

# *Corporate Presentation*

*August 2011*



*Growth through the Salt of the Earth*

# Disclaimer



The views expressed here contain information derived from publicly available sources and have not been independently verified.

No representation or warranty is made as to the accuracy, completeness or reliability of the information.

Any forward looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. For additional information on these or other factors, please see the Company's filings on SEDAR. This presentation should not be relied upon as a recommendation or forecast by Western Potash Corp.

Nothing in this presentation should be constructed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

# Western Potash Corp. Strengths



- World Class Resource
  - Updated NI 43 101 Technical Report
- Positive Economics
  - Preliminary Economic Assessment (Scoping Study)
- Ability to Deliver the Project
  - Management Experience



# Financial Overview



April. 24, 2011, April. 21<sup>st</sup> Close: \$1.18

## Stock Symbol

- TSX – WPX, FSE - AHE

## Cash

- CAD \$37 Million

## Shares Outstanding

- 160,945,183

## Market Capitalization

- CAD \$ 189,915,315 Million

## Warrants

- 9M(\$1.75), Expiry 2013
- 1.27M(\$1.10), Expiry 2013

## Trading Range

- \$0.36 - 1.80 ( 52 week)

## Average Daily Volume, 3 Months

- 1,264,270

## Management Holdings

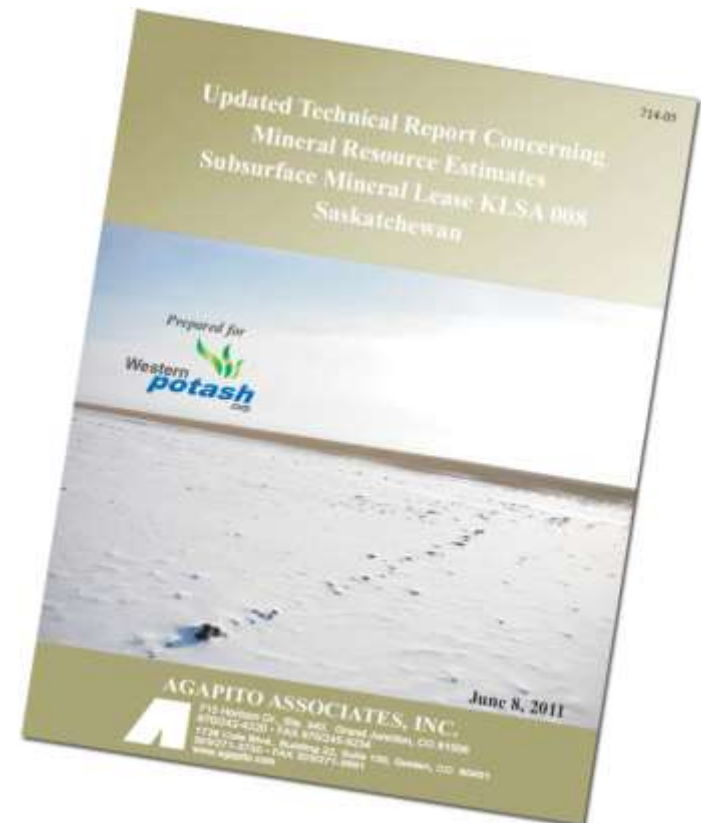
- 14.9%

# World Class Resource



Updated NI 43 101 Technical Report

- Measured & Indicated  
*244 Million Tonnes*
- Inferred  
*701 Million Tonnes*
- An average increase of 40% across all grades



# Milestone Project



Updated NI 43 101 Technical Report

*M&I = 244 Mt recoverable KCL*  
*Inferred = 701 Mt recoverable KCL*

Scoping  
Study  
Delivered

Phase 1 & 2  
Drill  
Program  
(20, 153m)

