THIS DEFINITIVE AGREEMENT made and dated for reference the 24th of October, 2008.

BETWEEN:

ETHIOGIBE, a corporation with an address of 65 Queen Street West, 8th Floor, Toronto, Ontario, M5H 2M5

(hereinafter called "Ethiogibe")

OF THE FIRST PART

AND:

SB MANAGEMENT, a corporation with an address of 65 Queen Street West, 8th Floor, Toronto, Ontario, M5H 2M5

(hereinafter called "SB Management")

OF THE SECOND PART

AND:

FORBES & MANHATTAN, INC., a corporation with an address of 65 Queen Street West, 8th Floor, Toronto, Ontario, M5H 2M5

(hereinafter called "Forbes", and together with Ethiogibe, SB Management, collectively referred to as the "Vendors")

OF THE THIRD PART

AND:

ALLANA RESOURCES INC., a corporation with an address of 65 Queen Street West, 8th Floor, Toronto, Ontario, M5H 2M5

(hereinafter called the "Purchaser")

OF THE FOURTH PART

WHEREAS:

A. The Vendors hold a 100% interest in certain mining concessions in Ethiopia, which properties are more particularly described in Schedule "A" annexed hereto and forming a part hereof (hereinafter called the "Property");

B. The Vendors have agreed to sell the Property to the Purchaser on the terms and conditions provided for in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the following, the parties hereby agree as follows:

DEFINITIONS

1.01 In this Agreement and in all Schedules attached to and made a part hereof, the following words and phrases shall have the following meanings, namely:

(a) "Agreement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to this definitive agreement (including the schedules hereto) as supplemented, modified or amended;

(b) "Business Day" means any day other than Saturdays, Sundays and statutory holidays in the Province of Ontario;

(c) "Conditions of Purchase" has the meaning set out in paragraph 4.01 hereof;

(d) "Effective Date" means September 17, 2008;

(e) "Letter of Intent" means the letter of intent dated September 17, 2008 between the Vendors and the Purchaser in respect of the acquisition by the Vendors from the Purchaser of the Property;

(f) "Net Smelter Return Royalty" has the meaning set out in Schedule "B" annexed hereto and forming a part hereof;

(g) "NSR" means the 3.0% Net Smelter Return Royalty on the Property held as of the Effective Date by the Vendors which is more particularly described in paragraph 4.02;

(h) "Property" means all of the Vendors's direct and indirect right, title and interest in and to the mining concessions described in Schedule "A", including all of the mineral claims held thereon and all other mineral property interests derived from any such mineral concessions. Any reference herein to any mineral claims or other mineral property interests comprised in the Property includes any other interests into which such mineral claims or other mineral property interests may have been converted;

(i) "this Agreement" refers to and collectively includes this Agreement and every Schedule attached to this Agreement.

REPRESENTATIONS AND WARRANTIES OF THE VENDORS

2.01 The Vendors represents and warrants to the Purchaser that:

(a) each have been duly incorporated, validly exist as a corporation in good standing and are legally entitled to hold their respective interests in the Property and will remain so entitled until its interest in the Property as set out herein has been duly transferred to the Purchaser as contemplated herein;

(b) it is, and at the time of any transfer to the Purchaser of any interest in the Property will be, the beneficial owner of a one hundred percent (100%) interest in the Property, free and clear of all liens, charges and claims of others, and no taxes or rentals are due in respect thereof, save and except for the NSR;

(c) to the best of its knowledge, the mineral concessions comprising the Property have been duly and validly located and are in good standing;

(d) there is no adverse claim or challenge against or to the ownership of or title to the Property, nor to its knowledge is there any basis therefor, and there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof;

(e) to the best of its knowledge, there are no outstanding obligations or liabilities, contingent or otherwise, related to environmental, reclamation or rehabilitation work associated with the Property or arising out of exploration work, development work or mining activities previously carried out thereon;

(f) it has duly obtained all corporate authorizations for the execution of this Agreement and for the performance of this Agreement by it, and the consummation of the transaction herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of, its Articles or constating documents or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound or to which it may be subject;

(g) no proceedings are pending for, and it is not aware of any basis for the institution of any proceedings leading to, its dissolution or winding-up or the placing of it in bankruptcy or subject to any laws governing the affairs of insolvent persons.

2.02 The Vendors acknowledges that the representations and warranties set forth in paragraph 2.01 hereof form a part of this Agreement and are conditions upon which the Purchaser has relied in entering into this Agreement, and that these representations and warranties shall survive the acquisition of any interest in the Property hereunder by the Purchaser.

2.03 The parties also acknowledge and agree that the representations and warranties set forth in paragraph 2.01 hereof are provided for the exclusive benefit of the Purchaser, and a breach of any one or more thereof may be waived by the Purchaser in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty.

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

3.01 The Purchaser represents and warrants to the Vendors that:

(a) it has been duly continued under the laws of the Province of Ontario, validly exists as a corporation in good standing under the laws of the Province of Ontario;

(b) it has duly obtained all corporate authorizations for the execution of this Agreement and for the performance of this Agreement by it, and the consummation of the transaction herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of, its Articles or constating documents or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound or to which it may be subject;

(c) no proceedings are pending for, and it is not aware of any basis for the institution of any proceedings leading to, its dissolution or winding-up or the placing of it in bankruptcy or subject to any laws governing the affairs of insolvent persons.

