



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Period Ended

June 30, 2010

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations for Western Potash Corp. ("the Company" or "WPX") for the period ended June 30, 2010. It has been prepared as of August 30, 2010 and includes financial and other information up to the date of this report. The MD&A is intended to supplement and complement the unaudited financial statements and notes thereto for the interim three month period ended June 30, 2010. All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), and all dollar amounts are expressed in Canadian dollars.

The Company's MD&A contains forward-looking statements such as the Company's future plans, objectives and goals. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and resources, exploration results and future plans and objectives of Western Potash Corp. are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and information. Except as required under securities legislation, the Company does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether as a result of new information, future events or otherwise (see other risks and uncertainties below).

Overview:

During the three month period ended June 30, 2010 (Quarter 3) the Company received the results from the final well, well 006, of the expanded 5 well resource definition drill program on the Milestone property in southern Saskatchewan. Well 006 reported a 16.65m composite intersection grading 21.07 wt % K₂O across three potash members. Prior to the receipt of results from well 006, results from wells 007 reported an 18.45 metre composite intersection grading 18.2% wt K₂O. Well 008 reported 21.45 metres grading 19.88 wt K₂O. The results from well 006 were received subsequent to the results of well 007 and 008 as samples from 006 were submitted for engineering tests prior to being submitted for geochemical testing. As with wells 003, 004, 005, 007 and 008, analysis of well 006 confirmed very little or no carnalite across the potash members allowing for the Esterhazy member to be included in the resource calculation models.

On the 3rd of June, 2010, the Company announced receipt of an updated NI 43-101 compliant Mineral Resource Estimate for the Milestone property. The updated estimate included a significant increase in the potash resource estimate from 32 million tons of indicated potash resource and 230 million tons of inferred potash resource to 41 million tons of measured and 133 million tons of indicated potash resource and 560 million tons of inferred potash resource. The updated report builds upon the initial NI 43-101 compliant Resource Estimate announced February 2, 2010. The updated report was prepared by Agapito Associates Inc. of Grand Junction, Colorado. The updated resource estimate incorporates the results of a 3D seismic survey completed in the second quarter as well data from the definition drill program.

On April 13, 2010, the Company engaged Amec Americas Limited to conduct a Preliminary Economic Assessment also know as a Scoping Study for the Milestone project. The study will evaluate development potential and the economic viability of the project. The results of the study are anticipated to be received early in the fourth quarter

Description of Business:

Western Potash Corp. was incorporated on April 5, 2007 under the British Columbia *Business Corporation Act* as 787604 BC Ltd. The Company changed its name to Western Potash Corp. on July 10, 2007.

The Company is a mineral exploration company engaged in the acquisition, evaluation and exploration of potash mineral properties in Western Canada and Brazil. Its potash properties are located in Southwest Manitoba and Southern Saskatchewan and its acreage in the Amazon Basin in Brazil. The Company's objectives are to discover, define and develop a world-class potash deposit. The Company's properties are in the exploratory phase and do not contain any measured potash resources and have no mineral production that yields any revenues.

Review of Financial Results:

On January 28, 2010, the Company decreased in the investment in Discovery Harbour Resources Corp. from 100% to approximately 10%. Prior to January 28, 2010, the results of Discovery Harbour Resources Corp.'s operations were reported on a 100% consolidated basis. After January 28, 2010, approximately 10% of operations of Discovery Harbour Resources Corp.'s operations are recorded as an equity item.

Net Loss

During the three months ended June 30, 2010, the Company reported a net loss from continuing operations of \$2,054,531 (\$0.045 basic and diluted loss per common share) as compared to a net loss of \$1,308,335 (\$0.013 basic and diluted loss per common share) incurred for the three months ended June 30, 2009.

During the three months ended June 30, 2010, the Company reported a net loss from discontinued operations of \$nil (\$0.000 basic and diluted loss per common share) as compared to a net loss of \$109,903 (\$0.001 basic and diluted loss per common share) incurred for the three months ended June 30, 2009.

During the three months ended June 30, 2010, the Company reported a total net loss of \$2,054,531 (\$0.045 basic and diluted loss per common share) as compared to a total net loss of \$1,418,238 (\$0.014 basic and diluted loss per common share) incurred for the three months ended June 30, 2009.

