Effective Date

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial results of North American Potash Developments Inc. (the "Company") for the period ended August 31, 2014.The following information should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended August 31, 2014 and the audited annual consolidated financial statements for the year ended May 31, 2014 and related notes thereto. Both have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These documents can be found on SEDAR at www.sedar.com and the Company's website at www.napotash.com.

All monetary amounts in this MD&A and in the Company's consolidated financial statements are expressed in Canadian dollars, unless otherwise stated.

The effective date of this MD&A is **October 30, 2014**.

Forward Looking Statements

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Overview

Description of the Business

The Company was incorporated on June 13, 2006 under the British Columbia Business Corporations Act and is an exploration stage public company which shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "NPD".

The Company is engaged in the acquisition, exploration and development of mineral properties in Canada and the United States.

The Company started operation in June 2006 and its first project was on the Hornby Basin Property located in Northwest Territories with a view for uranium exploration. In March 2008, the Company acquired a 90% equity interest in BUA USA LLC ("BUA") and through this subsidiary has extended its exploration plans to include potential potash mineral deposits. During the year ended May 31, 2010, Potash Green and Potash Green Utah were

formed and the permits and leases held by BUA, including those transferred in by the Manager and US Potash, were transferred to Potash Green and Potash Green Utah, respectively. Presently, the Company has three subsidiaries in the United States, namely 100% owned BUA, 70% owned Potash Green and 70% owned Potash Green Utah.

Mineral Properties

Hornby Basin Property - Northwest Territories, Canada

Pursuant to an option agreement dated July 1, 2006 and an amended agreement dated June 30, 2007, the Company acquired an undivided 100% right, title and interest in four mineral claims consisting of 10,330 acres located in the Great Bear Lake area of the Northwest Territories known as the Hornby Basin Property ("HB Claims"). In consideration, the Company paid $75,000 in cash and issued 500,000 common shares. The Company also incurred the required expenditures of $100,000 on the property. The HB Claims are subject to a 2% Net Smelter Return royalty which the Company can buy down to 1% at a cost of $1 million.

The Hornby Basin Property is located north of east-end of Great Bear Lake, 430 km northwest of Yellowknife, Northwest Territories, 80 km north of Port Radium. The region was initially explored for radium due to the discovery of the radium mines at Port Radium. Subsequent exploration efforts focused on uranium potential and a number of uranium showings were identified in the 1970's. There are no known deposits on the property. It could potentially host Athabaska Basin uranium deposits, as well as those referred to as iron oxide gold deposits. The Company believes the area was under-explored and further exploration is warranted.

A property-wide TDEM survey was flown by the Company in 2006. During the year ended May 31, 2010, the Company undertook an exploration program and incurred $75,000 exploration cost. The program involved 15.54 line kilometres radiometric survey in seven grids, prospecting and collection of 20 rock samples. The seven radiometric grids were designed to test the magnetic high long arc-like feature throughout much of the property which was identified during the 2006 survey. A RS-125 Scintillometer/spectrometer was used with a 120-second analysis the readings which on 50 metre line spacing and 25 metre stations. A total of 365 stations were analyzed on the grid. At each station, the location and the measured values were recorded for uranium, thorium, potassium and total counts.

As at May 31, 2011, the Company had spent the required expenditure up to October 2014 and continued to evaluate the timing of further exploration work on the HB claims. The Company did not conduct any further work on the property during the year ended May 31, 2012. The property had been written down to a nominal value of $1. The company has no plans to continue exploration in the upcoming year.

Paradox Basin – Utah, USA

In 2008, the Company purchased a 90% equity interest in BUA for cash consideration of $10,000, and the commitment to fund 100% of all potash permit and license applications and related costs to acquire prospecting permits from the Bureau of Land Management ("BLM") and mineral leases on State land located in the Paradox Basin within the State of Utah. During the period from March 19, 2008 to July 22, 2008, BUA applied for a net 25 prospecting permits with the BLM. As at August 8, 2008, through BUA, the Company was granted 9 State Mineral Leases in the Paradox Basin.

