FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

March 31, 2014

Item 3 News Release

A news release was issued on March 31, 2014 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On March 31, 2014, Allana announced that it had closed a second round of investment by a wholly-owned indirect subsidiary of Israel Chemicals Ltd. (“**ICL**”) totaling approximately $14.4 million through the sale of 30,614,488 units of the Company (the “**Units**”) to ICL at a price of $0.47 per Unit (the “**Second Tranche Offering**”). The sale was completed following approval of the previously announced private placement financing by disinterested shareholders at a special meeting that was held on March 28, 2014 (the “**Meeting**”).

The Second Tranche Offering is part of the Company’s strategic alliance with ICL pursuant to which an ICL subsidiary entered into a Share Purchase Agreement with Allana on February 12, 2014 for an aggregate investment of $25 million in Units of the Company at a price of $0.47 per Unit on a private placement basis (the “**Offering**”) with the potential for a total investment of up to $84 million upon full exercise of the Warrants comprising part of the Units.

Item 5 Full Description of Material Change

On March 31, 2014, Allana announced that it had closed the Second Tranche Offering with ICL. The sale was completed following approval of the previously announced private placement financing by disinterested shareholders at the Meeting.

Each Unit consists of a common share of the Company (a “**Common Share**”), one and one half Series A Common Share purchase warrants (“**Series A Warrants**”) and one half of one Series B Common Share purchase warrant (“**Series B Warrants**”, and collectively with the Series A Warrants, the “**Warrants**”). Each Warrant will be exercisable for one Common Share for a period of 36 months from issuance of the Warrant. Each Series A Warrant will be exercisable for a price of $0.54 per Common Share, and each Series B Warrant will be exercisable for a price of $0.60 per Common Share.

The Second Tranche Offering is part of the Company’s strategic alliance with ICL pursuant to which an ICL subsidiary entered into a Share Purchase Agreement with Allana on February 12, 2014 providing for the Offering of $25 million in Units of the Company to ICL at a price of $0.47 per Unit on a private placement basis, with the potential for a total investment of up to $84 million upon full exercise of the Warrants comprising part of the Units. The Company closed on the initial $10.6 million investment on February 12, 2014.

Following the closing of the Second Tranche Offering, ICL held approximately 16.38% of the issued and outstanding Common Shares of Allana on a non-diluted basis. As at March 31, 2014 Allana had approximately 324.6 million Common Shares outstanding.

The Company plans to use the proceeds from the Offering exclusively to fund further optimization and pre-construction activities, to construct its Danakhil potash project and for other general corporate and working capital purposes related to the advancement of the project.

Please refer to the Company's material change report dated February 21, 2014 and management information circular dated February 26, 2014, both available on SEDAR, for additional information with respect to the Offering and the Company's strategic alliance with ICL.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Richard Kelertas
Senior Vice President, Corporate Development
514 717 6256 or
rkelertas@allanapotash.com

Item 9 Date of Report

April 7, 2014

Forward-Looking Statement

Except for statements of historical fact relating to the Company, certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. 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". Without limitation to the foregoing, statements with respect to the anticipated use of proceeds of the Offering and the expected benefits of the strategic alliance with ICL are forward-looking statements. Forward-looking statements are based on the opinions, assumptions 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. Such risks include the fact that the expected benefits of the strategic alliance may not materialize, the inherent capital markets consequences of an equity controlling position, the risks inherent to having a significant shareholder that has extensive contractual rights with respect to the composition of the board of directors of Allana and other aspects of Allana's affairs, regulatory risks and such other risks as discussed in the risk factors sections of our latest annual information form, our technical reports and other continuous disclosure documents filed from time to time at www.sedar.com. 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.

The Units described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions there from.