



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Period Ended

March 31, 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 March 31, 2010. It has been prepared as of May 31, 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 March 31, 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 pgs 19 – 20) for other risks and uncertainties).

Overview:

During the three months ended March 31st, 2010 (Quarter 2) the Company completed its planned 5 well resource definition drilling program on its Milestone solution mining project, where wells 003, 004 and 005 had previously returned intersects comprising composite thicknesses of 24.4m of potash mineralization grading 18.2% wt K₂O, 23.35 m of potash mineralization grading 17.35 wt % K₂O and 22.25m of potash mineralization grading 19.89 wt % K₂O respectively across three potash members.

In the second quarter results from wells 007 and 008 were received, reporting composite intersects of 18.45 m grading 19 % wt K₂O and 21.45 m grading 19.88 % wt K₂O respectively. Results from these wells in conjunction with wells 004 and 005 confirmed that very little or no Carnallite is evident in any of the three potash members, within a large area surrounding well 003, suggesting that the Esterhazy member may be brought into the resource calculation models, potentially increasing the Potash resource.

On February 2, 2010, the Company was pleased to announce the receipt of an initial NI 43-101 compliant Mineral Resource Estimate for the Milestone property. This initial resource estimate consists of 32 million tonnes of indicated potash resource (contained KCl) plus 230 million tonnes of inferred potash resource. The resource estimate at Milestone was prepared by Agapito Associates Inc. ("AAI") of Grand Junction, Colorado.

During the second quarter the Company initiated and completed a \$3 million comprehensive 3D seismic survey on the property to aid in the upgrade of resources by providing the necessary data to put together a more robust resource calculation. The company expects to receive results of the survey during the third quarter. An updated resource calculation will be prepared by Agapito Associates Inc. when results from the processed 3D seismic and well 006 are received and delivered.

On January 1, 2010 the Company entered into a contractual agreement with Lockwood Financial Ltd. ("Lockwood") whereby the Company has agreed to pay a monthly consulting fee of \$10,000 per month for an initial term of six months (period ending June 30, 2010). In addition the Company agrees to grant 1,000,000 incentive stock options to Lockwood. TSX Venture approval for this contract was received on January 15, 2010.

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:

Net Loss

During the three months ended March 31, 2010, the Company reported a net loss of \$718,673 (\$0.007 basic and diluted loss per Common Share) as compared to a net loss of \$1,079,581 (\$0.010 basic and diluted loss per Common Share) incurred for the three months ended March 31, 2009.

General and Administrative

General and administrative expenses ("G&A") decreased by \$352,903 from \$1,100,453 for the three months ended March 31, 2009 to \$747,550 for the three months ended March 31, 2010. The decrease in net loss was primarily the result of decreased consulting fees of \$171,431 for the three months ended March 31, 2010 compared to \$275,873 for the three months ended March 31, 2009, and decreased foreign exchange loss of \$nil from the Company's Brazilian subsidiary for the three months ended March 31, 2010 compared to \$296,070 for the three months ended March 31, 2009. Consulting fees were primarily due to the fees paid to companies in which directors are shareholders (See "Related Party Transactions" and "Contractual Obligations" below).

Interest and Investment Income

Interest and investment income was \$121,627 for the three months ended March 31, 2010 compared to \$20,872 for the three months ended March 31, 2009. The increase was due to a non-cash, accounting treatment change of the Company's investment in Discovery Harbour Resources Corp. where its shareholding was reduced from a 100% controlling position to that of 11.5% significant influence position. This resulted in the investment being recorded on a consolidated basis to an equity basis.

