital to ensure that adequate funds are available or are scheduled to be raised to carry out the Corporation's exploration and development programs and to meet its ongoing administrative costs.

This is achieved by the Board of Directors' review and acceptance of budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fund raisings.

The Corporation is not subject to any externally imposed capital requirements imposed by a regulator or lending institution.

Critical Accounting Estimates

The Corporation's significant accounting policies are described in Note 2 to the audited consolidated financial statements for the year ended December 31, 2013. The preparation of the Corporation's consolidated financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. The following is a list of the accounting policies that the Corporation believes are critical, due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported:

- Exploration and evaluation expenditures;
- Share based compensation; and
- Subscriber warrants

Exploration and evaluation expenditures

Exploration and evaluation expenditures such as, but not limited to, the acquisition and carrying costs of rights to explore (including the Exploration Agreement and Mining Lease), topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, technical feasibility studies and other costs directly attributable to exploration and evaluation of the Blawn Mountain Project are capitalized. Exploration and evaluation expenditures are carried at cost less any assessed impairment losses.

Where the Corporation is incurring costs to prospect or where it is preparing for or applying for prospecting rights, the Corporation expenses those costs as incurred.

Share based compensation and subscriber warrants

Management estimated the fair value of convertible securities such as warrants and options using the Black Scholes option-pricing model which requires significant estimation around assumptions and inputs such as expected term to maturity, expected volatility and expected forfeiture rates. Notes 10 and 11 of the Corporation's December 31, 2013 year-end consolidated financial statements describe the significant assumptions applied to these areas of estimation.

Internal Control Over Financial Reporting and Disclosure Controls and Procedures

Management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), is responsible for designing, establishing, and maintaining a system of internal controls over financial reporting ("ICFR") to provide reasonable assurance that all information prepared by the Corporation for public disclosure is reliable and timely. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

The Corporation's ICFR includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately reflect the transactions of the Corporation; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Corporation's assets that could have a material effect on the Corporation's Financial Statements. Due to its inherent limitations, ICFR and disclosure controls and procedures may not prevent or detect all misstatements.

The CEO and CFO have evaluated whether there were changes to ICFR during the year ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, ICFR. Based on this assessment and evaluation, there have been no material changes in the Corporation's ICFR during the year ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, ICFR.

The Corporation's Chief Executive Officer and Chief Financial Officer have concluded that ICFR are appropriately designed and are operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

Disclosure controls and procedures ("DC&P") have been designed to provide reasonable assurance that all material information related to the Corporation is identified and communicated on a timely basis. Management of the Corporation, under the supervision of the CEO and the CFO, is responsible for the design and operations of DC&P. There have been no changes in the Corporation's DC&P during the year ended December 31, 2013.

The Corporation's Chief Executive Officer and Chief Financial Officer have concluded that DC&P are appropriately designed and are operating effectively to provide reasonable assurance that all material information related to the Corporation is identified and communicated on a timely basis.

Changes in Accounting Policies

IFRS 10 'Consolidation' ("IFRS 10")

Effective for annual periods beginning on or after January 1, 2013, IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under previous IFRS, consolidation was required when an entity had the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaced SIC-12 'Consolidation — Special Purpose Entities' and parts of IAS 27 'Consolidated and Separate Financial Statements'. Based on the Corporation's existing operations, management determined that this standard has no impact on the Corporation's financial statements.

IFRS 11 'Joint Arrangements' ("IFRS 11")

Effective for annual periods beginning on or after January 1, 2013, IFRS 11 requires an entity to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the entity will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities — Non-monetary Contributions'. Based on the Corporation's existing operations, management determined that this standard has no impact on the Corporation's financial statements.

IFRS 12 'Disclosure of Interests in Other Entities' ("IFRS 12")

Effective for annual periods beginning on or after January 1, 2013, IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. IFRS 12 carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. Management determined that, based on the Corporation's existing operations, this standard has no impact on the Corporation's financial statements.

IFRS 13 'Fair Value Measurement' ("IFRS 13")

Effective for annual periods beginning on or after January 1, 2013, IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under previous IFRS, guidance on measuring and disclosing fair value was dispersed among the various standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures. Management determined that, based on the Corporation's existing operations, this standard has no impact on the Corporation's financial statements.

IAS 28 'Investments in Associates and Joint Ventures' ("IAS 28")

Effective for annual periods beginning on or after January 1, 2013, IAS 28 will be amended to provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 is applied by all entities that are investors with joint control of, or significant influence over, an investee. Management determined that, based on the Corporation's existing operations, this standard has no impact on the Corporation's financial statements.

Future Accounting Standards and Pronouncements

IFRS 9 'Financial Instruments' ("IFRS 9")

This standard is the first step in the process to replace IAS 39, Financial Instruments: Recognition & Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets. IFRS 9 establishes two primary measurement categories for financial assets: (i) amortized cost, and (ii) fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting. IFRS 9 has an effective date of January 1, 2015, with early adoption permitted. The Company continues to monitor and assess the impact of this standard.

IFRS 32 'Financial Instruments: Presentation' ("IAS 32")

This IASB published amendments to IAS 32 to provide clarifications on the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendments are effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively. The adoption of the amendments is not expected to have a significant impact on the Corporation's consolidated financial statements.