General and Administrative

General and administrative expenses ("G&A") from continuing operations increased by \$749,194 from \$1,317,561 for the three months ended June 30, 2009 to \$2,066,755 for the three months ended June 30, 2010. The increase in net loss was primarily the result increased investor relations, rent, stock based compensation, and travel.

Investor relations increased \$144,743 from \$128,528 for the three months ended June 30, 2009 compared to \$273,271 for the three months ended June 30, 2010. The increase was due to additional investor relations fees, conferences and communication expenditures required to promote the Company's exploration activities. Rent increased \$72,874 from \$27,744 for the three months ended June 30, 2009 compared to \$100,618 for the three months ended June 30, 2010 due to the increase in office space. Stock based compensation increased \$272,127 from \$516,722 for the three months ended June 30, 2009 compared to \$788,849 for the three months ended June 30, 2010 due to the issuance of 2,000,000 stock options to employees, consultants and directors. Travel increased \$110,468 from \$114,142 for the three months ended June 30, 2009 compared to \$224,610 for the three months ended

Review of Financial Results: (Continued)

General and Administrative (Continued)

June 30, 2010. The increase was due to increased travel to the exploration sites in Saskatchewan and Brazil.

General and administrative expenses ("G&A") from discontinued operations decreased by \$109,903 from \$109,903 for the three months ended June 30, 2009 to \$nil for the three months ended June 30, 2010, due to the decrease in the investment in Discovery Harbour Resources Corp. from 100% to approximately 10% on January 28, 2010. Prior to January 28, 2010, the results of Discovery Harbour Resources Corp.'s operations were reported on a 100% consolidated basis. After January 28, 2010, approximately 10% of operations of Discovery Harbour Resources Corp.'s operations are recorded as an equity item.

Interest and Investment Income

Interest income from continuing operations was \$17,959 for the three months ended June 30, 2010 compared to \$9,266 for the three months ended June 30, 2009. The increase was due to loans to related companies earning interest between 6-11%.

Investment loss from continuing operations was \$(5,735) for the three months ended June 30, 2010 compared to \$nil for the three months ended June 30, 2009. The loss was the approximately 10% equity portion of Discovery Harbour Resources Corp.'s loss for the three months ended June 30, 2010. For the three months ended June 30, 2009, Discovery Harbour Resources Corp.'s operations were reported on a 100% consolidated basis.

Interest income from discontinued operations was \$nil for the three months ended June 30, 2010 compared to \$4,144 for the three months ended June 30, 2009. This was due to the company not reporting the income from discontinued operations after January 28, 2010, as the Company decreased its investment in Discovery Harbour Resources Corp. from 100% to approximately 10%.

Summary of Quarterly Results:

Expressed in thousands of Canadian dollars

The following table reports selected financial information for the eight most recent quarters.

	Three month ended June 30, 2010	Three months ended March 31, 2010	Three months ended December 31, 2009	Three months ended September 30, 2009
Interest & investment income	\$ 12,224	\$429,699	\$8,132	\$10,816
Future income tax recovery	-	-	-	-
Operating Expenses	2,066,755	747,550	736,013	1,249,000
Net Loss – cont'd	(2,054,531)	(344,201)	(701,530)	(1,252,595)
Net Loss – discont'd	-	(41,276)	(134,479)	(131,550)
Net Loss	(2,054,755)	(385,477)	(836,009)	(1,384,145)
Loss per share – cont'd	(0.045)	(0.006)	(0.007)	(0.013)
Loss per share – discont'd	(0.00)	(0.001)	(0.001)	(0.001)
Loss per share	(0.045)	(0.007)	(0.008)	(0.014)
Fully diluted earnings loss per share	(0.045)	(0.007)	(0.008)	(0.014)

Summary of Quarterly Results: (Continued)