Summary of Quarterly Results:

Expressed in thousands of Canadian dollars

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

	Three months ended March 31, 2010	Three months ended December 31, 2009	Three months ended September 30, 2009	Three months ended June 30, 2009
Interest & investment income	\$ 121,627	\$ 42,613	\$ 10,816	\$ 13,370
Future income tax recovery	-	-	-	-
Operating Expenses	747,550	878,622	1,397,003	1,431,609
Net Income (Loss)	(718,673)	(836,009)	(1,434,286)	(1,418,239)
Earnings (Loss) per share	(0.007)	(0.008)	(0.014)	(0.014)
Fully diluted earnings (loss) per share	(0.007)	(0.008)	(0.014)	(0.014)

	Three months ended March 31, 2009	Three months ended December 31, 2008	Three months ended September 30, 2008	Three months ended June 30, 2008
Interest & investment income	\$ 20,872	\$ 242,548	\$ 264,020	\$ 256,027
Future income tax recovery	-	871,069	271,560	-
Operating Expenses	1,100,453	655,361	1,095,504	7,368,627
Net Income (Loss)	(1,079,581)	478,256	(559,924)	(7,112,600)
Earnings (Loss) per share	(0.010)	0.005	(0.017)	(0.092)
Fully diluted earnings (loss) per share	(0.010)	0.003	(0.017)	(0.092)

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 March 31, 2010, the Company had cash and cash equivalents of \$11,436,780 compared to cash and cash equivalents of \$15,871,119 as at September 30, 2009, a decrease of \$4,434,339. The decrease in cash occurred primarily due to \$4,418,192 in deferred exploration costs (see investment activities below) and \$696,300 in general and administrative expenses (see general and administrative expenses above) incurred during the quarter.

The Company reported working capital of \$12,766,015 as at March 31, 2010, compared to working capital of \$20,663,432 as at September 30, 2009, representing a decrease in working capital of \$7,897,417.

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 March 31, 2010. There were no financing activities during the quarter ended March 31, 2010.

Investment Activities:

Mineral properties and deferred exploration cost totaled \$25,207,173 as at March 31, 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.

During the three months ended March, 31st, 2010 (Quarter 2) the Company completed its planned 5 well resource definition drilling program on its Milestone solution mining project, where wells 003, 004 and 005 had previously returned intersects comprising composite thicknesses of 24.4m of potash mineralization grading 18.2% wt K₂O, 23.35 m of potash mineralization grading 17.35 wt % K₂O and 22.25m of potash mineralization grading 19.89 wt % K₂O respectively across three potash members.

In the second quarter results from wells 007 and 008 were received, reporting composite intersects of 18.45 m grading 19 % wt K₂O and 21.45 m grading 19.88 % wt K₂O respectively. Results from these wells in conjunction with wells 004 and 005 confirmed that very little or no Carnallite is evident in any of the three potash members, within a large area surrounding well 003, suggesting that the Esterhazy member may be brought into the resource calculation models, potentially increasing the Potash resource.

On February 2, 2010, the Company was pleased to announce the receipt of an initial NI 43-101 compliant Mineral Resource Estimate for the Milestone property. This initial resource estimate consists of 32 million tonnes of indicated potash resource (contained KCl) plus 230 million tonnes of inferred potash resource. The resource estimate at Milestone was prepared by Agapito Associates Inc. ("AAI") of Grand Junction, Colorado.

During the second quarter the Company initiated and completed a \$3 million comprehensive 3D seismic survey on the property to aid in the upgrade of resources by providing the necessary data to put together a more robust resource calculation. The company expects to receive results of the survey during the third quarter. An updated resource calculation will be prepared by Agapito Associates Inc. when results from the processed 3D seismic and well 006 are received and delivered.

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 March 3, 2010	Three Months Ended March 31, 2009
Management, consulting and accounting fees	\$ 152,750	\$ 184,500

Accounts payable balances at March 31, 2010 were outstanding to related companies in the amount of \$51,250 (March 31, 2009: \$35,500).

The Company advanced a loan of \$1,298,000 (March 31, 2009: \$nil) to Discovery Harbour Resources Corp., a private company. The company is related through common directors who maintain a voting majority on the board.

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.