IFRIC 21 'Levies' ("IFRIC 21")

IFRIC 21 is an interpretation on IAS 37, Provisions, Contingent Liabilities and Contingent Assets, with respect to the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. The interpretation clarifies that the obligating event is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. The adoption of this standard is not expected to have a significant impact on the Corporation's consolidated financial statements.

IAS 36 'Impairment of Assets' ("IAS 36")

The IASB published amendments to the disclosures required by IAS 36, when the recoverable amount is determined based on fair value less costs of disposal. The amendments are effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively. The adoption of the amendments is not expected to have a significant impact on the Corporation's consolidated financial statements.

Risks and Uncertainties

The Corporation is subject to the following risks and uncertainties which are described in greater detail in the Corporation's AIF:

- Potash Ridge has negative operating cash flow and might not be able to continue as a going concern;
- The Corporation will require additional capital in the future and no assurance can be given that such capital will be available at all or on terms acceptable to the Corporation;
- Potash Ridge has a limited operating history and no history of mineral production;
- Infrastructure, capital and operating costs and production estimates;
- Dependence on the Blawn Mountain Project;
- Uncertainty of estimated mineral resources and mineral reserves;
- The Corporation will employ a combination of technologies;
- The Corporation requires approvals, licenses, and permits in connection with its current exploration and development activities that may be delayed or may not be obtained;
- The Corporation requires the necessary water rights and water sources to support the proposed Blawn Mountain Project and those rights and sources may not be obtained;
- Governmental and regulatory requirements could adversely impact the development of the Corporation's projects;
- Title to the Corporation's mineral properties cannot be assured;
- Infrastructure and logistic requirements have not been fully determined;
- Resource exploration and development is a speculative business and involves a high degree of risk;
- The extraction of minerals from a deposit may not be economically viable;
- Commodity prices may affect the Corporation's value;
- The Corporation may have difficulty recruiting and retaining key employees;
- Environmental risks and hazards;
- The Corporation may become subject to litigation which may have a material adverse effect on its performance;
- Construction delays may adversely impact the financial position of the Corporation;
- Climate conditions may cause delays and cost over-runs and inhibit future production;
- The Corporation does not maintain insurance against all possible risks;
- Certain directors and officers may have conflicts of interest;
- Global financial conditions may adversely affect the Corporation's financial position;
- The Corporation has a foreign subsidiary;
- Some of the Corporation's directors, officers and experts are resident outside of Canada;
- Future sales of Common Shares by existing shareholders;
- If securities or industry analysts do not publish research or reports about the Corporation, if they change their recommendations regarding the Corporation adversely, or if the Corporation's operating results do not meet their expectations, the share price and trading volume could decline;
- The Corporation has no record of paying dividends and does not expect to do so in the foreseeable future;
- Risks and hazards inherent in the mining industry;
- Competition in the mining industry may adversely affect the Corporation;
- Demand for commodities tends to be cyclical in nature;
- Weather patterns and natural disasters may affect future demand.

Other Information

The Corporation's web site address is www.potashridge.com. Other information relating to the Corporation may be found on SEDAR at www.sedar.com.

A CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements reflecting management's expectations regarding future growth, results of operations, performance and business prospects of the Corporation. These forward-looking statements may include statements that are predictive in nature, or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates", "guidance" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to, the future financial or operating performance of the Corporation and its subsidiaries and its mineral projects; the anticipated results of exploration activities; the estimation of mineral resources; the realization of mineral resource estimates; capital, development, operating and exploration expenditures; costs and timing of the development of the Corporation's mineral projects; timing of future exploration; requirements for additional capital; climate conditions; government regulation of mining operations; anticipated results of economic and technical studies; environmental matters; receipt of the necessary permits, approvals and licenses in connection with exploration and development activities; appropriation of the necessary water rights and water sources; changes in commodity prices; recruiting and retaining key employees; construction delays; litigation; competition in the mining industry; reclamation expenses; reliability of historical exploration work; reliance on historical information acquired by the Corporation; optimization of technology to be employed by the Corporation; title disputes or claims, dilution to the Common Shares and the limitations of insurance coverage and other factors described under the heading "Risk Factors" in the Corporation's AIF to which reference should be made.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained herein. Such assumptions include, but are not limited to, the following: that general business, economic, competitive, political and social uncertainties remain favourable; that agriculture fertilizers are expected to be a major driver in increasing yields to address demand for premium produce, such as fruits and vegetables, as well as diversified protein rich diets necessitating grains and other animal feed; that actual results of exploration activities justify further studies and development of the Corporation's mineral projects; that the future prices of minerals remain at levels that justify the exploration and future development and operation of the Corporation's mineral projects; that there is no failure of plant, equipment or processes to operate as anticipated; that accidents, labour disputes and other risks of the mining industry do not occur; that there are no unanticipated delays in obtaining governmental approvals or financing or in the completion of future studies, development or construction activities; that the actual costs of exploration and studies remain within budgeted amounts; that regulatory and legal requirements required for exploration or development activities do not change in any adverse manner; that input cost assumptions do not change in any adverse manner, as well as those factors discussed in the section entitled "Risk Factors" in the Corporation's AIF. Accordingly, readers are cautioned not to place undue reliance on such statements.

All forward-looking information herein is qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this MD&A and the Corporation disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.