Feasibility Study  
Process Initiated

NI 43 101 Compliant Mineral  
Resource Estimate

*M&I = 174 Mt recoverable KCL*  
*Inferred = 560 Mt recoverable KCL*

## Feasibility Completion

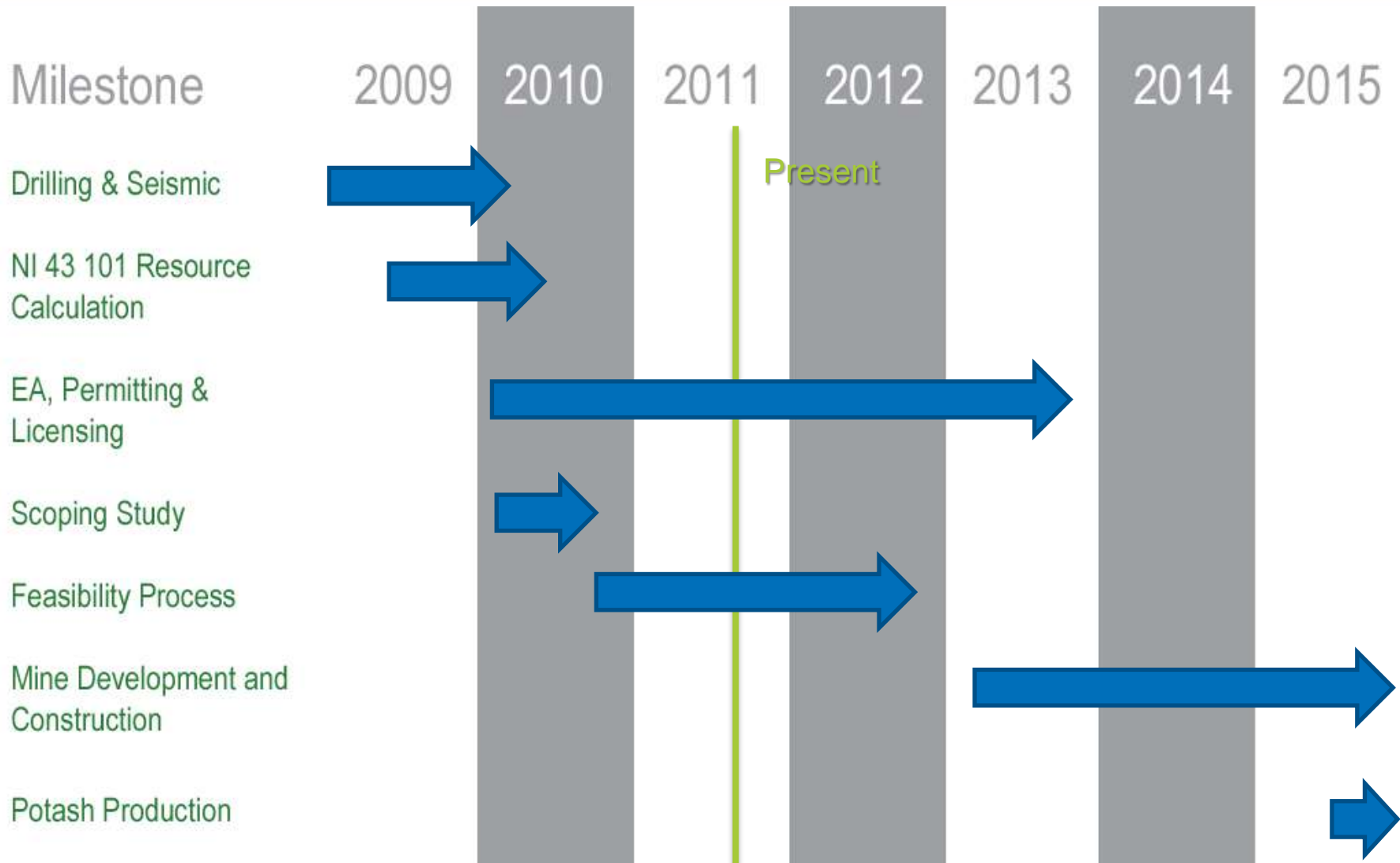
2009

2010

