Vancouver, BC

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

For the Years Ended September 30, 2015
and September 30, 2014

WESTERN POTASH CORP.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

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A CHAN AND COMPANY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Western Potash Corp.

We have audited the accompanying consolidated financial statements of Western Potash Corp. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2015 and September 30, 2014, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years ended September 30, 2015 and September 30, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2015 and September 30, 2014, and its consolidated financial performance and its consolidated cash flows for the years ended September 30, 2015 and September 30, 2014 in accordance with International Financial Reporting Standards.

"A Chan and Company LLP"
Chartered Professional Accountants

Burnaby, British Columbia
December 21, 2015

Exhibit "A"

WESTERN POTASH CORP.
Consolidated Statements of Financial Position
September 30, 2015 and September 30, 2014
(Expressed in Canadian dollars)

Assets	**2015**	2014
Current:		
Cash and cash equivalents	**$ 87,235,606**	$ 3,667,420
Term deposit	**100,000**	15,323,234
Accounts and other receivables (Note 12)	**525,781**	201,371
Loans receivable (Note 9)	**345,226**	140,383
Deposits	**7,125**	67,750
Prepaid expenses	**123,165**	96,077
Investments (Note 8)	**677,345**	974,204
	89,014,248	20,470,439
Deposits	**122,083**	122,083
Loans receivable (Note 9)	**-**	244,106
Equipment (Note 5)	**238,871**	280,085
Exploration and evaluation expenditures (Note 6)	**-**	62,087,299
Intangible asset (Note 7)	**68,758,061**	-
	$ 158,133,263	$ 83,204,012
Liabilities		
Current:		
Accounts payable (Note 12)	**$ 622,332**	$ 226,574
Accrued liabilities	**1,883,400**	62,300
	2,505,732	288,874
Shareholders' Equity		
Share Capital (Note 10)	**219,985,801**	141,265,556
Contributed Surplus (Note 11)	**21,161,490**	21,161,490
Deficit, per Exhibit "C"	**(85,519,760)**	(79,511,908)
	155,627,531	82,915,138
Commitments (Note 14)		
Contingencies (Note 18)		
	$ 158,133,263	$ 83,204,012

Approved by the Directors on December 21, 2015:

"J. Patricio Varas"

"Patrick Power"

- *see accompanying notes* –

Exhibit "B"

WESTERN POTASH CORP.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended September 30, 2015 and 2014
(Expressed in Canadian Dollars)

	2015	2014
Expenses:		
Accounting fees (Note 12)	**$ 268,860**	$ 250,745
Amortization	**59,194**	69,971
Bank charges and interest	**11,161**	5,120
Consulting fees (Note 12)	**2,494,487**	2,771,630
Filing and regulatory fees	**267,303**	66,538
Foreign exchange (gain)/loss	**-**	(42)
Investor relations	**507,503**	774,975
Legal fees	**170,388**	248,930
Office and miscellaneous	**390,765**	456,939
Rent, net of recoveries (Note 12)	**319,281**	376,996
Salaries, wages and benefits	**278,084**	386,668
Telephone	**50,290**	54,291
Travel - Corporate development	**358,010**	420,177
Travel - Investor relations	**24,287**	60,419
Loss before other income (expense)	**(5,199,613)**	(5,943,357)
Other Income (Expense)		
Interest income	**266,131**	404,412
Gain (loss) on disposal of investment (Note 8)	**-**	(55,564)
Unrealized gain (loss) on investment valued at fair value through profit or loss (Note 8)	**(764,270)**	(97,612)
Loss from investment in associate	**-**	(76,080)
Impairment on investment in associate	**-**	(446,464)
Write down of receivable	**(310,100)**	-
Write off of equipment	**-**	(38,987)
	(808,239)	(310,295)
Net Loss and Comprehensive Loss	**$ (6,007,852)**	$ (6,253,652)
Weighted Loss per share - basic and diluted	**$ (0.03)**	$ (0.03)
Weighted Average Number of Shares Outstanding	**235,997,245**	226,556,100

- see accompanying notes –

Exhibit "C"