Expressed in thousands of Canadian dollars

	Three months ended June 30, 2009	Three months ended March 31, 2009	Three months ended December 31, 2008	Three months ended September 30, 2008
Interest & investment income	\$13,370	20,872	\$ 221,951	\$ 264,020
Future income tax recovery		-	871,069	271,560
Operating Expenses	1,317,561	1,075,383	655,361	1,095,504
Net Income(Loss)–continued	(1,308,335)	(1,104,652)	478,256	(559,924)
Net Loss–discontinued	(109,903)	(25,071)	-	-
Net Income (Loss)	(1,418,238)	(1,079,581)	478,256	(559,924)
Earnings (Loss) per share–cont'd	(0.013)	(0.009)	0.005	(0.017)
Loss per share – discontinued	(0.001)	(0.001)	-	-
Earnings (Loss) per share	(0.014)	(0.010)	0.005	(0.017)
Fully diluted earnings (loss) per share	(0.014)	(0.010)	0.003	(0.017)

Quarterly numbers have been adjusted where applicable to reflect adjustments made by the Company's auditors during the September year end audits.

Liquidity and Capital Resources:

Cash Resources and Liquidity

As at June 30, 2010, the Company had cash and cash equivalents of \$4,885,898 compared to cash and cash equivalents of \$15,824,373 as at September 30, 2009, a decrease of \$10,938,475. The decrease in cash occurred primarily due to the deferred exploration costs (see investment activities below) and general and administrative expenses (see general and administrative expenses above) incurred during the quarter.

The Company reported working capital of \$5,988,909 as at June 30, 2010, compared to working capital of \$20,663,432 as at September 30, 2009, representing a decrease in working capital of \$14,674,523.

The Company has no debt or other long term obligations outstanding impacting liquidity or future cash flows. The Company at this stage of operations depends on equity markets to raise funds for acquisition of assets and to carry out its exploration operations. Future cash requirements will depend primarily on the stage and the extent of exploration and development the Company is planning to implement. Subsequent exploration or development programs will depend on the cost and duration of work planned and on the results from previous programs. It is therefore very difficult to predict future cash requirements. As of the date of this report, the Company is sufficiently funded to maintain its current properties and to carry out the planned exploration programs for 2010, but will require to finance or to embark in joint ventures to develop a mine on the properties.

Liquidity and Capital Resources: (Continued)

Financing Activities

The Company has raised approximately \$45 million net of issuance costs through the non-brokered private placement of common shares, exercise of general and brokers' warrants, exercise of compensation options and its Initial Public Offering as at June 30, 2010. There were no financing activities during the quarter ended June 30, 2010.

Investment Activities:

Mineral properties and deferred exploration cost totaled \$29,254,818 as at June 30, 2010 as compared to \$18,358,600 as at September 30, 2009. The increase primarily reflects the Company's continued exploration activities at its Milestone property in Saskatchewan.

See Mineral Properties below for quarterly highlights.

Additional Disclosures:

Related Party Transactions:

The following amounts were paid and accrued to directors, companies in which directors are shareholders, and an accounting firm in which a director is a principal.

	Three Months Ended June 30, 2010	Three Months Ended June 2009
Management, consulting and accounting fees	\$ 208,250	\$ 213,000

Accounts payable balances at June 30, 2010 were outstanding to related companies in the amount of \$53,175 (September 30, 2009: \$118,235).

Loans Receivable:

	Nine Months Ended June 30, 2010	Year Ended September 30, 2009
Discovery Harbour Resources Corp.(a)	\$ 2,300,000	\$ 2,100,000
Discovery Harbour Resources Corp.(b)	500,000	750,000
Pennant Energy Inc. (c)	300,000	-
	\$ 3,100,000	\$ 2,850,000

Additional Disclosures: (Continued)

Related Party Transactions: (Continued)

(a) Discovery Harbour Resources Corp. Loan

On June 1, 2010, the Company advanced an unsecured line of credit of up to \$2,300,000 to Discovery Harbour Resources Corp., a private company, related through common directors. The Company holds approximately 10% of the total common shares outstanding. The loan bears an annual interest rate of 6%. The loan is due on demand within forty five calendar days from the date written notice is delivered to the corporate offices of Discovery Harbour Resources Corp. The loan is measured at amortized cost which approximates its carrying value due to its short term nature.