3.02 The Purchaser acknowledges that the representations and warranties set forth in paragraph 3.01 hereof form a part of this Agreement and are conditions upon which the Vendors has relied in entering into this Agreement, and that these representations and warranties shall survive the acquisition of any interest in the Property hereunder by the Purchaser.

3.03 The parties also acknowledge and agree that the representations and warranties set forth in paragraph 3.01 hereof are provided for the exclusive benefit of the Vendors, and a breach of any one or more thereof may be waived by the Vendors in whole or in part at any time without prejudice to their rights in respect of any other breach of the same or any other representation or warranty.

SALE OF PROPERTY

4.01 The Vendors hereby agrees to sell to the Purchaser an undivided one-hundred percent (100%) legal and beneficial interest in the Property, free and clear of all liens, charges and claims of others, save and except for the NSR, by the Purchaser making the following cash payments and share issuances to the Vendors:

(a) $1,000,000 within 10 days of the execution of the Letter of Intent;

(b) the issuance of 4,000,000 common shares of the Purchaser to the Vendors, or as they may direct, on the Effective Date;

(c) $500,000 to the Vendors on the twelve month anniversary of the Effective Date;

(d) $500,000 on the twenty fourth month anniversary of the Effective Date; and

(e) $500,000 on the thirty six month anniversary of the Effective Date;

(respectively, the "Conditions of Purchase") and the Vendors acknowledge that all shares issued will be subject to a four month plus one day hold period (from the date of issuance).

4.02 The Vendors shall retain a 3.0% net smelter return royalty on the Property (the "NSR"). The Purchaser has the option, exercisable at any time, to buyout 50% of the NSR (thereby reducing the NSR to 1.5%) for $5,000,000 (the "Buyout Amount").

TRANSFER OF PROPERTY

5.01 Upon the completion of the Conditions of Purchase, the Vendors shall cause to be delivered to the Purchaser duly executed registerable transfers in favour of the Purchaser of the undivided interest(s) in the Property acquired by the Purchaser, all as provided for herein.

5.02 The Purchaser shall be entitled to record all transfers provided for in paragraph 5.01 hereof with the appropriate governmental office at its own cost and expense in order to affect the transfer into its name of whatever undivided interest(s) in the Property has been acquired by it.

5.03 This Agreement and the rights and obligations hereunder shall continue in the event that the mining claims on the Property are converted into a mining lease(s) or any other lease(s) or mineral license(s) (including mineral exploration license(s)) or mineral disposition(s) that permits the exploration, mining, production or processing of minerals or tailing from the Property.

OBLIGATIONS OF THE PARTIES WHILE PURCHASER IS COMPLETING THE CONDITIONS OF PURCHASE

6.01 The Purchaser hereby covenants and agrees that following the execution of this Agreement and for so long as the Purchaser is in the process of completing the Conditions of Purchase, it will:

(a) maintain the Property in good standing;

(b) permit the Vendors or its duly authorized agents, upon reasonable prior notice to the Purchaser, to have access to the Property in order to examine any work carried out by the Purchaser, provided, however, that neither the Vendors nor its agents shall interfere or obstruct the operations of the Purchaser, its servants and agents on the Property, and further provided that the Vendors or its agents shall enter upon the Property at their own risk and that the Vendors agrees to indemnify and save the Purchaser harmless from all loss or damage of any nature or kind whatsoever in any way referable to the entry of, presence on, or activities of either the Vendors or its agents while on the Property, including, without limiting the generality of the foregoing, bodily injuries or death at any time resulting therefrom and damage to property sustained by any person or persons; and

(c) conduct all work on or with respect to the Property in a careful and miner likemanner and in accordance with all applicable laws, regulations, orders and ordinances of any relevant governmental authority and indemnify and save the Vendors harmless from any and all claims, suits or actions made or brought against it as a result of work done by the Purchaser on or with respect to the Property;

6.02 Notwithstanding any of the provisions of this Agreement, the parties specifically agree that the Purchaser will not be responsible for rectifying any environmental damage sustained on the Property prior to the date hereof and that the Vendors will indemnify and hold the Purchaser harmless from and against any claims as a result of environmental damage on the Property where such damage was created prior to the Effective Date.

6.03 Notwithstanding any of the provisions of this Agreement, the parties specifically agree that the Purchaser will indemnify and hold the Vendors harmless from and against any claims as a result of environmental damage on the Property where such damage was created after the Effective Date and as a direct result of the Purchaser's activities on the Property.

RIGHT OF ENTRY

7.01 While completing the Conditions of Purchase, the Purchaser and its servants, agents and independent contractors shall have the sole and exclusive right in respect of the Property to:

(a) enter thereon;

(b) have exclusive and quiet possession thereof;

(c) do such prospecting, exploration, development and/or other mining work thereon and thereunder as the operator in its sole discretion may determine practical under the provisions of work programs approved by the Purchaser prior to the commencement of operations in respect of such work programs;

(d) bring upon and erect upon the Property such buildings, plant, machinery, tools, appliances and/or equipment as the Operator may deem advisable; and

(e) remove therefrom and dispose of reasonable quantities of ores, minerals and metals for the purposes of obtaining assays or making other tests.