WESTERN POTASH CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Issued and Outstanding Shares	Share Capital and Shares Subscribed ($)	Contributed Surplus ($)	Deficit ($)	Shareholders' Equity ($)
Balance, September 30, 2013	226,336,059	140,943,956	21,275,328	(73,258,256)	88,961,028
Exercise of options @ $0.45 per share	50,000	22,500	-	-	22,500
Exercise of options @ $0.50 per share	190,000	95,000	-	-	95,000
Fair value of options transferred from contributed surplus	-	88,100	(88,100)	-	-
Exercise of warrants @ $0.58 per share	200,000	116,000	-	-	116,000
Discount on loan receivable	-	-	(25,738)	-	(25,738)
Net Loss and Comprehensive Loss	-	-	-	(6,253,652)	(6,253,652)
Balance, September 30, 2014	226,776,059	141,265,556	21,161,490	(79,511,908)	82,915,138
Non-brokered private placement @ 0.3358 per share	240,409,500	80,729,510	-	-	80,729,510
Share issuance costs	-	(2,009,265)	-	-	(2,009,265)
Net Loss and Comprehensive Loss	-	-	-	(6,007,852)	(6,007,852)
Balance, September 30, 2015	467,185,559	219,985,801	21,161,490	(85,519,760)	155,627,531

- see accompanying notes –

Exhibit "D"

WESTERN POTASH CORP.
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2015 and 2014
(Expressed in Canadian Dollars)

	2015	2014
Operating Activities:		
Loss for the year, per Exhibit "B"	**$ (6,007,852)**	$ (6,253,652)
Adjustment for -		
Amortization	**59,194**	69,971
Accrued interest on loans receivable and investment	**(37,002)**	(275,893)
Write down of receivable	**310,100**	-
Loss (gain) on disposal of investment	-	55,564
Unrealized loss (gain) on investment valued at FVTPL	**764,270**	97,612
Loss from investment in associate	-	76,080
Impairment on investment in associate	-	446,464
Write off of equipment	-	38,987
Changes in non-cash working capital -		
(Increase) Decrease in accounts and other receivable	**(434,245)**	56,056
(Increase) Decrease in prepaid expenses	**(27,088)**	(9,727)
Increase in accounts payable and accrued liabilities	**396,778**	(93,048)
Cash flows used in operating activities	**(4,975,845)**	(5,791,586)
Investing Activities:		
Acquisition of equipment	**(17,980)**	(147,362)
Acquisition of exploration and evaluation expenditures	**(4,938,182)**	(3,097,234)
Acquisition of investments	**(467,411)**	(678,957)
Deposits received	**10,625**	(46,962)
Proceeds on sale of investment	**50,000**	111,627
Repayments of loans receivable	**(45,000)**	(1,801,800)
Proceeds on loans receivable	**8,500**	1,538,300
Proceeds on disposal of term deposit	**15,223,234**	-
Acquisition of term deposits	-	(15,000,000)
Cash flows used in investing activities	**9,823,786**	(19,122,388)
Financing Activities:		
Issuance of share capital	**80,729,510**	233,500
Shares issuance costs	**(2,009,265)**	-
Cash flows from financing activities	**78,720,245**	233,500
Net Increase (decrease) in Cash and Cash Equivalents	**83,568,186**	(24,680,474)
Cash and Cash Equivalents, beginning	**3,667,420**	28,347,894
Cash and Cash Equivalents, ending	**$ 87,235,606**	$ 3,667,420
Supplemental disclosure of cash flow information:		
Interest	**$ -**	$ -
Income taxes	**$ -**	$ -

- see accompanying notes –

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

1. Nature of Business and Going Concern Assumption

Western Potash Corp. ("the Company") was incorporated on April 5, 2007 under the British Columbia Business Corporations Act using the name 787604 B.C. Ltd.

The Company changed its name from 787604 B.C. Ltd. to Western Potash Corp. on July 10, 2007.

The Company and its wholly owned subsidiary, WPX Land Holdings Corp., were amalgamated as one company under the name of Western Potash Corp. on October 1, 2011.

Western Potash Corp (the “Company”) is a development stage potash company focused on building mine at its 100% owned Milestone property (the “Milestone Project”). The recoverability of amounts shown for intangible asset is dependent upon the ability of the Company to obtain necessary financing to complete the development and upon future profitable production.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At September 30, 2015, the Company had not yet achieved profitable operations, had an accumulated deficit of $85,519,760 since inception and expects to incur further losses in the development of its business. However, the Company had working capital surplus of $86,508,516 as at September 30, 2015. The Company’s ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, its ability to obtain the necessary financing to develop the properties and to meet its ongoing levels of corporate overhead, keep its property in good standing and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The address of its registered head office is Suite 1400 - 1111 West Georgia St., Vancouver, British Columbia, Canada.