(b) Discovery Harbour Resources Corp. Loan

On June 8, 2010, the Company advanced an unsecured line of credit of up to \$500,000 to Discovery Harbour Resources Corp. The loan bears an annual interest rate of 11%. The loan is due on demand within forty five calendar days from the date written notice is delivered to the corporate offices of Discovery Harbour Resources Corp. The loan is measured at amortized cost which approximates its carrying value due to its short term nature.

(c) Pennant Energy Inc.

On June 8, 2010, the Company advanced \$300,000 of a secured line of credit of up to \$400,000 to Pennant Energy Inc., a public company which trades on the TSX Venture Exchange, related through common directors. The loan bears an annual interest rate of 11%. The loan is due on demand within forty five calendar days from the date written notice is delivered to the corporate offices of Pennant Energy Inc. The loan is secured by Pennant Energy Inc.'s oil production revenue and assets. The loan is measured at amortized cost which approximates its carrying value due to its short term nature.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Commitments and Contractual Obligations:

On August 1st, 2007 as amended June 1, 2008, the Company entered into a two year executive consulting agreement with J P Varas Management and Geological Corp., a company controlled by an Officer of the Company. Under the agreement, the Company shall pay a monthly fee of \$17,000 per month plus some other reasonable allowances. The agreement shall automatically renew for one year. If the agreement is terminated by the Company without cause, it is required to pay between 12 months to 24 months of monthly fees plus a certain amount calculated based on bonus paid within a 12 month period at the time of termination.

Additional Disclosures: (Continued)

Commitments and Contractual Obligations: (Continued)

On October 29, 2008, the Company agreed to sublease premises located at 701 West Georgia Street, Vancouver BC, commencing January 1, 2009 and expiring June 29, 2014. The premises consist of 4,552 square feet of rentable area, and has a basic rental fee of \$32.00 per square feet per annum plus GST. Additional rent for the Company's proportionate share of building property taxes and operating expenses are estimated to be \$19.43 per square foot per annum plus GST for 2008. The minimum lease payments for the fiscal years ended September 30 are as follows:

2010	245,808
2011	245,808
2012	245,808
2013	245,808
2014	184,356

Off Balance Sheet Arrangements:

The Company has no off balance sheet arrangements.

Subsequent Events:

There were no subsequent events between June 30, 2010 and August 30, 2010.

Critical Accounting Policies and Estimates:

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Potassio Ocidental M Ltda (a company incorporated in Brazil) and WPX Land Holdings Corp. (a company incorporated in the province of Saskatchewan). All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

On January 28, 2010, the Company's shareholdings of Discovery Harbour Resources Corp. were reduced from a 100% consolidated subsidiary to an equity investment with significant influence, controlling approximately 10% of the total shares issued. Therefore, these financial statements reflect the activities of Discovery Harbour Resources Corp. up to January 28, 2010 as discontinued operations, and an equity pickup for the period after January 28, 2010. Comparative figures have been restated to reflect discontinued activities.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Equipment

Equipment is recorded at cost. Amortization is calculated using the declining balance method at the following annual rate:

Automobiles	30%
Computer Software	100%
Furniture and Fixtures	20%

For the year of acquisition, the rate is one-half of that shown above. When the net carrying amount of the equipment exceeds the estimated net recoverable amount, the asset is written down to its estimated fair value and a charge is recorded in the statement of loss and deficit.

Future Income Taxes

The asset and liability method is used in accounting for income taxes. Future income tax assets and liabilities are computed based on differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values using the enacted income tax rates at each balance sheet date. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the year in which the change occurs. The valuation of future income tax assets is reviewed annually and adjusted, if necessary, by use of a valuation allowance to reflect the estimated amount more likely than not to be realized. A valuation allowance is recognized to the extent that recoverability of future income tax assets is not considered likely.

Critical Accounting Policies and Estimates: (Continued)

Flow-through Shares

Resource expenditures for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The tax effect related to renounced expenditures is recorded as a reduction of share capital and an increase in future income tax liabilities unless sufficient previously unrecorded future income tax assets exist to offset such charge in which case the amount is credited to income tax expense.

Basic and Diluted Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the period presented.

For the period ended June 30, 2010 potentially dilutive common shares relating to options and warrants outstanding totaling 50,033,600 were not included in the computation of loss per share because their effect was anti-dilutive (June 30, 2009 - 50,585,155).