AREA OF MUTUAL INTEREST

8.01 An area of mutual interest located within three (3) kilometres of the existing exterior boundaries of the Property is hereby established (hereinafter called the "AMI"). By executing this Agreement, each of the parties hereby covenants and agrees with the other party that any property interest or mineral rights which have been acquired by either of them during the term of this Agreement shall become part of the Property for the purposes of this Agreement, save as otherwise provided for herein.

8.02 If the Vendors acquire a property interest or mineral rights within the AMI as contemplated in paragraph 8.01 hereof, it shall notify the Purchaser in writing of the property interest or mineral rights acquired and the cost of acquisition thereof. The Purchaser shall then have thirty (30) days following receipt by it of the foregoing notification to elect in writing to have the property interest or mineral rights included as part of the particular individual claim group for the purposes of this Agreement. If the Purchaser does not so elect in writing within this thirty (30) day period, the Vendors shall be entitled to retain the property interest or mineral rights for its own account and such property interest or mineral rights will not form part of said individual claim group and will not be subject to the terms of this Agreement.

8.03 If the Purchaser does elect in writing to have the property interest or mineral rights included as part of an individual claim group for the purposes of this Agreement as contemplated in paragraph 8.02 hereof, it will reimburse the Vendors one-hundred percent (100%) of the preliminary work completed and any additional acquisition costs.

CONDITIONS PRECEDENT

9.01 This Agreement, including the cash payments and share issuances, is subject to all required regulatory approvals.

TERMINATION

10.01 This Agreement shall terminate:

(a) by the Purchaser giving notice of termination to the Vendors; or

(b) within 90 days of the execution of this Agreement, in the event regulatory approval for the initial issuance of Shares has not been sent.

10.02 Notwithstanding any other provision of this Agreement, if at any time during the period in which the Purchaser is completing the Conditions of Purchase, the Purchaser fails to advance to the Vendors any cash payment or share issuance required under paragraph 4.01 hereof or is in breach of any representation or warranty contained herein, the Vendors may terminate this Agreement, if, but only if:

(a) it shall have first given to the Purchaser a notice of default containing particulars of the payment not advanced or the shares not issued, or the representation or warranty breached; and

(b) the Purchaser has not, within thirty (30) days following delivery of such notice of default, cured such default.

10.03 Should the Purchaser fail to comply with the provisions of sub-paragraph 10.02(b) hereof, the Vendors may thereafter terminate this Agreement, and the provisions of paragraph 10.04 hereof shall then be applicable.

10.04 The Purchaser shall vacate the Property within a reasonable time after termination, but shall have the right of access to the Property for six (6) months following termination for the purpose of removing its buildings, plant, equipment, machinery, tools, appliances and supplies from the Property. The Purchaser shall not leave any buildings, plant, equipment, machinery, tools, appliances or supplies on the Property beyond this six (6) month period after termination without the written consent of the Vendors.

TRANSFER OF INTERESTS

11.01 The Purchaser may at any time sell, transfer or otherwise dispose of all of its interest in and to the Property and this Agreement, provided that it shall have first delivered to the Vendors its agreement related to this Agreement and to the Property, containing:

(a) a covenant by such transferee to perform all the obligations of the Purchaser to be performed under this Agreement in respect of the interest to be acquired by it from the Purchaser to the same extent as if this Agreement had been originally executed by the Purchaser and such transferee as joint and several obligors making joint and several covenants; and

(b) a provision subjecting any further sale, transfer or other disposition of such interest or any portion thereof in and to the Property and this Agreement to the restrictions contained in sub-paragraph 11.01(a) hereof.

11.02 No assignment by the Purchaser of any interest less than its entire interest in this Agreement and in the Property shall be permitted, but upon the transfer by the Purchaser of the entire interest at the time held by it in this Agreement and in the Property, the Purchaser shall be deemed to be discharged from all obligations hereunder or other fulfilment of contractual commitments and any environmental liabilities, effective on the date on which the Purchaser shall have no further interest in this Agreement or in the Property.

11.03 The Vendors may at any time sell, transfer or otherwise dispose of all of its interest in and to the Property and this Agreement to any wholly owned subsidiary of the Vendors or to a company whose management will be substantially similar to the current management of the Vendors within a reasonable period of time following the transfer of this Agreement to such a company without the consent of the Purchaser, or to a third party, provided it has the consent of the Purchaser, whose consent shall not be unreasonably withheld, and further provided that in either case it shall have first delivered to the Purchaser its Agreement related to this Agreement and to the Property, containing:

(a) a covenant by such transferee to perform all the obligations of the Vendors to be performed under this Agreement in respect of the interest to be acquired by it from the Vendors to the same extent as if this Agreement had been originally executed by the Vendors and such transferee as joint and several obligors making joint and several covenants; and

(b) a provision subjecting any further sale, transfer or other disposition of such interest or any portion thereof in and to the Property and this Agreement to the restrictions contained in sub-paragraph 11.03(a) hereof.

FORCE MAJEURE

12.01 If the Purchaser is at any time during the term of this Agreement either prevented or delayed in complying with any provisions of this Agreement by reason of strikes, labour shortages, power shortages, fuel shortages, fires, wars, acts of God, governmental regulations restricting normal operations, shipping delays or any other reason or reasons (other than lack of funds) beyond the control of the Purchaser, the time limited for the performance by the Purchaser of its obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay.