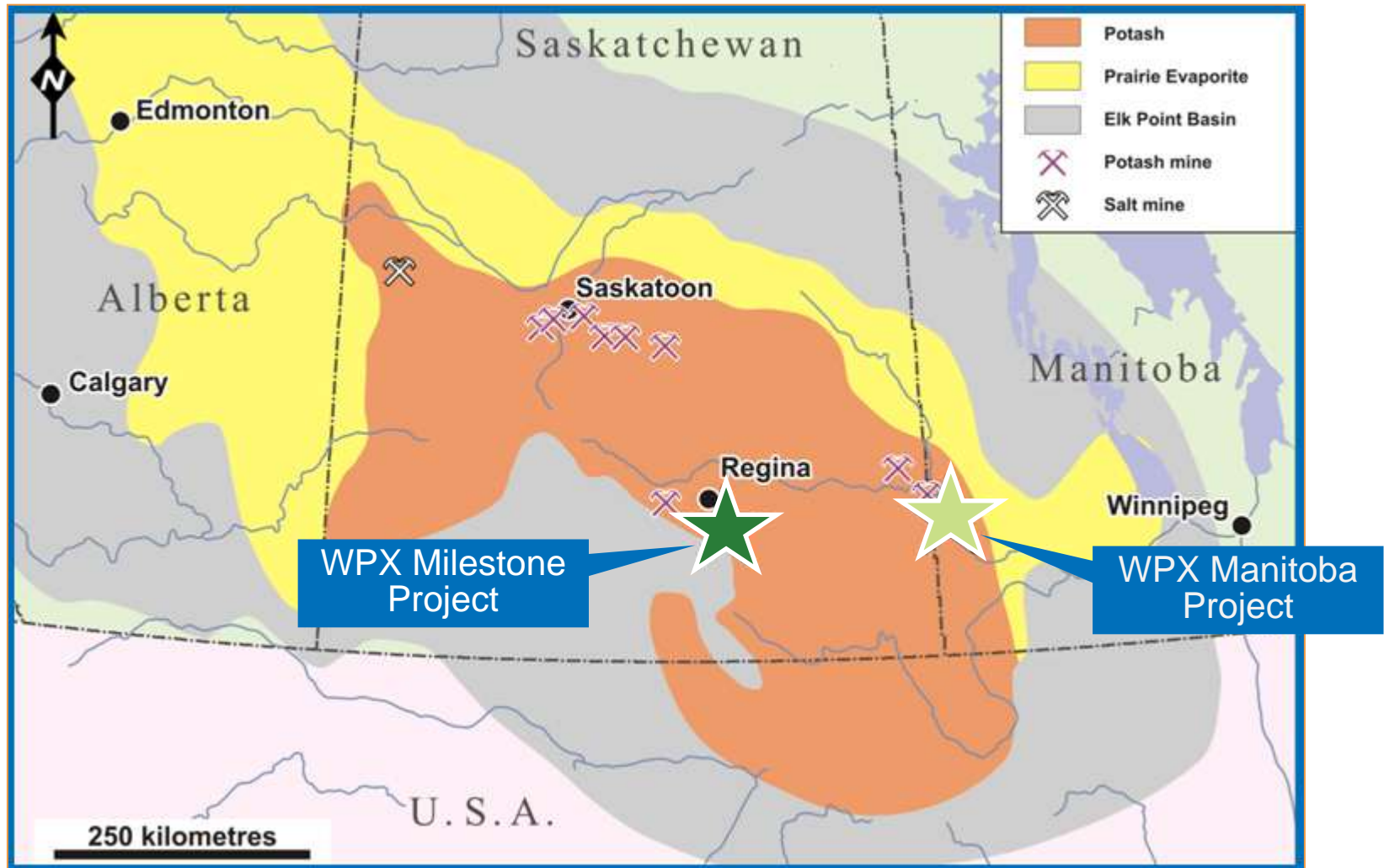
2011

2012

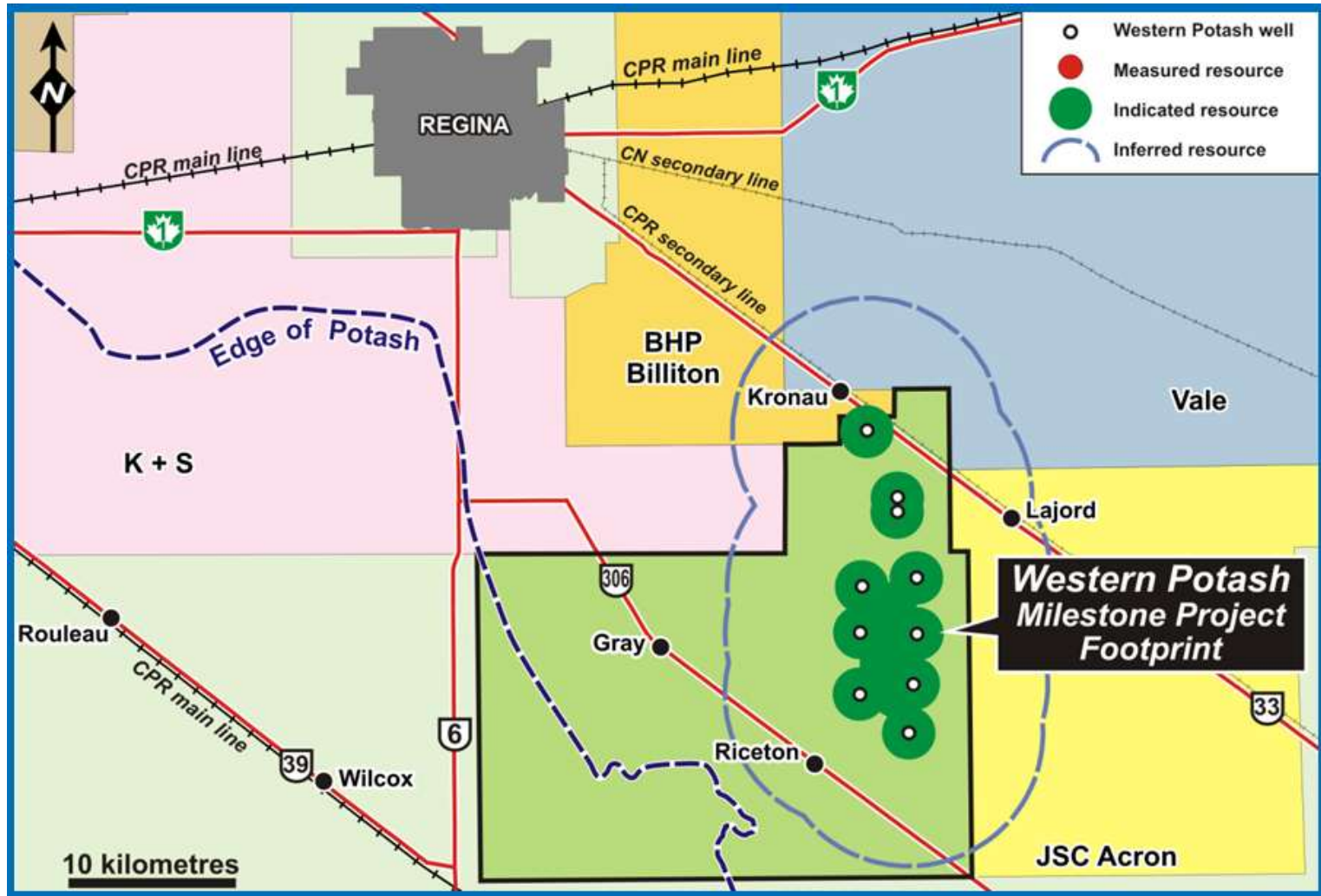
# Milestone Timeline



# Elk Point Basin



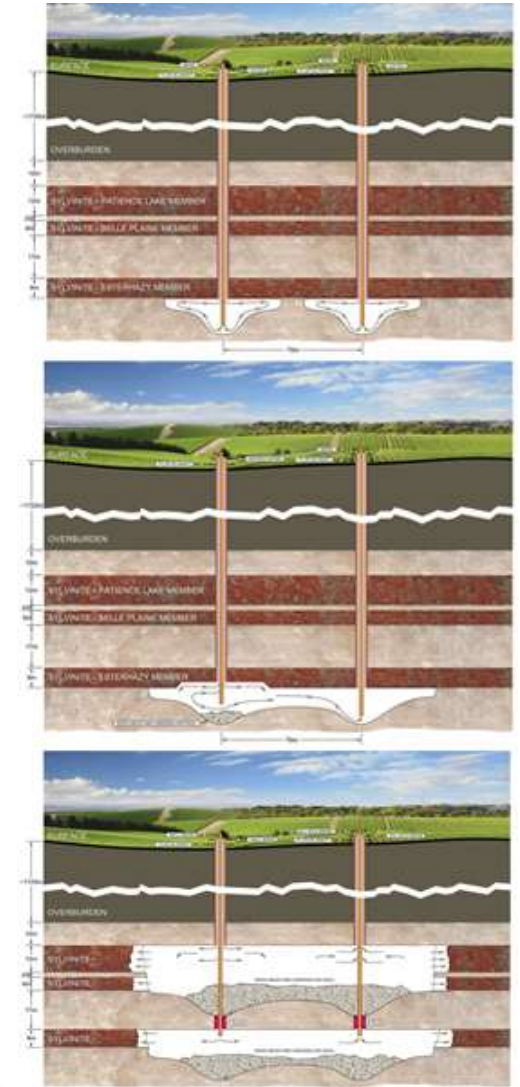
# Milestone Saskatchewan



# Solution Mining Benefits

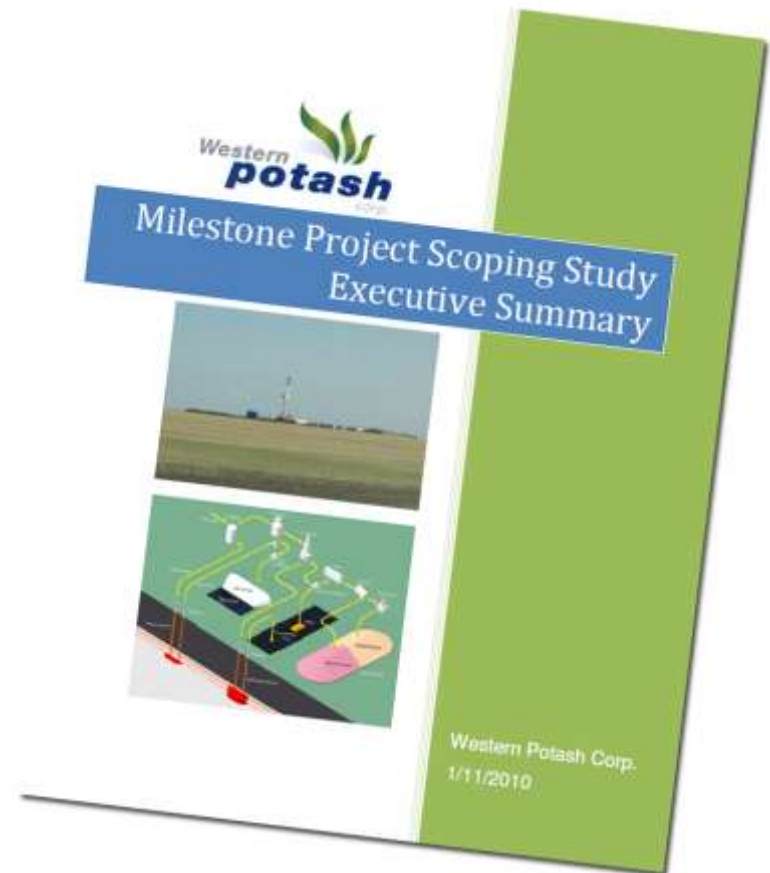


- Proven Process, Mosaic Belle Plaine Mine (45 yrs.)
- Reduced CAPEX
- Shorter payback period, higher IRR
- Faster timeline to production
- Scalability
- Lower technical risk
- Reduced environmental footprint
- Reduced health and safety risk