During the year ended May 31, 2010, the Company and its US based partner of BUA formed a 70% owned subsidiary, Potash Green Utah, and transferred all existing assets and liabilities related to the Utah property from BUA to Potash Green Utah.

In April 2011, the Company obtained the permit and carried out an initial drilling program. The reverse circulation drilling was carried out from surface to a depth of 2,474 feet, where the first drill core point was located. Core drilling was carried out from 2,474 feet to 2,728 feet. The drill then switched back to reverse circulation drilling from 2,728 feet to 3,374 feet to the second projected core point. The remainder of the hole was cored to the end of the hole at 3,449 feet. Upon completion, a downhole survey was performed. The survey included gamma ray/temperature, gamma ray/density, gamma ray/neutron/three arm, sonic log and calliper logs. All sections of the core were geologically logged and sections of interest.

The first drill hole was completed in August 2011. The Company has validated and cored two distinct potash beds: bed 6 (K-6) from 2656 feet to 2675 feet (19ft) and bed 9 (K-9) from 3398.2-3412.2(24ft).K-9 had the greater average potash concentration, with 5 feet of 13.5% K_2O (21.3% KC1) located from 3,398 to 3,403 feet, and with a maximum K_2O concentration of 24.5% (38.7% KC1). K-6 had a net 10 feet of significant potash across the 2,661 to 2,675 feet depth interval, which averaged 8.9% K_2O (14.0% KC1).

During the period ended August 31, 2014, the Company incurred $6,798 (2013-$6,305) on lease renewals for Paradox Basin property. The Company is assessing the merits and timing of further work.

The following is a summary of the expenditures incurred and deferred for the Paradox Basin property for the three month periods ended August 31, 2014, August 31, 2013 and year ended May 31, 2014:

	Three Months Ended August 31, 2014	Year Ended May 31, 2014	Three Months Ended August 31, 2013
Acquisition Costs			
Balance, beginning of the period	**$ 210,019**	$ 138,448	$ 138,448
Additions:		71,571	-
Balance, end of the period	**$ 210,019**	$ 210,019	$ 138,448
Deferred Exploration Costs			
Balance, beginning of the period	**2,833,802**	2,743,691	2,743,691
Additions:			
Consulting		48,174	-
Drilling		-	-
Permits and applications	**6,798**	26,668	6,305
Professional services		6,919	-
Travel and others		8,350	-
Balance, end of the period	**2,840,600**	2,833,802	2,749,996
Total	**$ 3,050,619**	$ 3,043,821	$ 2,888,444

Holbrook Basin – Arizona, USA

(i) Potash permits – Holbook Basin Property

On June 13, 2008, through BUA, the Company was granted 15 Arizona State Mineral Exploration Permits for potash exploration in the Holbrook Basin. On June 12, 2009, the Company relinquished these permits and issued new permit applications which were approved and effective on October 22, 2009. These permits are renewable on an annual basis but in no event renewable beyond five years. During the year ended May 31, 2010, though BUA, the Company was granted an additional 10 potash exploration permits for the Holbrook Basin Property. The

Company, with its US based partner of BUA, formed a 70% owned subsidiary, Potash Green, and transferred all assets and liabilities related to the Arizona property from BUA to Potash Green.

In March 2011, the Company, Potash Green and its 30% interest partners of Potash Green (together the "Optionors") entered into an option agreement (the "Option Agreement") with Passport Potash Inc. ("Passport") whereby Passport may exercise the option to earn a 90% legal and beneficial interest in the 25 Potash Exploration Permits of the Holbrook Basin property by making cash payments in the amount of US$1,000,000 over a three-year period, incurring a total of US$2,250,000 in work expenditures over three years and issuing 4,000,000 common shares to the Optionors over a three-year period. 70% of all payments from Passport are to be paid directly to the Company and 30% to be paid directly to the 30% equity interest partners of Potash Green. During the year ended May 31, 2011, Passport paid US$300,000 in cash and issued 1,000,000 common shares of which US$210,000 cash and 700,000 common shares were paid to the Company and US$90,000 and 300,000 common shares were paid to the 30% equity interest partners of Potash Green.