Stock-based Compensation

The fair value of all share purchase options granted is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

Mineral Properties

The Company records its interest in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition and exploration of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment of value. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties which are sold before the property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which reach the production stage will have a gain or loss calculated based on the portion of that property sold. The recorded cost of mineral exploration interests is based on cash paid, the assigned value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Critical Accounting Policies and Estimates: (Continued)

Financial Instruments

The Company follows the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments - Recognition and Measurement", Section 3862, "Financial Instruments - Disclosures", Section 3863, "Financial Instruments - Presentation" and Section 3865, "Hedges".

The following is a summary of the Company's classification of financial assets and liabilities:

Cash and cash equivalents	Held-for-trading
Term deposits	Held-for-trading
Accounts and other receivables	Loans and receivables
Investments	Available-for-sale and Held-for-trading
Accounts payable and accrued liabilities	Other financial liabilities

Financial assets classified as held-for-trading are measured at fair value with changes in those fair values recognized in net earnings. Financial assets classified as available-for-sale are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is sold or impaired. Loans and receivables and other financial liabilities are measured at amortized cost.

Foreign Currency Translation

The temporal method is used for the translation of the foreign subsidiary. All monetary assets and liabilities which are denominated in Brazilian Real are translated to Canadian dollars at year end exchange rates. All non-monetary assets are translated at the rate of exchange in effect on the dates they occur. Revenues and expenses are translated at the rate of exchange in effect in the dates they occur. Gains or losses resulting from these translation adjustments are included in the determination of net loss.

All monetary assets and liabilities of the Company which are denominated in US dollars are translated to Canadian dollars at year end exchange rate. Resulting gains or losses are included in the determination of net loss.

Asset Retirement Obligations

The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at June 30, 2010 and September 30, 2009, the Company has not incurred any asset retirement obligations related to the exploration of its mineral properties.

Critical Accounting Policies and Estimates: (Continued)

Capital Disclosures

The AcSB issued CICA Handbook Section 1535 "Capital Disclosures" The section specifies the disclosure of (a) an entity's objectives, policies, and processes for managing capital; (b) quantitative data about what the entity regards as capital; (c) whether the entity has complied with capital requirements; and (d) if it has not complied, the consequences of such non compliance. This new section relates to disclosures and will not have an impact on the Company's financial results.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results may differ from these estimates. Key areas where management has made complex or subjective judgments include fair value of certain assets, accounting for amortization, mineral asset impairment assessments, environmental obligations, stock based compensation, income taxes and contingencies.

Adoption of New Accounting Standards:

Effective October 1 2009, the Company adopted the following new accounting standards. Consistent with the requirements of the new accounting standards, the Company has not restated any prior period amounts as a result of adopting the accounting changes. The main requirements of these new standards and the resulting financial statement impact are described below.

Financial Instruments - Disclosures, Section 3862

In June 2009, the CICA amended the CICA Handbook Section 3862, "Financial Instruments - Disclosures", to include additional disclosure relating to the measurement of fair value for financial instruments and liquidity risk. The amendment establishes a three-level hierarchy that reflects the significance of the inputs used in fair value measurements on financial instruments.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, EIC-173

In January 2009, the CICA has approved EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The adoption of this standard has not impacted the Company's financial statements.

New Accounting Pronouncements

International Financial Reporting Standards (“IFRS”)

In 2006, AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies and partnerships. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations, Consolidated Financial Statements and Non-controlling Interest

In January 2009, the CICA issued CICA Handbook Section 1582, “Business Combinations”, Section 1601, “Consolidations”, and Section 1602, “Non-controlling Interests”. These sections replace the former CICA Handbook Section 1581, “Business Combinations” and Section 1600, “Consolidated Financial Statements” and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date.

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements. CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination.