- Positive and Robust Preliminary Economic Assessment Delivered
  - (Scoping Study)



# Scoping Study Highlights

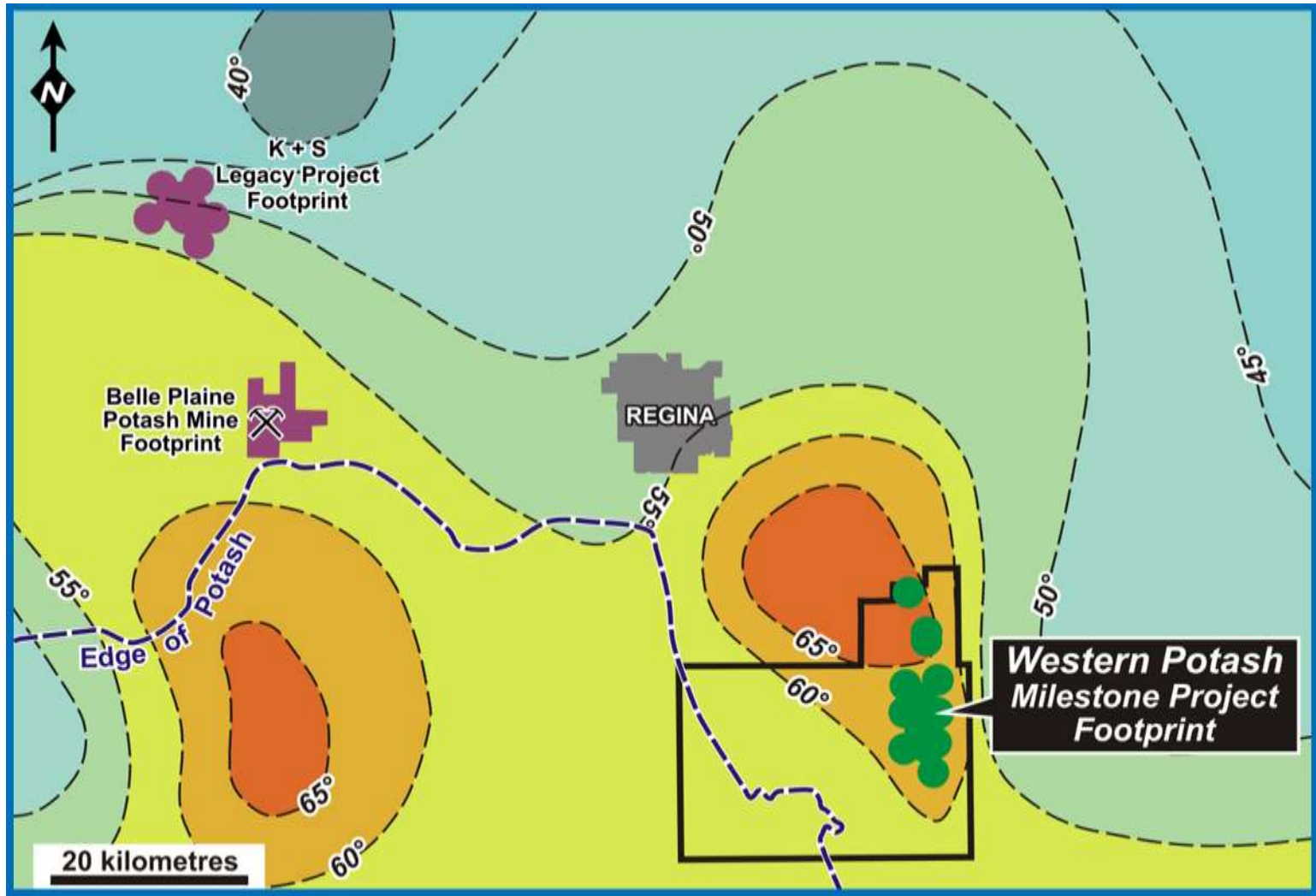


- (NPV<sub>10</sub>) 5.22 Bn<sup>1</sup> USD: IRR 27.3%\*  
CRU Projected prices (\$511)
- IRR of 27.3%
- Production rate of 2.5 mmt per year
- 40 year mine life
- Total CAPEX \$2.51 billion CAD
- Reduction of production costs by 8.5%  
due to the high formation temperatures