12.02 The Purchaser shall give prompt notice to the Vendors of each event of force majeure under paragraph 12.01 hereof and upon cessation of such event shall furnish the Vendors with notice to that effect together with particulars of the number of days by which the obligations of the Purchaser hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

CONFIDENTIAL INFORMATION

13.01 No information in respect of the activities carried out on the Property or any portion thereof by the Purchaser during the time the Purchaser is completing the Conditions of Purchase shall be published by the Vendors without the prior written consent of the Purchaser, but such consent in respect of the reporting or factual data shall not be unreasonably withheld, and shall not be withheld in respect of information required to be publicly disclosed pursuant to applicable securities or corporation laws.

NOTICES AND PAYMENT

14.01 Any notice, demand, payment or other communication under this Agreement will be given in writing and must be delivered or sent by telecopier and addressed to the party to which it is being given at the following addresses:

(a) if to the Vendors:

Ethiogibe
65 Queen Street West, 8^{th} Floor
Toronto, Ontario M5H 2M5

Attention: Nejib Biya
Facsimile No. (416) 861-8165

(b) if to the Purchaser:

Allana Resources Inc.
65 Queen Street West, 8^{th} Floor
Toronto, Ontario M5H 2M5

Attention: Corporate Secretary
Facsimile No. (416) 861-8165

14.02 If notice, demand, payment or other communication is sent by telecopier or is delivered, it will be deemed to have been received on the next business day following the day of transmission or delivery.

CURRENCY

15.01 All references to monies hereunder will be in lawful currency of Canada.

FURTHER ASSURANCES

16.01 Each of the parties hereto agrees to do and/or execute all such further and other acts, deeds, things, devices, documents and assurances as may be required in order to carry out the true intent and meaning of this Agreement, including the registration thereof against any of the mineral property interests comprising the Property at the request of any party.

TIME OF THE ESSENCE

17.01 Time shall be of the essence of this Agreement.

COSTS

18.01 Each of the parties hereto will be responsible for paying its own costs relating to the preparation and execution of this Agreement.

ENTIRE AGREEMENT

19.01 The parties hereto agree that the terms and conditions of this Agreement shall supersede and replace any other agreements or arrangements, whether oral or written, heretofore existing among the parties in respect of the subject matter of this Agreement, including, without limiting the generality of the foregoing, the letter agreement between the parties dated the 17th day of September, 2008.

COUNTERPARTS

20.01 This Agreement and any certificate or other writing delivered in connection herewith may be executed in any number of counterparts and any party hereto may execute any counterpart, each of which when executed and delivered will be deemed to be an original and all of which counterparts of this Agreement or such other writing, as the case may be, taken together, will be deemed to be one and the same instrument. The execution of this Agreement or any other writing by any party hereto will not become effective until all counterparts hereof have been executed by all the parties hereto.

EXECUTION BY FACSIMILE

21.01 Each of the parties hereto will be entitled to rely upon delivery by facsimile of executed copies of this Agreement and any certificates or other writings delivered in connection herewith, and such facsimile copies will be legally effective to create a valid and binding agreement among the parties in accordance with the terms and conditions of this Agreement.

TITLES

22.01 The titles to the respective paragraphs hereof shall not be deemed as part of this Agreement but shall be regarded as having been used for convenience only.

GOVERNING LAW

23.01 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

ENUREMENT

24.01 This Agreement shall enure to the benefit of and be binding upon the parties hereto and each of their successors and permitted assigns, as the case may be.

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

ETHIOGIBE

By: ____________________
Authorized Signatory

SB MANAGEMENT

By: ____________________
Authorized Signatory

FORBES & MANHATTAN, INC.

By: ____________________
Authorized Signatory

ALLANA RESOURCES INC.

By: ____________________
Authorized Signatory

SCHEDULE "A"

The Danakhil Potash Deposit, consisting of the SB Management Property, the Forbes & Manhattan Property and the Ethiogibe Property:

The corner coordinates of the SB Management Property as given in the Datum Adindan Ethiopia, Geodetic Format:

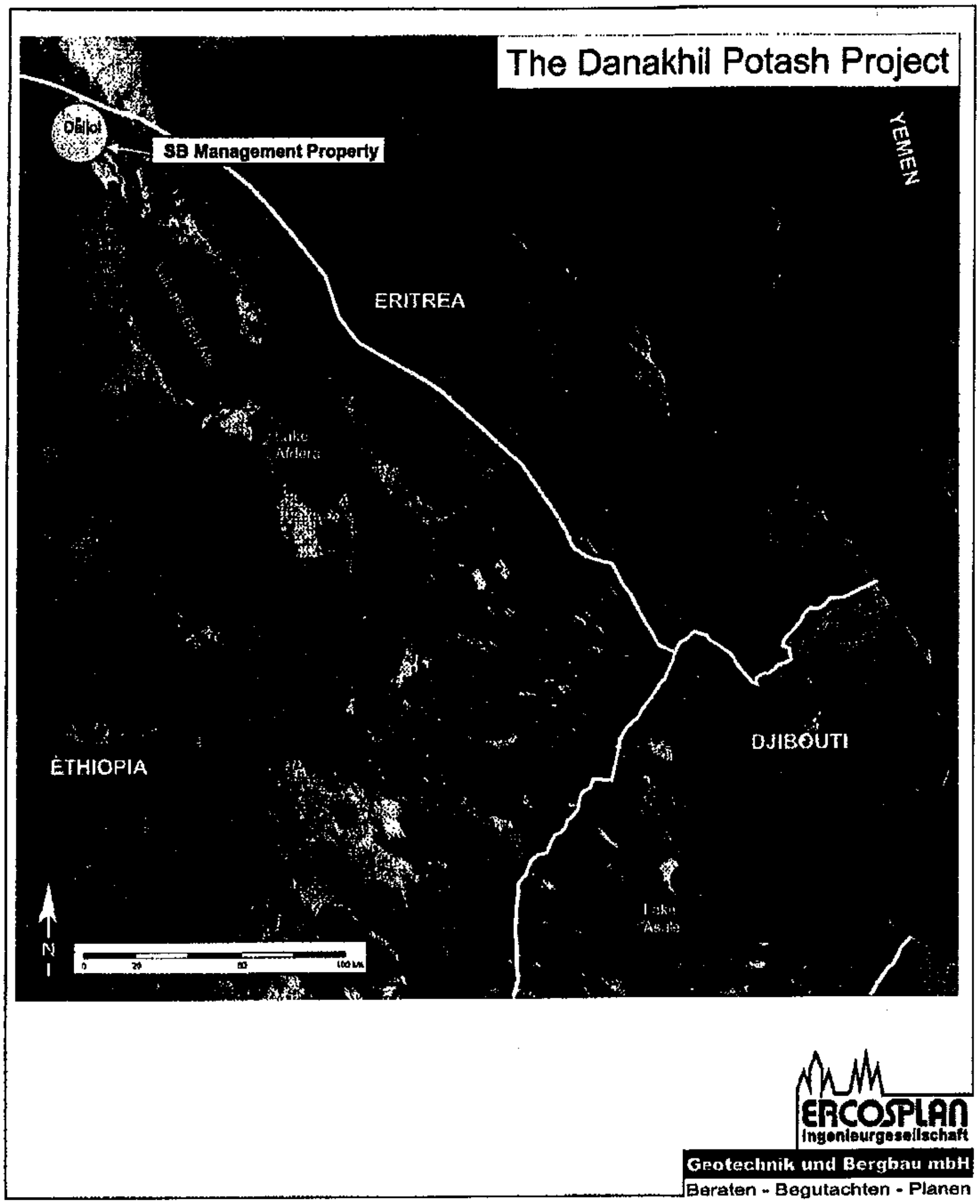
Position	Number	Longitude in Degrees	Latitude in Degrees
W – border	A	40′ 14′12″	14′ 16″08
N – corner	B	40′ 13′25″	14′ 18′30″
E – border	C	40′ 14′31″	14′ 17′19″
E – border	D	40′ 17′35″	14′ 08′55″
W – border	E	40′ 14′27″	14′ 08′17″
W – border	F	40′ 13′11″	14′ 14′38″
W – border	G	40′ 12′18″	14′ 15′23″
W – exclusion	2a	40′ 13′12″	14′ 14′38″
W – exclusion	2b	40′ 14′18″	14′ 14′53″
W – exclusion	2c	40′ 14′55″	14′ 12′18″
W – exclusion	2d	40′ 13′50″	14′ 12′02″
E – exclusion	3a	40′ 14′03″	14′ 15′49″
E – exclusion	3b	40′ 14′59″	14′ 16′00″
E – exclusion	3c	40′ 16′05″	14′ 13′12″
E – exclusion	3d	40′ 15′04	14′ 12′49″

The corner coordinates of the Forbes & Manhattan Property as given in the Datum Adindan Ethiopia, Geodetic Format:

Position	Number	Longitude in Degrees	Latitude in Degrees
NW – border	A	40′ 13′25″	14′ 18′30″
NE – corner	B	40′ 17′12″	14′ 18′13″
SE – border	C	40′ 20′49″	14′ 09′22″
SW – border	D	40′ 17′59″	14′ 08′26″
W – border	E	40′ 14′31.53″	14′ 17′19″
NW – border (Excl.)	4a	40′ 14′31″	14′ 17′19″
NE – border (Excl.)	4b	40′ 17′12″	14′ 18′13″
SE –border (Excl.)	4c	40′ 19′14″	14′ 13′06″
SE –border (Excl.)	4d	40′ 16′29″	14′ 12′11″

The corner coordinates of the Ethiogibe Property as given in the Datum Adindan Ethiopia, Geodetic Format:

Position	**Number**	**Longitude in Degrees**	**Latitude in Degrees**
NW – border	A	40′ 17′12″	14′ 18′13″
NE – corner	B	40′ 20′44″	14′ 17′15″
SE – border	C	40′ 23′31″	14′ 09′44″
SW – border	D	40′ 21′04″	14′ 08′49″
NW – border (Excl.)	5a	40′ 18′09″	14′ 17′16″
NE – border (Excl.)	5b	40′ 20′44″	14′ 17′15″
SE –border (Excl.)	5c	40′ 22′18″	14′ 13′13″
SE –border (Excl.)	5d	40′ 19′31″	14′ 13′12″