Upon fulfilling the terms of the Option Agreement, Passport has the right to purchase the remaining 10% interest for US$5,000,000. The Optionors shall be entitled to a 1% gross overriding royalty on the production from the property.

During the year ended May 31, 2012, the Optionors started legal proceedings against Passport for non-compliance of the terms under the option agreement, including non-payment of cash and non-issuance of shares in Passport due on or before May 17, 2012, the first anniversary of the TSX's approval of the Option Agreement.

On June 11, 2012, the Company and other parties to the Option Agreement terminated the Option Agreement with Passport.

On July 9, 2012, the Court denied a motion by Passport to evade Passport's obligation to complete its cash and share payments of US$350,000 and 1,400,000 common shares of Passport to the Optionors due before the date of termination of the Option Agreement, which were subsequently received on July 12, 2012.

On September 7, 2012, the Court conditioned issuance of the injunction on Passport posting a US$350,000 cash bond within ten business days.

On October 30, 2012, the Company entered into an amendment agreement ("Amendment Agreement") with Passport whereby Passport may exercise the option to earn an undivided 100% legal and beneficial interest in the 25 Mineral Exploration Permits of the Holbrook Basin property by making further cash payments in the amount of US$3,850,000 over a two-year period and issuing 750,000 common shares to the Optionors within three business days of the Optionors' or Passport's receipt of written notice of the TSX approval of the Amendment Agreement. All payments and share issuances are to be paid and issued respectively to Potash Green in trust for the Company and the 30% equity interest partners.

As at the effective date of the Amendment Agreement, Passport has satisfied the following original payment requirements, share issuances and work requirements stipulated by the Option Agreement:

a) Made the first three cash payments totalling US$650,000;
b) Issued 2,400,000 common shares;
c) Performed work on the property in the amount of US$1,250,000.

As part of the consideration for entering into this Amendment Agreement, both the Optionors and Passport have entered into a settlement agreement and a mutual release dismissing all claims filed in previous legal proceedings.

Under the terms of the Amendment Agreement, the Optionors shall not be entitled to any gross overriding royalty on the production from the property.

On December 8, 2012, the Company entered into a second amendment option agreement (the "Second Amendment Agreement") with Passport whereby in the event that the cash payment of US$2,450,000 (the "Approval Amount") following the TSX approval of the Amendment Agreement is delayed, the Optionors and Passport agreed to extended the payment deadline for a period of 30 days from the date of final approval from the TSX Venture Exchange with the payment of US$100,000 (the "Extended Payment") to the Optionors, with the Extended Payment to be deducted from the Approval Amount. This amount was received by the Company on December 20, 2012.

In March 2013, TSX-V approved the Second Amendment Agreement. Passport paid US$2,350,000 cash and issued 750,000 common shares to the Optionors, out of which US$1,645,000 cash and 525,000 common shares were received by the Company on March 8, 2013. The lawsuit against Passport has been dismissed and the exploration permits have been assigned to Passport.

(ii) Oil and Gas leases – Holbrook Basin Property

The Company through BUA was granted eight oil and gas leases on the Holbrook Basin Property. The Company, with its US based partner of BUA, formed a 70% owned subsidiary, Potash Green, and transferred all assets and liabilities related to the Arizona property from BUA to Potash Green.

During the period ended August 31, 2014, the Company incurred $2,254**(**2013-$4,150) on lease renewals for the remaining eight oil and gas leases on the Holbrook Basin property.

The following is a summary of the expenditures incurred and deferred for the Holbrook Basin property for the three month periods ended August 31, 2014, August 31, 2013 and year ended May 31, 2014:

	Three Months Ended August 31, 2014	**Year Ended May 31, 2014**	Three Months Ended August 31, 2013
Acquisition Costs			
Balance, beginning of the period	**$ -**	**$ -**	**$ -**
Costs recovery		**-**	**-**
Balance, end of the period		**-**	-
Deferred Exploration Costs			
Balance, beginning of the period	**87,697**	**83,546**	83,546
Additions:			
Permits and applications	**2,254**	**4,151**	4,150
Travel and others		**-**	-
Total expenditures during the period	**2,254**	**4,151**	4,150
Balance, end of the period	**89,951**	**87,697**	87,696
Total	**$ 89,951**	**$ 87,697**	$ 87,696

Annual Information

The following financial data is derived from the Company's audited consolidated financial statements for the years ended May 31, 2014, 2013 and 2012.