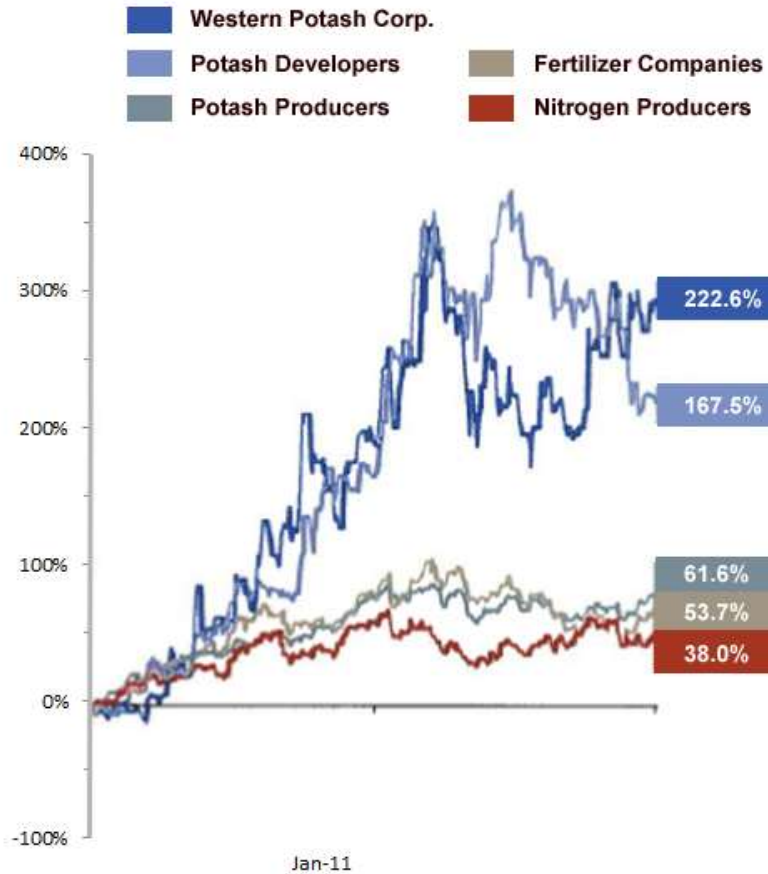


AMEC's EPCM experience with five Potash Corp mines adds credibility to the CAPEX estimates for this project.

# Geothermal Gradients



# Peer Performance



Source: RBC Capital Markets, July 2011



# Peer Group Benchmarking



Price as at July 26, 2011

	<u>African Based Developers</u>			<u>North American Based Developers</u>	
	<b>Western Potash</b>	<b>Allana</b>	<b>MagIndustries<sup>(4)</sup></b>	<b>Passport Potash</b>	<b>Encanto</b>
<b>Market Statistics (US\$M)</b>					
Market Cap	\$243	\$281	\$112	\$83	\$61
Enterprise Value	\$224	\$233	\$138	\$75	\$56
<b>Operating Statistics (100%)</b>					
Key Project	<i>Milestone</i>	<i>Dallol</i>	<i>Mengo</i>	<i>Holbrook Basin Project</i>	<i>Muskowekwan</i>
Type	Solution	Sol / Conventional	Solution	Solution	Sol / Conventional
Location	Canada	Ethiopia	Republic of Congo	United States	Canada
Stage	Pre-Feasibility	Exploration	Permitting	Exploration	Exploration
Start-Up	2015	2015	2012	n/a	n/a
Resource (Mt KCl)	944	244	244	-	79 <sup>(3)</sup>
Initial Depth	1,700m	100-300m	500m	250-400m	1,100-1,250m
Grade (% KCl)	30.3%	19.3%	17.2%	n/a	36.3% <sup>(3)</sup>
Annual Capacity (Mtpa)	2.5	1.0	1.2	n/a	2.0
Capex (US\$M)	\$2,610	\$800	\$1,367	n/a	n/a
Cash Costs (US\$/t)	\$65	\$83	\$83	n/a	n/a
<b>Operating Statistics</b>					
EV / Resource (US\$/t)	\$0.24	\$0.95	0.37 <sup>(1)(2)</sup>	n/a	\$0.71

Source: Company filings, except where noted

(1) Removed metal, energy and forestry divisional asset from the enterprise value for consistency purposes

(2) Mengo deposit only, Makola adjusted out of the EV at a value of \$0.04/t

(3) Data assumes conventional Mining Approach

(4) Currently subject to takeover bid, tender deadline is July 18, 2011

# WPX and African Developers



Risk Assessment		
	Western Potash	Africa
<b>Infrastructure</b>		
Maintenance Roads Railway Deep Water Ports Fresh Water Electrical Energy Climate	LOW	HIGH
<b>Geological</b>		
Mining Plan Engineering Geologic Zone Carnallite Technology	LOW	HIGH
<b>Environmental</b>		
Procedures	LOW	LOW
<b>Political</b>		
Political Stability Government Accessibility	LOW	HIGH
<b>Financial</b>		
Project Financing	HIGH	HIGH