The Danakhil Potash Project
Dallol
SB Management Property
YEMEN
ERITREA
Lake
Afdera
ETHIOPIA
DJIBOUTI
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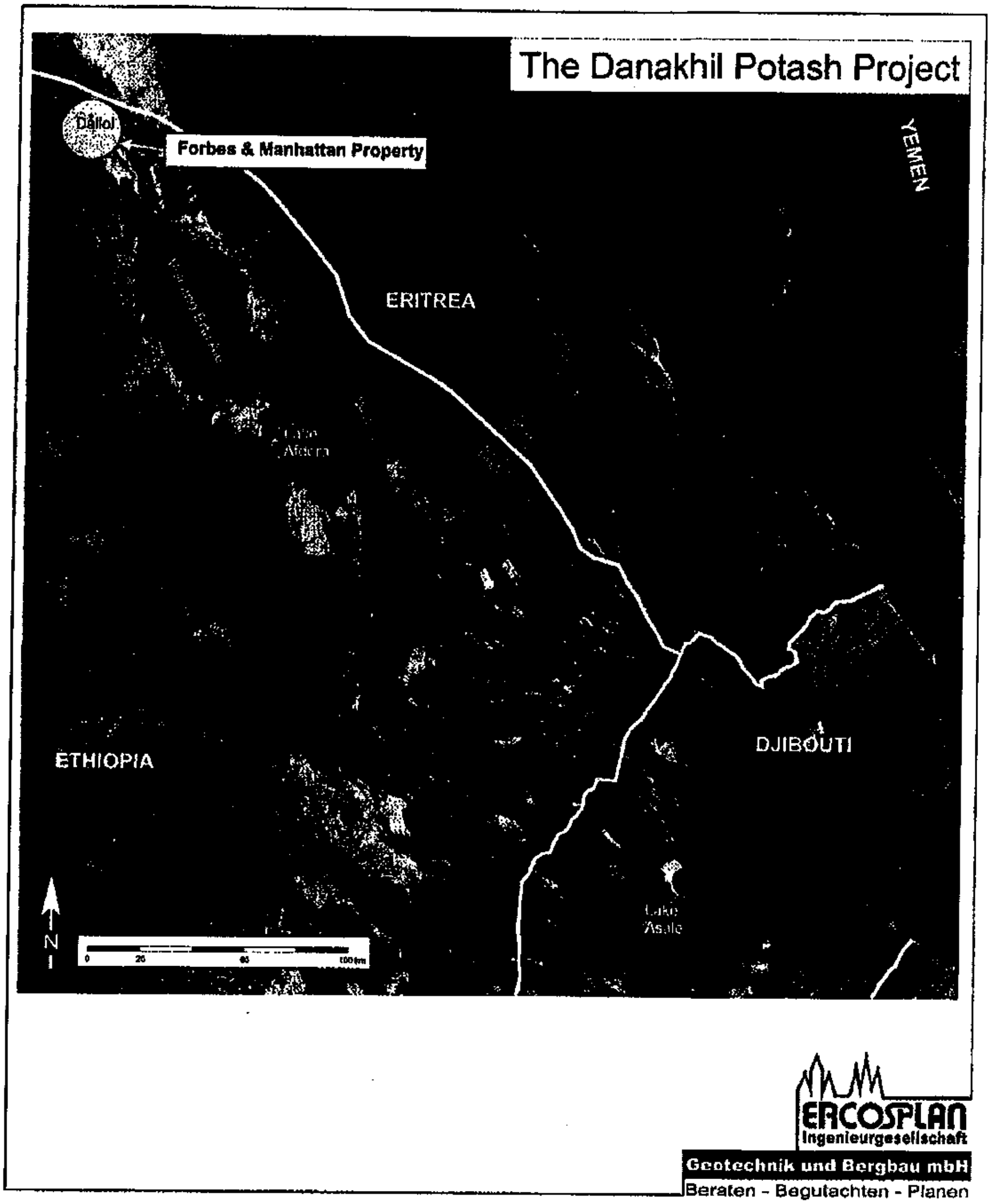
Beraten - Begutachten - Planen