Years Ended May 31,		**2014**		2013		2012
Net Income (Loss)	**$**	**(930,689)**	$	1,179,43l	$	(1,996,664)
Net Earnings (Loss) per Share Basic and Diluted	**$**	**(0.03)**	$	0.03	$	(0.06)
Total Assets	**$**	**4,105,118**	$	5,090,000	$	3,995,164
Long Term Debt	**$**	**Nil**	$	Nil	$	Nil
Cash Dividends Declared per Share	**$**	**Nil**	$	Nil	$	Nil

Selected Quarterly Results

The following table summarizes information derived from the Company's consolidated financial statements for each of the eight most recently completed quarters:

Quarter Ended	Net and Comprehensive Income (Loss) for the period	Basic & Diluted Earnings (Loss) Per Share	Total Assets	Total Long-Term Liabilities
Aug 31, 2014	$ (179,760)	$(0.00)	$ 3,947,740	$Nil
May 31, 2014	$ (212,251)	$(0.01)	$ 4,105,118	$Nil
Feb 28, 2014	$ (199,002)	$(0.01)	$ 4,356,387	$Nil
Nov 30, 2013	$ (238,968)	$(0.01)	$ 4,521,278	$Nil
Aug 31, 2013	$ (280,468)	$(0.01)	$ 4,754,165	$Nil
May 31, 2013	$ 1,668,009	$ 0.05	$ 5,090,000	$Nil
Feb 28, 2013	$ (152,655)	$(0.00)	$ 3,614,216	$Nil
Nov 30, 2012	$ (162,340)	$(0.00)	$ 3,668,335	$Nil

Significant variances in the Company's reported loss from quarter to quarter arise from: The net income reported in the quarter ended May 31, 2013 was due to $1,689,909 cash received as a result of assigning the potash exploration permits on the Holbrook property to Passport.

Results of Operations for Three Months Ended August 31, 2014

For the quarter ended August 31, 2014, the Company incurred a net loss of $179,760 or $0.00 per share as compared to a net loss of $280,468 or $0.00 per share for the same quarter in prior year.

General and administrative expenses for the three months ended August 31, 2014 were $154,525 as compared to $169,268 in prior year. Major expenses and their respective changes were as follows:

- Accounting and audit fees were $17,750 (2013-$20,250), a result of general decrease in accounting and audit service fees;
- Consulting fees were $58,599(2013-$73,358);

- Management fees of $40,613 (2013-$38,910) were paid to an officer and a partner of the Company's US subsidiaries;
- Marketing and investor relations were $9,300 (2013-$9,300);
- Transfer agent and filling fees were $5,196 (2013-$5,401);
- Rent was $7,587 (2013- $7,457);
- Insurance were $1,776 (2013-$1,702);
- Office and administration were $12,498 (2013-$10,626).

The Company recorded an unrealized loss of $18,813 (2013-$106,650) as a result of a change in the fair value of the marketable securities held.

Liquidity and Capital Resources

The Company had a net working capital of $367,417 at August 31, 2014 as compared to a net working capital of $551,893 as at May 31, 2014. At August 31, 2014, the Company had cash in the amount of $451,371 as compared to $619,329 at May 31, 2014.

To date, the Company has financed its activities by selling its common shares through private placement, as well as option payments received on property it has optioned to a third party. The most recent private placement was completed in March 2011and raised gross proceeds of $3,120,000 by issuing 12,000,000 units of common share at a price of $0.26 per unit. The option agreement of the Company's Holbrook Basin Arizona property to Passport has provided additional funds for the Company's other expenses and exploration activities. Under the Amendment Agreement, additional cash is due to the Company on or before October 31, 2014.