# Saskatchewan, Canada



## ***Competitive***

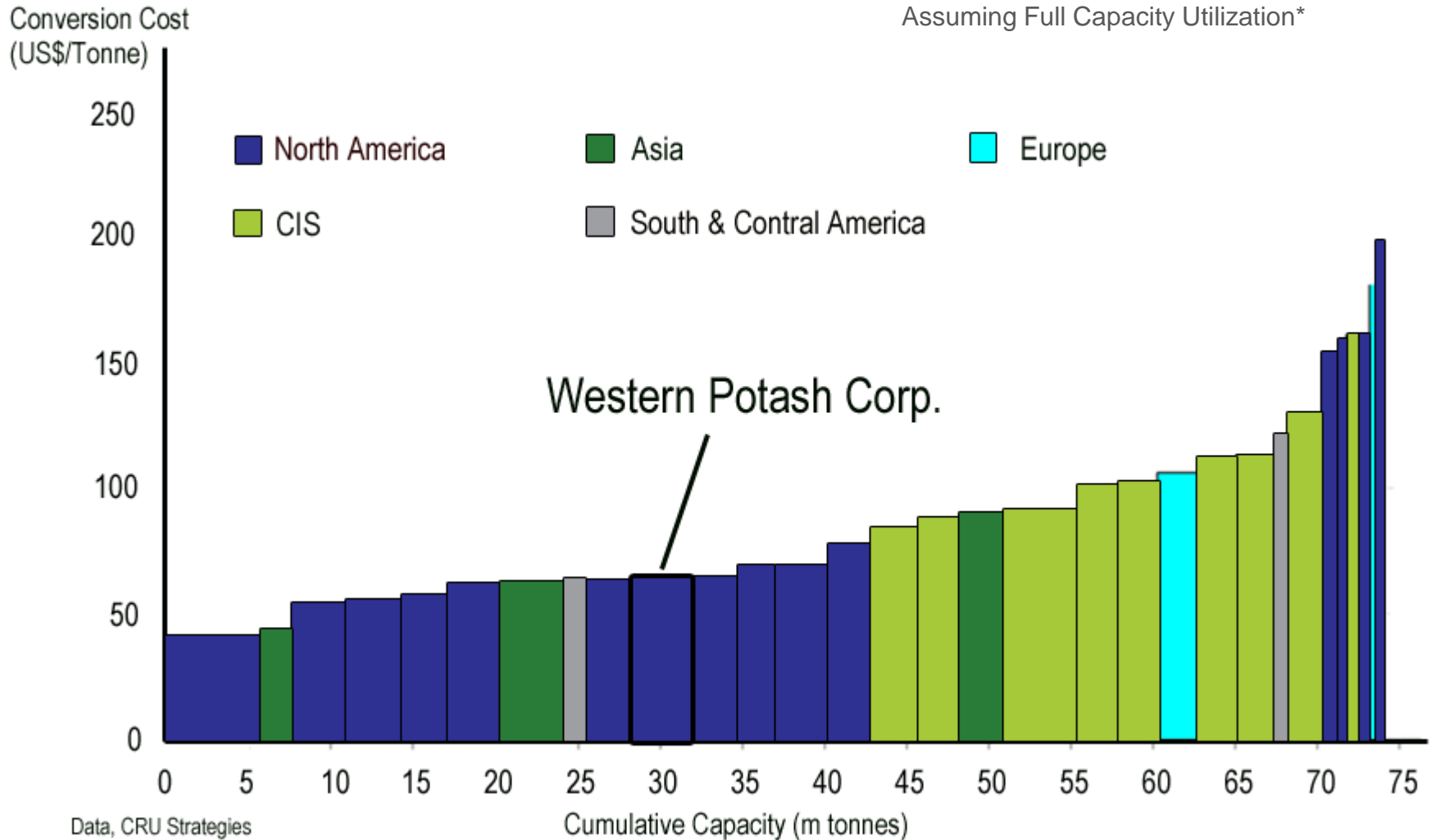
- Largest Potash Producer in the world, +30%
- Hosts 50% of the World`s Reserves
- Value of SK. Potash sales in 2009 were \$3.1 billion



## ***Investment Climate***

- Potash Production has been continuous since 1962
- Potash Industry will invest \$12 billion in development from 2005-2020
- SK. Greenfield development encouraged

# Potash Site Costs



# Ability to Deliver the Project



- Management Experience
  - Engineering Process 3 Months ahead of schedule
  - Financed through the completion of Robust Feasibility



# Management



Patricio Varas

*President & CEO*

- Professional Geologist with over 24 years experience in exploration, project development and corporate management.
- WPX President and CEO since inception.

Dean Pekeski

*Executive Vice President*

- Professional Geologist with over 17 years experience in mineral exploration.
- Previously the VP of Exploration with WPX.

Dave Price

*Project Director*

- MBA graduate with a undergraduate in civil/structural engineering.
- Over 25 years of experience in Scoping, Feasibility, Project Execution and commercial operations within the mining and energy sectors.

John Costigan

*VP Corporate Development*

- Over 25 years experience in technical sales and marketing to the mining, food, and pulp & paper multinationals.
- VP of Corporate Development at WPX since inception.

