FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Allana Potash Corp. (“Allana” or the “Company”)
65 Queen St. West
Toronto, ON M5H 2M5

Item 2 Date of Material Change

February 3, 2011, February 4, 2011 and February 7, 2011

Item 3 News Release

News releases were issued by the Corporation on February 3, 2011, February 4, 2011 and February 7, 2011 and subsequently filed on SEDAR.

Item 4 Summary of Material Changes

On February 3, 2011 Allana announced that it has entered into an agreement with Dundee Securities Corporation (“Dundee”) on behalf of a syndicate of underwriters, including Wellington West Capital Markets Inc. as co-lead underwriter and Cormark Securities Inc. and Fraser Mackenzie Limited (the “Underwriters”), to purchase 12,910,000 common shares of the Company (the "Common Shares") at a price of $1.55 per Common Share for gross proceeds of $20,010,500 on an underwritten private placement basis (the "Offering"). The Company also granted the Underwriters an over-allotment option to increase the size of the Offering by up to an additional 1,936,500 Common Shares, such option being exercisable at any time up to 48 hours prior to the closing of the Offering. Assuming the over-allotment option is exercised in full, the aggregate gross proceeds raised will be $23,012,075.

On February 4, 2011, Allana announced that it had amended the terms of the previously announced private placement financing to increase the size of the offering from $20,010,500 to $27,900,000. The Company entered into an amended and restated agreement with Dundee on behalf of the Underwriters, whereby the Underwriters have agreed to purchase, on an underwritten basis, 18,000,000 Common Shares at a purchase price of $1.55 per Common Share (the "Amended Offering"). The Company has also granted the Underwriters an over-allotment option to increase the size of the Amended Offering by up to an additional 2,700,000 Common Shares, such option being exercisable at any time up to 48 hours prior to the closing of the Amended Offering. Assuming the over-allotment option is exercised in full, the aggregate gross proceeds raised will be $32,085,000.

On February 7, 2011, Allana announced that Liberty Metals & Mining Holdings, LLC (“LMM”), a subsidiary of Liberty Mutual Group and the Company’s largest shareholder, has elected to exercise its participation rights in connection with the Company’s Amended Offering, to purchase up to 4,022,748 Common Shares on a non-brokered basis at a purchase price of $1.55 per Common Share for total gross proceeds of up to $6,232,259.40.

Item 5 Full Description of Material Changes

On February 3, 2011 Allana announced that it has entered into an agreement with Dundee on behalf of the Underwriters, to purchase 12,910,000 Common Shares at a price of $1.55 per Common Share for gross proceeds of $20,010,500 on an underwritten private placement basis. The Company also granted the Underwriters an over-allotment option to increase the size of the Offering by up to an additional 1,936,500 Common Shares, such option being exercisable at any time up to 48 hours prior to the closing of the Offering. Assuming the over-allotment option is exercised in full, the aggregate gross proceeds raised will be $23,012,075.

On February 4, 2011, Allana announced that it had amended the terms of the previously announced underwritten private placement financing to increase the size of the offering from $20,010,500 to $27,900,000. The Company entered into an amended and restated agreement with Dundee on behalf of the Underwriters, whereby the Underwriters have agreed to purchase, on an underwritten private placement basis, 18,000,000 Common Shares at a purchase price of $1.55 per Common Share. The Company has also granted the Underwriters an over-allotment option to increase the size of the Amended Offering by up to an additional 2,700,000 Common Shares, such option being exercisable at any time up to 48 hours prior to the closing of the Amended Offering. Assuming the over-allotment option is exercised in full, the aggregate gross proceeds raised will be $32,085,000.

On February 7, 2011, Allana announced that LMM had elected to exercise its participation rights in connection with the Company's Amended Offering, pursuant to which LMM agreed to purchase up to 4,022,748 Common Shares on a non-brokered basis at a purchase price of $1.55 per Common Share for total gross proceeds $6,235,259.40 (the "Non-Brokered Financing").

The net proceeds from the Amended Offering and the Non-Brokered Financing will be used to fund continued exploration and development work, including a definitive feasibility study, at the Company's Ethiopian potash project as well as future potential strategic land acquisitions and general corporate purposes. Closing of the Amended Offering and the Non-Brokered Financing is anticipated to occur concurrently on or about March 1, 2011 (the "Closing Date") and is subject to the receipt of applicable regulatory approvals including approval of the TSX Venture Exchange. The Common Shares will be subject to a statutory hold or restricted period of four months and one day following the Closing Date.

In connection with the Amended Offering, the Company has agreed to pay to the Underwriters a cash commission of 6.0% of the gross proceeds raised and issue to the Underwriters that number of compensation options equal to 5.0% of the number of Common Shares sold. Each compensation option shall entitle the holder to acquire one Common Share at a price of $1.55 for a period of 18 months from the Closing.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes ''forward-looking information'' under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the terms and use of proceeds of the Amended Offering and the Non-Brokered Financing and the ability of the Company to complete the Amended Offering and the Non-Brokered Financing and the impact of the Amended Offering and the Non-Brokered Financing on the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as ''plans'', ''expects'' or ''does not expect'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''intends'', ''anticipates'' or ''does not anticipate'', or ''believes'', or variations of such words and phrases or statements 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 they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.

This material change report shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Farhad Abasov, President and CEO, (416) 309-2691

Item 9 Date of Report

February 7, 2011