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

Mineral Properties:

Saskatchewan

The Milestone project, consisting of three contiguous permits, KP-407, KP-408, and KP-409, granted by the Saskatchewan Ministry of Energy and Resources comprise a total of 123,948 acres. During May 2009, the Company relinquished KP-407 as it was determined to be outside the potash zone. The Milestone project is located approximately 30 km south and southeast of Regina, and to the southeast of the Mosaic Company's Belle Plaine KL-106-R mine, one of the largest producing potash solution mines in the world. The potash permits are adjacent to potash permits held by BHP-Billiton, Vale and Potash One. The Company has completed the drilling of nine potash exploration wells on the property, and completed the purchase and acquisition of several hundred line kilometers of 2D and 3D seismic data. The Company has announced the receipt of an initial NI 43-101 compliant Mineral Resource Estimate for the Milestone property, consisting of 32 million tonnes of indicated potash resource (contained KCl) plus 230 million tonnes of inferred potash resource.

On April 13, 2010 the Company announced that AMEC Americas Limited had been engaged and has initiated a preliminary economic assessment of the Milestone Potash Project (the “scoping study”), with a target delivery date of late July 2010. This preliminary economic assessment will aim to conceptualize the viability of a potash mining operation on the Milestone property, with a focus on quantifying the expected beneficial effects that the higher Potash formation temperatures measured at Milestone may offer on reducing energy requirements and providing operational cost savings. Golder Associates Ltd. of Saskatoon, SK will assist with the environmental baseline studies and the preparation of an Environmental Impact Statement (“EIS”).

On April 22, 2010 the Company announced the results of the final completed well within its expanded 5 well, 8.5 million CAD resource definition drill program, namely Well 006. Reporting from this well was delayed due to submission of material for engineering tests before geochemical analysis. Well 006 reported a 16.65m composite intersection of potash mineralization with a weighted average grade of 21.07 wt % K₂O across three potash members, once again highlighting the presence of little or no carnallite in any of the potash beds. A summary of the results are presented below in Table 2. The company also announced that the 3D seismic program was completed by Boyd PetroSearch of Calgary, a global geophysical consulting firm. The survey encompassed a total area of over 98 square kilometers, consisting of 410 km of source lines and 405 km of receiver lines.

Table 2: Potash thickness and weighted average grade from the Milestone-006 well.

Hole	Potash Member	From (KB, m)	To (KB, m)	Interval (m)	K ₂ O Wt%	MgO Wt%	Insoluble Wt%
Milestone-006	Patience Lake	1707.85	1714.1	6.25	20.9	0.1	12.43
	Belle Plaine	1717	1721.6	4.6	17.23	0.08	3.83
	Esterhazy	1739.35	1745.15	5.8	24.29	0.08	3.74
	Total			16.65	21.07	0.09	7.03

On April 26, 2010 the Company announced the discontinuation of the PNG exploration program on the Milestone property, after further work showed that the areas of potential hydrocarbon reserves have been flooded with transported salt, effectively eliminating any rock porosity.

On June 3, 2010 the Company announced the receipt of an NI 43-101 compliant Mineral Resource Estimate for its Milestone property in southern Saskatchewan. This updated resource estimate significantly upgrades the Milestone potash resource previously reported on February 2, 2010, which now consists of 41 million

Mineral Properties: (Continued)

Saskatchewan (Continue)

tonnes of Measured Resource (contained KCl), 133 million tonnes of Indicated Resource, and 560 million tonnes of Inferred Resource. The resource estimate at Milestone was prepared by Agapito Associates Inc. (“AAI”) of Grand Junction, Colorado.

Mineral resources for the potential solution mining intervals (Patience Lake, Belle Plaine, and Esterhazy Members excluding interbeds) are estimated to be as follows:

- Measured Resource: 409 Mt in place sylvinitic grading 31.0% KCl, or 19.6% K₂O (41 Mt of recoverable KCl, or 26 Mt recoverable K₂O)
- Indicated Resource: 1,382 Mt in place sylvinitic grading 30.8% KCl, or 19.45% K₂O (133 Mt of recoverable BClKor 84 Mt recoverable K₂O)
- Inferred Resource: 7,034 Mt in place sylvinitic grading 30.9% KCl, or 19.5% K₂O (560 Mt of recoverable KCl, or 354 Mt recoverable K₂O).