Ian Graham

*Economics and Modelling*

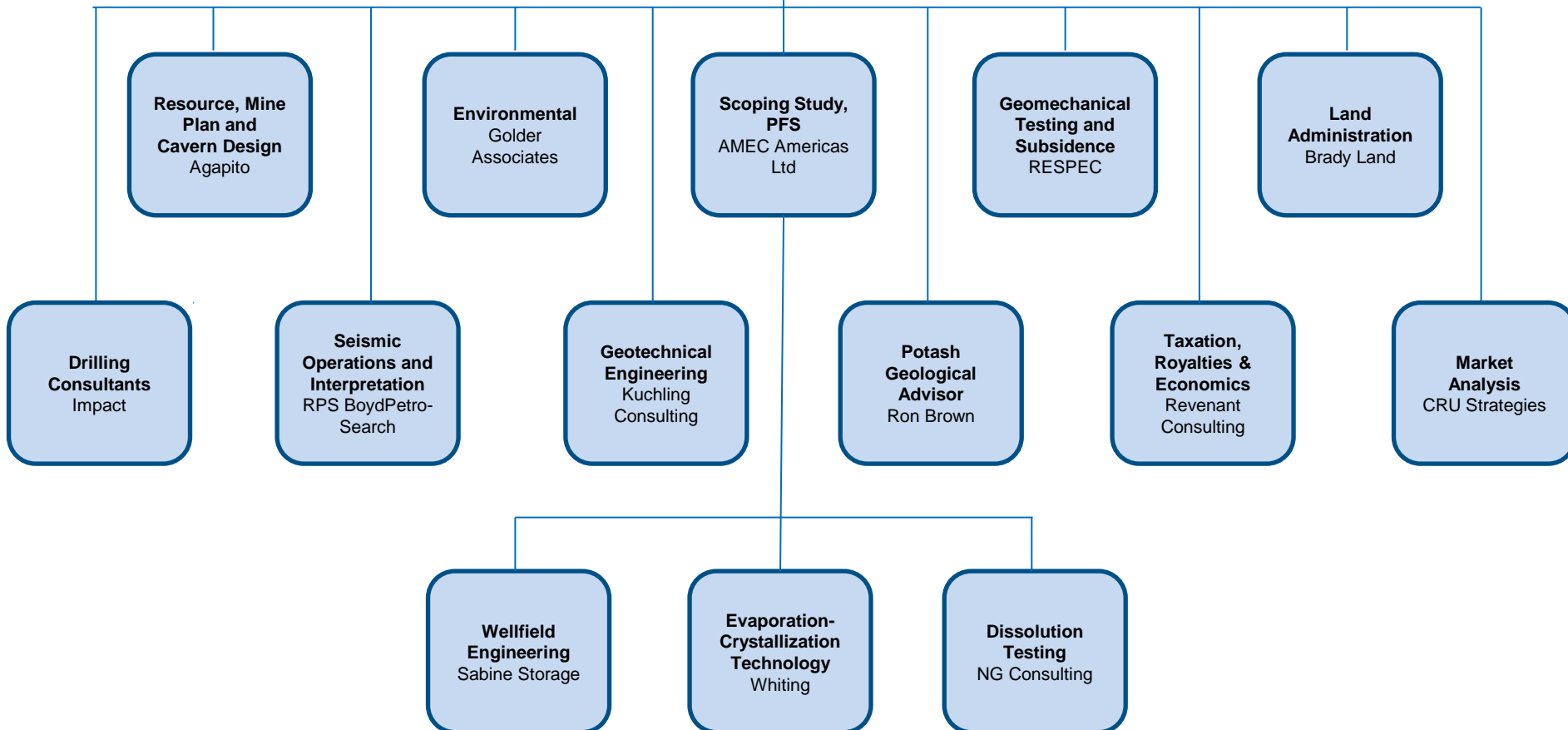
- Over 20 years of mineral exploration and evaluation experience with Anglo American and Rio Tinto.
- Geological and project management experience in the field of mineral exploration and project development in Canada and abroad.

John King Burns

*Financial Advisor*

- Experience with Drexel Burnham Lambert Inc. and Barclays Bank Plc, Metals Group.
- Provides both strategic and tactical advice to management in combination with financial advisory services.

# Consultants and Technical Advisors



# Conclusion



- World Class Resource
  - Updated NI 43 101 Technical Report
  - High Grades (+30% KCL)
  - Low Risk Development Environment
- Positive Economics
  - PEA (Scoping Study)
  - 60+ year mine life at 2.5 TPY
  - IRR: 27.3%, CAPEX: \$2.51 billion
  - Reduction in Production Costs of 8.5%
- Ability to Deliver the Project
  - Management Experience
  - Amec Americas, Feasibility process (ahead of schedule)



Source: AMEC Americas Ltd.



Suite 1818 - 701 West Georgia St.  
Vancouver, British Columbia  
V7Y 1C6, Canada  
604.689.WEST (9378)  
[info@westernpotash.com](mailto:info@westernpotash.com)  
[www.westernpotash.com](http://www.westernpotash.com)

A landscape photograph showing a vibrant green field in the foreground, a single large tree on a small hill in the middle ground, and a blue sky with scattered white clouds in the background.

*Growth through the Salt of the Earth*