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

Additional Disclosures: (Continued)

Commitments and Contractual Obligations: (Continued)

The Company entered into an option agreement dated April 2, 2009 with Bronco Creek Exploration Inc. (“Bronco Creek”) to purchase 100% undivided interest in the mining property in State of Arizona known as Courtland-East Property (“Property”). The option agreement requires the Company to commit a \$800,000 expenditures program over three years and a minimum of \$400,000 expenditures per year after the 3rd year. The agreement also requires the Company to pay advanced royalty payments of cash \$25,000 from year 1 to year 4 and \$50,000 from year 5 to year 8 and \$50,000 beyond 8th year. A production royalty in the form of a 2.5% Net Smelter Return (“NSR”) will be payable to Bronco Creek on all mineral production from the Property. The Company may buy back up to 1.5% of the NSR using a certain formula from the agreement.

During the prior year, the Company spent \$67,035 exploration expenditures on the Property and determined that it will no longer continue with the option agreement. The Company has formally sent a termination letter to Bronco Creek on January 19, 2010 to terminate the option agreement. The entire \$67,035 expenditures were expensed in the prior year as exploration expenses and are included as a charge against operations.

Off Balance Sheet Arrangements:

The Company has no off balance sheet arrangements.

Subsequent Events:

Saskatchewan Property

On April 13, 2010, the Company announced that AMEC Americas Limited, a TSX publicly traded, international supplier of high-value consultancy, engineering and project management services with an office in Saskatoon, Saskatchewan has been engaged and has initiated a preliminary economic assessment of the Milestone Potash Project (the “Scoping Study”). AMEC is currently managing multiple potash expansion projects with a capital value of several billion dollars. AMEC was chosen by the Company because of their experience, proven record and commercial expertise, though final selection was primarily due to their depth of technical expertise within the potash industry.

The preliminary economic assessment will aim to conceptualize the viability of a potash mining operation on the Milestone property. The Scoping Study will place particular focus on quantifying the expected beneficial effects that the higher Potash formation temperatures measured at Milestone may have on reducing the energy requirements of a Potash operation, so as to estimate potential operating cost savings. Golder Associates Ltd. of Saskatoon, Saskatchewan will assist the Company with environmental baseline studies and the preparation of an Environmental Impact Statement (“EIS”) for the project. The target date for delivery of the Scoping Study is estimated to be toward the end of July of 2010.

On April 22, 2010, the Company reported that it had received results from the final well completed as part of the expanded 5 well, \$8.5 million CAD resource definition drill program on the Milestone property. The Milestone-006 well reported a 16.65m composite intersection of potash mineralization with a weighted average grade of 21.07 wt % K₂O across three potash members. Assay results from this well had been delayed as the samples had been submitted for engineering tests prior to being submitted for geochemical analysis.

Additional Disclosures: (Continued)

Subsequent Events: (Continued)

Results from this last well confirmed that very little or no carnallite is evident in any of the three potash members. Management regards the absence of carnallite in the Esterhazy member in this area as highly encouraging, as additional resources will be brought into the resource calculation models which were not included in the initial resource calculation. The Company delivered this information to AAI so that an updated NI 43-101 compliant resource calculation could be conducted in conjunction with the 3D seismic data.

During the third quarter, data from the three dimensional (3D) seismic program was delivered to Boyd PetroSearch of Calgary, Alberta, a global geophysical consulting firm providing an integrated approach to managing geophysical projects around the world, with expertise on potash projects. Three dimensional (3D) seismic surveys are highly effective subsurface analytical tools, aiding in the identification and estimation of the extent of salt loss, solution-collapse anomalies, void-space mapping and other subsurface geological conditions. The 3D seismic data provides a more detailed representation of the subsurface stratigraphy between drill holes on the property, and allows for a larger radius of influence to be used when estimating mineral resources. The survey covered a total area of over 98 km² and consisted of 410 km of source lines and 405 km of receiver lines. Boyd PetroSearch will oversee the data processing and interpret this seismic data.

Results from the processing and interpretation of the 3D seismic survey will be delivered to AAI as soon as received from Boyd PetroSearch to complete the information required to calculate an updated potash resource.

On April 26, 2010 the Company announced the Company will no longer continue the “P&NG” (“Petroleum and Gas”) exploration program that was proposed in the March 31, 2010 news release. Results from further evaluation of all available geological information and rock chips recovered from potash drilling by P&NG experts has indicated that the formations previously reported showing the presence of neutron-density crossovers (neutron capture) indicating potential for hydrocarbons, have been flooded with transported salt, effectively eliminating the rock porosity.