AAI have made estimates of the Measured, Indicated and Inferred Mineral Resources based on a Radius of Influence (ROI) similar to that applied by mine operators and peer group explorers working on solution mining properties in the region. Furthermore, the Measured, Indicated, and Inferred Mineral Resources were arrived at by discounting the overall calculated tonnage by Loss Factors of 5%, 9% and 25% respectively, to account for unknown geologic anomalies. The resulting potash quantity was further reduced using an extraction ratio factor of 34.6%, which is the estimated potash available to be extracted for the life of an envisioned operation leaving sufficient material to support cavern stability.

The resource estimate was prepared in accordance with the requirements of NI 43-101 of the Canadian securities regulators. As required by NI 43-101, a technical report supporting the resource estimate will be filed on SEDAR and be publicly available within 45 days following the date of this news release.

In calculating the initial mineral resource AAI incorporated historical information available from public sources as well as new resource information obtained from exploration conducted by Western Potash between January 2009 and May 2010.

Qualified Persons:

The in-house qualified persons responsible for the review of the technical content of this Management Discussion and Analysis are J. Patricio Varas, P. Geo., President and CEO and director and Dean Pekeski, P. Geo., Vice President Explorations of Western Potash Corp.

Outstanding Share Data:

The following details the share capital structure as of June 30, 2010:

a) Authorized -

Unlimited Common shares without par value.

b) Issued and Fully Paid –

	Number	Amount
Balance, September 30, 2008	99,121,533	\$ 45,055,121
Flow-through private placement @ \$0.33	8,514,850	2,809,900
Renunciation of Flow-through tax benefit to shareholders (i)	-	(842,970)
Share issuance costs (i)	-	(168,593)
Share purchase buy back (ii)	(4,900,000)	(2,171,315)
Shares issued per option agreement	300,000	135,000
Balance September 30, 2009	103,036,383	44,817,143
Exercise of broker warrants @ \$0.50 per share	1,235,000	617,500
Fair value of broker warrants transferred from contributed surplus	-	392,369
Balance June 30, 2010	104,271,383	\$ 45,827,012

i) Flow-through private placement @ \$0.33 -

On December 31, 2008, pursuant to a private placement, the Company issued 8,514,850 flow-through shares at a price of \$0.33 per share for cash proceeds of \$2,809,900. The Company paid \$168,593 in finders' fees related to this placement.

The Company has recorded a future income tax recovery of \$842,970 as a result of the exploration expenditures being renounced to shareholders during 2008.

ii) Normal Course Issuer Bid -

On March 20, 2009, the Company completed its Normal Course Issuer Bid and in accordance with the requirements of the TSX Venture Exchange, cancelled 4,900,000 shares which had been purchased between during the period October 20, 2008 to February 14, 2009.

The cost to buy back the cancelled shares was less than their assigned value and the difference of \$773,557 has been credited to Contributed surplus.

Outstanding Share Data: (Continued)

c) Share Purchase Warrants

- (i) As at June 30, 2010, the Company had warrants outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price per Share	Expiry Date
40,228,600	\$ 0.75	April 15, 2011

- (ii) A Summary of the Company's issued and outstanding share purchase warrants as at June 30, 2010 and September 30, 2009 and changes during those years is presented below:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, September 30, 2008 & 2009	42,410,050	\$ 0.74
Granted	-	-
Exercised	(1,235,000)	(0.50)
Expired	(946,450)	(0.50)
Balance, June 30, 2010	40,228,600	\$ 0.72

d) Stock Based Compensation Plan

- i) As at June 30, 2010, the Company had compensation and stock options outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price per Share	Expiry Date
7,000,000	\$ 0.50	May 6, 2013
805,000	0.50	May 19, 2014
1,000,000	0.50	January 1, 2015
1,000,000	0.50	June 15, 2015
9,805,000		

Outstanding Share Data: (Continued)

d) Stock Based Compensation Plan (Continued)

- ii) A summary of the status of the Company's stock options as at June 30, 2010 and September 30, 2009, and changes during those years is presented below:

	Options Outstanding	Weighted Average Exercise Price
Balance September 30, 2008	7,600,105	\$ 1.10
Granted	805,000	0.50
Balance September 30, 2009	8,405,105	\$ 0.54
Granted	2,000,000	0.50
Expired	(600,105)	(0.50)
Balance June 30, 2010	9,805,000	\$ 0.53