The Danakhil Potash Project
Dallol
Forbes & Manhattan Property
YEMEN
ERITREA
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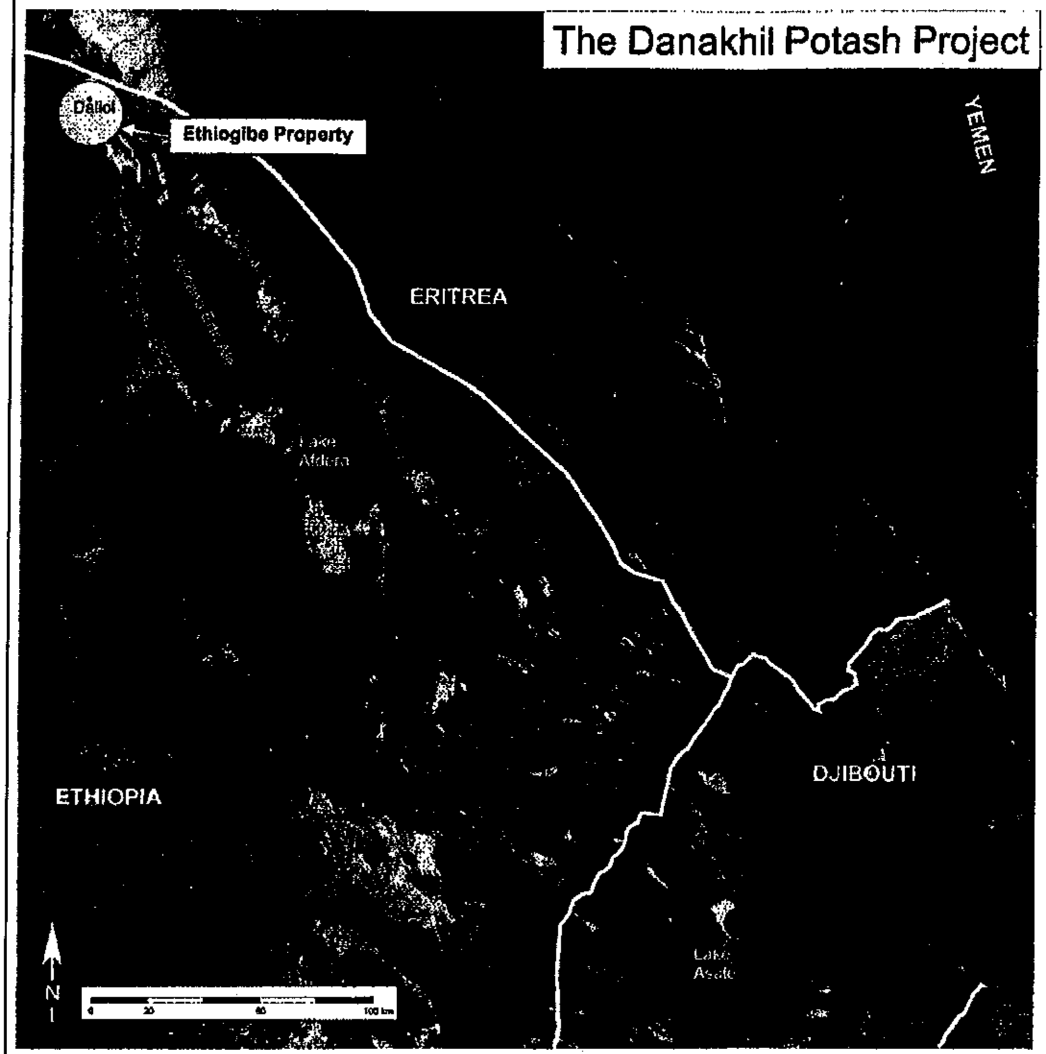

ERCOSPLAN
Ingenieurgesellschaft
Geotechnik und Bergbau mbH
Beraten - Begutachten - Planen

SCHEDULE "B"

1. For the purpose of this Agreement the term "Net Smelter Returns" shall mean the actual proceeds received from any independent custom smelter, mill, mint or other purchaser for the sale of all minerals, metals or concentrates extracted and derived from the ore mined and from the tailings of the Property after deducting there from all charges and penalties for smelting and refining and the cost of transportation (to smelter and thereafter to the mint), insurance premiums, sampling and assaying charges incurred after the minerals, metals or concentrates have left the Property and all appropriate mint charges.

2. Within ninety (90) days following the end of each calendar year, commencing with the year in which the Property is brought into commercial production, the Operator shall deliver to the non-operator a statement of the Net Smelter Returns for the said calendar year, together with payment of the royalty, if any, determined as foresaid. Within ninety (90) days following the end of each calendar year, commencing with the year in which the Property is brought into commercial production, the Operator shall deliver a statement of the Net Smelter Return for the year duly certified by an independent Chartered Accountant appointed by the Operator for such purposes. The non-operator shall have the right within a period of three (3) months from receipt of the audited statements to conduct an independent audit at its own cost and expense, the right to review the Operator's books and records relating thereto and an opportunity to discover issues raised with the Operator's auditors.

3. If any portion of the minerals, metals or concentrates extracted and derived from the ore mined and from the tailings of the Property are sold to a purchaser owned or controlled by the Operator or treated by a smelter owned or controlled by the Operator, the actual proceeds received shall be deemed to be an amount equal to what could be obtained from a purchaser or a smelter not so owned or controlled in respect of minerals, metals or concentrates, as applicable, of like quality and quantity, after deducting there from a charge equal to the transportation cost which would have been incurred had the material been transported to such a third party purchaser or smelter.

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

ETHIOGIBE

By: ______________________
Authorized Signatory

SB MANAGEMENT

By: ______________________
Authorized Signatory

FORBES & MANHATTAN, INC.

By: ______________________
Authorized Signatory

ALLANA RESOURCES INC.