The Company will not pursue further exploration for hydrocarbons or incur any expenditure to further study this potential.

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.

Cash and Cash Equivalents

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

Critical Accounting Policies and Estimates: (Continued)

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.

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 March 31, 2010 potentially dilutive common shares relating to options and warrants outstanding totaling 48,033,600 were not included in the computation of loss per share because their effect was anti-dilutive (March 31, 2009 - 50,010,155).

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.

Critical Accounting Policies and Estimates: (Continued)

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.

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
GST and other receivables	Loans and receivables
Investments	Available-for-sale
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.

Critical Accounting Policies and Estimates: (Continued)

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 December 31, 2009 and September 30, 2009, the Company has not incurred any asset retirement obligations related to the exploration of its mineral properties.

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.

New Accounting Pronouncements: (Continued)

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.

On February 2, 2010, the Company announced the receipt of an initial NI 43-101 compliant Mineral Resource Estimate for the Milestone property. This initial resource estimate consists of 32 million tonnes of indicated potash resource (contained KCl) plus 230 million tonnes of inferred potash resource. The resource estimate at Milestone was prepared by Agapito Associates Inc. (“AAI”) of Grand Junction, Colorado.

A summary of the Indicated and Inferred Mineral Resource within Crown and Leased Freehold Areas is presented in Table 1 and 2 respectively.

Mineral Properties: (Continued)

Saskatchewan (Continued)

Table 1. Indicated Mineral Resource within Crown and Leased Freehold Areas Only*

Bed	Average KCL Grade (%)	In-place Tonnage (Mt)	In-Place KCL Tonnage (Mt)	KCL Resource** (Mt)
Patience Lake	28.92	345.72	99.99	23.66
Belle Plaine	26.67	135.38	36.10	8.54
Total	28.37	481.10	136.09	32.21

* Search Radius of 1.6 Km (1 mile) used; Mt = million tonnes

** Resource accounts for geologic anomalies (10%), extraction ratio (34.6%) and cavern liquor, plant and transport losses (24%).

Table 2. Inferred Mineral Resource within Crown and Leased Freehold Areas Only*

Potash Hosting Bed	Average KCL Grade (%)	In-place Tonnage (Mt)	In-Place KCL Tonnage (Mt)	KCL Resource (Mt)**
Patience Lake	28.83	3,090.49	891.06	175.73
Belle Plaine	27.32	1,012.71	276.64	54.56
Total	28.45	4,103.19	1,167.70	230.29

* Search Radius of 8 Km (5 mile) used; Mt = million tonnes

** Resource accounts for geologic anomalies (25%), extraction ratio (34.6%) and cavern liquor, plant and transport losses (24%).

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 and August 2009. Exploration conducted during that time included the purchasing, processing and interpretation of 283.5 line km of historic 2D seismic, and the completion of four exploration wells totaling 7,198 meters completed within the KP 409 permit area.

The Company also reported that in anticipation of the favorable Mineral Resource reported by AAI, it had completed the five wells recommended in the AAI report; as well as, the acquisition, processing and interpretation of 179 line kilometers of 2D seismic. The objective of this program is to define the grade, thickness, and extent of the higher grade potash zone around well 003, which reported a composite thickness of 24.4m of potash mineralization with a grade of 18.2% wt K₂O within the Patience Lake, Belle Plaine and Esterhazy members. The Company plans to use this information to update the NI 43-101 resource calculation the Company announced on February 2, 2010 and deliver a more robust and definitive resource on which to base an initial economic assessment of the Milestone Project.

Initial results for the first two wells in the expanded definition program were reported in the first quarter and included a 23.35 m composite intersection of potash mineralization with a weighted average grade of 17.35 wt % K₂O across three potash members, and a second well with a 22.25 m composite intersection of potash mineralization with a weighted average grade of 19.89 wt % K₂O across three potash members.