On May 6, 2008 the Company granted 7,000,000 stock options at an exercise price of \$1.10 to its directors and employees as part of its initial public offering (IPO), exercisable at any time on or before May 6, 2013. The fair value of these stock options is determined to be \$6,604,416 using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 3.25%, expected life of 5 years, expected volatility of 127.4% and a dividend rate of 0%. On May 22, 2009 in accordance with a resolution passed at the company's most recent Annual General Meeting these stock options were re-priced to an exercise price of \$0.50. The additional fair value of amendment of these stock options is determined to be \$298,384 using the current assumptions of risk free interest rates of 2.25%, expected remaining life of 3 years 11.5 months, expected volatility of 126.7 and a dividend rate of 0%. As at June 30, 2010, none of these stock options have been exercised.

On May 19, 2009 the Company granted 805,000 stock options at an exercise price or \$0.50 to its employees and consultants, exercisable at any time on or before May 19, 2014. The fair value of these stock options is determined to be \$320,602 using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 2.25%, expected life of 5 years, expected volatility of 126.7% and a dividend rate of 0%. As at June 30, 2010, none of these stock options have been exercised.

On January 15, 2010, the Company granted 1,000,000 stock options at an exercise price of \$0.50 to its employees and consultants, exercisable at any time on or before January 15, 2015. The fair value of these stock options is determined to be \$396,161 using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 2.25%, expected life of 5 years, expected volatility of 128.44% and a dividend rate of 0%. As at June 30, 2010, none of these stock options have been exercised.

Outstanding Share Data: (Continued)

d) Stock Based Compensation Plan (Continued)

On June 1, 2010, the Company granted 1,000,000 stock options at an exercise price of \$0.50 to its employees and consultants, exercisable at any time on or before June 1, 2015. The fair value of these stock options is determined to be \$392,688 using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 2.25%, expected life of 5 years, expected volatility of 136.21% and a dividend rate of 0%. As at June 30, 2010, none of these stock options have been exercised.

e) Escrow shares

As of June 30, 2010 the Company had \$nil shares held in escrow for various directors (September 30, 2009 – 7,849,392.)

f) Contributed Surplus

Balance, September 30, 2008	\$ 7,646,368
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Fair value of compensation options issued and amendment of terms	618,986
Repurchased shares (Note 9(b)(ii))	773,557
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Balance, September 30, 2009	9,038,911
Broker's warrants exercised	(392,369)
Fair value of compensation options issued	788,849
Balance, June 30, 2010	\$ 9,435,391
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The above fair value amounts were calculated using the Black Scholes option pricing model using the current assumptions of risk free interest rates of 2.25% to 4.36%, expected life of 1.75 to 5 years, expected volatility of 124.4% to 136.21% and a dividend rate of 0%.

Risks and Uncertainties:

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is attributable to GST receivable from Canadian Federal government, and liquid investments in bankers' acceptance and term deposits with a Canadian Schedule 1 bank with a \$20 million counterparty credit limit. Management believes that the credit risk concentration with respect to financial instruments above is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2010, the Company had cash and cash equivalents balance of \$4,885,898 to settle current liabilities of \$464,072. All of the Company's significant liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company's operating cash requirements including amounts projected to complete its existing capital expenditure program are continuously monitored and adjusted as input variables change. These variables include, but are not limited to, available bank lines, results from new wells drilled, commodity prices, cost overruns on capital projects and changes to government regulations relating to prices, taxes, royalties, land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in high yield term deposits and bankers' acceptance. The Company regularly monitors its cash management policy. Interest rate risk is remote as the interest rates on the Company's short-term investment have fixed interest rates.

Risks and Uncertainties: (Continued)

Market risk (Continued)

b) Foreign currency risk

The Company's functional currency for the parent company is the Canadian dollar and major expenditures are transacted in Canadian dollars. However, the Company is subject to foreign exchange risk for transactions in its Brazilian subsidiary as at June 30, 2010.

Commodity price risk

The Company is exposed to price risk with respect to commodity. Commodity price risk is defined as the potential impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of potash, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of potash. Potash prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of potash may be produced in the future, a profitable market will exist for them. A decline in the market price of potash may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value.

The Company is not a potash producer as of June 30, 2010. Therefore, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.