By: ______________________
Authorized Signatory

AMENDMENT TO DEFINITIVE AGREEMENT

BETWEEN:

Ethiogibe PLC, a corporation existing pursuant to the laws of Ethiopia;
("Ethiogibe")

-and-

SB Management, a corporation existing under the laws of the Province of Ontario;
("SB Management")

-and-

Forbes & Manhattan, Inc. a corporation existing under the laws of the Province of Ontario
("Forbes")
(Collectively the "Vendors")
-and-

Allana Resources Inc., a corporation continued under the laws of the Province of Ontario
(the "Purchaser")

WHEREAS the Vendors and the Purchaser entered into a Definitive Agreement October 24, 2008 (the "Agreement"), regarding certain mining concessions in Ethiopia (the "Concessions"), such properties are specifically set out in Schedule A to the Agreement;

AND WHEREAS the TSX Venture Exchange did not issue final approval in relation to the Agreement until February 2009 and accordingly regulatory requirements caused the Vendors and Purchaser to delay the effective date of the Agreement until February 2009

AND WHEREAS each of the parties hereto desires to amend the Agreement to reflect the change in Effective Date;

NOW THEREFORE WITNESS that in consideration of the mutual covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. the Vendors hereby represents that the Agreement is in good standing and constitutes a legally binding and enforceable agreement in respect of the Vendors, subject to the standard limitations regarding specific performance and equitable remedies, creditors' rights and the validity of provisions relating to severability. The Purchaser hereby represents that the Agreement is in good standing and constitutes a legally binding and enforceable agreement in respect of the Purchaser, subject to the standard limitations regarding specific performance and equitable remedies, creditors' rights and the validity of provisions relating to severability.

2. Section 1.01 (d) of the Agreement shall be replaced in its entirety with the following text: "Effective Date" means February 10, 2009

3. In all other respects, the Agreement shall remain in full force and effect. All capitalized terms used and not defined herein, shall have the meaning ascribed to such terms in the Agreement.

4. This agreement may be signed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

DATED at Toronto, Ontario this 17th day of November, 2009.

ETHIOGIBE, PLC

Per: ________________________
Authorized Signing Officer

SB MANAGEMENT

Per: ________________________
Authorized Signing Officer

FORBES & MANHATTAN, INC.

Per: ______________________
Authorized Signing Officer

ALLANA RESOURCES INC.

Per: ______________________
Authorized Signing Officer

LETTER AGREEMENT AND DIRECTION

June 2, 2011

Allana Potash Corp.
65 Queen Street West
Suite 805
Toronto, Ontario
M5H 2M5

Dear Sirs:

RE: Definitive Agreement in respect of the Danakhil Potash Property

WHEREAS

A. Ethiogibe, SB Management, Forbes & Manhattan, Inc. (collectively, the "Vendors") and Allana Potash Corp. ("Allana") are party to a definitive agreement (the "Definitive Agreement") dated October 24, 2008, as amended on November 19, 2009, regarding certain mining concessions in Ethiopia (the "Property");

B. Pursuant to the Definitive Agreement the Vendors retained a 3% NSR on the Property, subject to the right of Allana to buyout 50% of the NSR for $5,000,000;

C. The Vendors wish to amend certain terms of the Definitive Agreement and direct Allana as to payment of the final cash instalment owed to the Vendors under the Definitive Agreement.

For good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The Vendors direct Allana to make a cash payment in the amount of $500,000 (the "Final Instalment") to Ethiogibe by wire transfer according to the wiring instructions attached hereto as Schedule "A";

2. Upon payment of the Final Instalment the parties hereto agree that the Conditions of Purchase (as defined in the Definitive Agreement) shall be satisfied in full and pursuant to section 5.01 of the Definitive Agreement, the Vendors shall cause to be delivered to Allana duly executed registerable transfers in favour of Allana of the undivided interest(s) in the Property acquired by Allana and Allana shall be entitled to record all transfers provided for in this paragraph with the appropriate governmental office at its own cost and expense in order to affect the transfer into its name of whatever undivided interest(s) in the Property has been acquired by it.

3. Section 4.02 of the Definitive Agreement shall be replaced in its entirety with the following:

   "4.02 (a) Ethiogibe shall be entitled to a 1.5% net smelter return royalty on the Property (the "**Ethiogibe NSR**"); provided however, that Allana shall have the option, exercisable at any time, to buyout 50% of the Ethiogibe NSR (thereby reducing the Ethiogibe NSR to 0.75%) for $2,500,000, and

   (b) Forbes & Manhattan (Barbados) Inc. ("**Forbes Barbados**") shall be entitled to a 1.5% net smelter return royalty on the Property (the "**Forbes Barbados NSR**"); provided however, that Allana shall have the option, exercisable at any time, to buyout 50% of the Forbes Barbados NSR (thereby reducing the Forbes Barbados NSR to 0.75%) for $2,500,000."

4. All capitalized terms contained herein shall have the meaning ascribed thereto in the Definitive Agreement.

5. This letter agreement shall be binding upon and enure to the benefit of the respective successors and assigns of each and every of the undersigned parties. Time is of the essence hereof. This letter agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. This agreement may be signed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

The foregoing accurately reflects the terms of the transaction, which each of the undersigned hereby agree to enter into and the undersigned agrees to be legally bound hereby.

ETHIOGIBE

By: ______________________

SB MANAGEMENT

By: ______________________

FORBES & MANHATTAN, INC.

By: ______________________

Accepted and agreed to this 2nd day of June, 2011.

ALLANA POTASH CORP.

By: ______________________

Acknowledged by:

FOBES & MANHATTAN (BARBADOS) INC.

By: ______________________

SCHEDULE "A"

WIRE INSTRUCTIONS

[Ethiogibe to provide]