Mineral Properties: (Continued)

Saskatchewan (Continued)

On March 24, 2010, the company reported results from two additional wells completed as part of the expanded 5 well, \$8.5 million CAD resource definition drill program on the Milestone property. The wells reported are the eighth and ninth wells drilled on the property. The Milestone-007 well reported an 18.45m composite intersection of potash mineralization with a weighted average grade of 19.09 wt % K₂O across three potash members, while the Milestone-008 well reported a 21.45m composite intersection of potash mineralization with a weighted average grade of 19.88 wt % K₂O across three potash members.

A summary of the results from these two wells are presented in Table 1.

Table 1: Potash thickness and weighted average grade from the Milestone-007 and Milestone-008 wells.

Hole	Potash Member	Interval (m)	K ₂ O Wt %	MgO Wt %	Insoluble Wt %
Milestone-007	Patience Lake	8.3	19.11	0.1	10.28
	Belle Plaine	4.65	19.51	0.08	3.62
	Esterhazy	5.5	18.69	0.06	3.36
	Total	18.45	19.09	0.08	6.54
Milestone-008	Patience Lake	10.75	17.53	0.1	11.35
	Belle Plaine	4.8	19.94	0.07	4.91
	Esterhazy	5.9	24.12	0.05	3.56
	Total	21.45	19.88	0.16	15.57

Note: Total intervals noted are composites. All drill intercepts noted are considered the true thickness of the mineralization; as the salt beds are relatively flat-lying and down-hole directional surveys indicate the hole was essentially vertical upon intersecting the salt and potash sequences.

Results from these wells confirm that very little or no Carnallite is evident in any of the three potash members, within a large area that surrounds several of the wells in the resource definition area (surrounding well 003). The absence of Carnallite in the Esterhazy member in these two wells, as well as, the Milestone-005 reported previously encourages management to suggest that in some areas of the Milestone property the Esterhazy member can be brought into the resource calculation models, potentially increasing the potash resource.

During the second quarter the Company initiated and completed a \$3 million comprehensive 3D seismic survey on the property. The results from the 3D seismic survey will aid in the upgrade of resources by providing the necessary data to put together a more robust resource calculation. The company expects to receive results of the survey during the third quarter. An updated resource calculation will be prepared by Agapito Associates Inc. when results from the processed 3D seismic and well 006 are received and delivered.

On February 17, 2010, the Company announced the receipt of an encouraging report from an oil and gas consultant commissioned to evaluate drill hole data collected during the Company's definition drilling program. The down-hole geophysical logs have indicated the presence of neutron-density crossovers (neutron capture) in two zones in all 9 wells drilled. A close inspection of the neutron capture, combined with data on lithology and porosity indicate the possible presence of hydrocarbons. The data was evaluated by J.R. Britton, P. Geol., P. Eng., a petroleum geologist with over 40 years experience in the basin.

Mineral Properties: (Continued)

Saskatchewan (Continued)

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 March 31, 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 (Note 10)	-	392,369
Balance March 31, 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.

Outstanding Share Data: (Continued)

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.

c) Share Purchase Warrants

(i) As at March 31, 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 March 31, 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, March 31, 2010	40,228,600	\$ 0.72

Outstanding Share Data: (Continued)

d) Stock Based Compensation Plan

- i) As at March 31, 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
7,805,000		

- ii) A summary of the status of the Company's stock options as at March 31, 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
Expired	(600,105)	(0.50)
Balance March 31, 2010	7,805,000	\$ 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 March 31, 2010, none of these stock options have been exercised.

Outstanding Share Data: (Continued)

d) Stock Based Compensation Plan (Continued)

On May 19, 2009 the Company granted 805,000 stock options at an exercise price of \$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 March 31, 2010, none of these stock options have been exercised.

e) Escrow shares

As of March 31, 2010 the Company had 5,887,043 shares held in escrow for various directors.

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 December 31, 2009, the Company had a cash and cash equivalents balance of \$11,436,780 to settle current liabilities of \$53,598. 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.

Risks and Uncertainties: (Continued)

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.

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 March 31, 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 March 31, 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.