The Company has no operating revenues and finances its operations principally through equity financing. Although the Company has been successful in raising the above funds, there can be no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. In these uncertain times, the Company carefully monitors its expenditure and cash flows. The Company anticipates that it will continue to rely on equity market to raise additional funds when needed. Debt financing has not been used to fund property acquisitions and exploration and the Company has no current plans to use debt financing.

The Company currently has no established credit lines with chartered banks or other financial institutions.

As at the date of this MD&A, there were no capital lease obligations or purchase obligations.

Off Balance Sheet Transactions

The Company does not have any off balance sheet transactions.

Related Party Transactions

Compensation to key management personnel and companies controlled by them during the periods ended August 31, 2014 and August 31, 2013 were as follows:

	August 31, 2014	August 31, 2013
Key management personnel:		
CEO	**$ 22,500**	$ 22,500
CFO	**2,500**	2,500
Directors	**36,099**	50,842
Manager	**32,490**	31,098
	$ 107,089	$ 120,440
Related party:		
A company related to CEO (rent expenses and accounting fees)	**$ 13,500**	$ 13,500

Balances due to and from related parties as at August 31, 2014 and August 31, 2013 were as follows:

	August 31, 2014	August 31, 2013
Advances receivable -Manager	**$ 70,188**	$ 68,217
Accounts payable and accrued liabilities –Directors and Manager	**$ 31,365**	$ 21,969

Amounts due from/to related parties are non-interest bearing, unsecured and have no specific term of repayment.

Proposed Transactions

Except for those disclosed herein, as at the date of this MD&A there are no proposed transactions that the board of directors, or senior management who believe that confirmation of the decision by the board is probable, has decided to proceed with.

Critical Accounting Estimates

The financial statements prepared in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to assessments of the recoverability and carrying value of exploration and evaluation assets, assumptions used in determining the fair value of share-based payments, recognition and valuation of deferred income tax amounts as well as provision for restoration and environmental costs. Due to the inherent uncertainty involved with making such estimates, actual results could differ from these estimates. Future events and risk factors inherent in the mining industry could result in changes in these estimates and assumptions.

New Accounting Standards, Interpretation, and Amendments Adopted

As of June 1, 2014, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted the following new standards without any significant effect on its financial statements.

IAS 32 – Financial Instruments: Presentation ("IAS 32")

The IASB amended IAS 32, "Financial Instruments: Presentation" to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off';
- the application of simultaneous realization and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

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

The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less cost of disposal.

IFRIC 21 – Levies ("IFRIC 21")

An interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on 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 ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Accounting Standard Issued But Not Yet Effective

IFRS 9 – Financial Instruments ("IFRS 9")

New standard IFRS 9, Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018. The Company is currently assessing the impact that these standards will have on the Company's financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

Financial Instruments and Related Risks

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

The Company's financial instruments consist of cash and cash equivalents, receivables, advances receivables, marketable securities, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term nature. The fair value of cash and cash equivalents and marketable securities are measured based on level 1 of the fair value hierarchy.

Management believes that the Company is not exposed to significant interest rate risk, currency risk and credit risk.

Management's Responsibility for Financial Statements

Information provided in the report, including the financial statements, in the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and facilitate the preparation of relevant and timely information.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration costs are described in the condensed interim consolidated financial statements for the period ended August 31, 2014.

Outstanding Share Data

As at the date of this MD&A, the Company had the following outstanding securities:

(1) Common shares – 35,075,031
(2) Share purchase warrants – 2,730,000
(3) Stock options – 1,915,000

The Company has 2,730,000 share purchase warrants outstanding with a weighted average exercise price of $0.25 per share and expires on March 26, 2015.

The Company has 1,915,000 stock options outstanding with an exercise price ranging from $0.25 to $0.39 per share, expiring between March 17, 2016 and January 13, 2017.

Additional Information

Additional Information relating to the Company can be found at **www.sedar.com** and the Company's website **http://www.napotash.com.**

Directors and Officers

Simon Tam -Director, President and CEO
Kevin Beaulieu- Director
Selma Sierra - Director
Todd Gilmer - Director
Simon Ma - CFO