2. Basis of Presentation

a) Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

2. Basis of Presentation (Continued)

b) Basis of Presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

All amounts are expressed in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated. The accounting policies have been applied consistently by all group entities and for all periods presented.

a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary: 0907414 B.C. Ltd. (a company incorporated in the province of B.C.) All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

b) Cash and Cash Equivalents -

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

c) Equipment

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

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

Leasehold improvements are amortized on a straight-line basis over the term of the lease.
For the year of acquisition, the rate is one half of that shown above with the exception of leasehold improvements.

3. Significant Accounting Policies (Continued)

d) Income Taxes -

Income tax on the profit or loss for the periods presented comprises current and deferred income tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income tax is provided using the balance sheet liability method, creating temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred income tax asset will be recovered, it does not recognize the asset.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

e) Flow-Through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. Significant Accounting Policies (Continued)

f) 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 periods presented.

For the year ended September 30, 2015, potentially dilutive common shares relating to options and warrants outstanding totaling 19,800,000 at September 30, 2015 (September 30, 2014 - 40,699,000) were not included in the computation of loss per share because their effect was anti-dilutive.

g) Share-based Compensation -

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using a Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

h) Exploration and Evaluation Expenditures -

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

3. Significant Accounting Policies (Continued)

h) Exploration and Evaluation Expenditures – (Continued)

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility, sufficient funds and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'intangible asset'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration or development activities are applied as a reduction to capitalized costs.

i) Financial Instruments -

Financial Assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(i) Fair Value Through Profit or Loss

This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

(ii) Loans and Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment individually. Significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

(iii) Held-to-Maturity Investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the income statement.

3. Significant Accounting Policies (Continued)

i) Financial Instruments – (Continued)

Financial Assets (Continued)

(iv) Available-for-Sale Financial Assets

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss. All financial assets except for those at fair value through profit or loss are subject to review for impairment at least once each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial Liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(i) Fair Value Through Profit or Loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the income statement.

(ii) Other Financial Liabilities

Other financial liabilities are measured after initial recognition at amortized cost using the effective interest method.

Classification

Cash and cash equivalents	Financial asset at fair value through profit or loss
Term deposit	Financial asset at fair value through profit or loss
Accounts and other receivables	Loans and receivables
Loans receivable	Loans and receivables
Investments	Financial asset at fair value through profit or loss or available-for-sale
Accounts payable	Other financial liabilities

3. Significant Accounting Policies (Continued)

i) Financial Instruments – (Continued)

Fair Value Hierarchy

The fair value hierarchy that prioritizes the inputs used to measure fair value is as follows:

• Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities;
• Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
• Level 3- inputs for the asset or liability that are not based on observable market data.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by impairment loss directly for all financial assets with the exception of financial assets classified as loans and receivables, where the carrying amount is reduced through the use of an allowance account. When these assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment loss been recognized.

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss.

3. Significant Accounting Policies (Continued)

j) Foreign Currency Translation -

The Company's financial statements are presented in Canadian dollars, which represents the functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the prevailing exchange rates on the date of each transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of comprehensive loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the prevailing exchange rates on the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the prevailing exchange rates on the date when the fair value was determined.

k) Provision for Decommissioning and Restoration -

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at September 30, 2015 and September 30, 2014, the Company has no known restoration, rehabilitation or environmental liabilities related to its mineral properties.

l) Significant Accounting Judgments and Estimates -

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the amortization of equipment, valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Critical judgments and estimates exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

3. Significant Accounting Policies (Continued)

l) Significant Accounting Judgments and Estimates – (Continued)

Economic recoverability and probability of future economic benefits of exploration and evaluation expenditures and development costs

Management has determined that exploration and evaluation expenditures and development costs which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

3. Significant Accounting Policies (Continued)

l) Significant Accounting Judgments and Estimates – (Continued)

Cash generating units

The determination of the Company's CGU's impacts the measurement of impairment that is recognized in the financial statements. The determination of CGU's requires judgement in defining smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGU's are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risk and materiality.

4. Accounting Standards Issued But Not Yet Effective

a) New standard IFRS 9 Financial Instruments

This new standard is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. The IASB tentatively decided to defer the mandatory effective date until January 1, 2018 with earlier adoption still permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

5. Equipment

	Cost	Accumulated Amortization	**2015 Net**	2014 Net
Automobiles	$ 89,587	$ 83,316	**$ 6,271**	$ 8,958
Computer software	64,692	64,692	**-**	-
Furniture and fixtures	392,543	196,146	**196,397**	225,270
Leasehold improvements	48,271	12,068	**36,203**	45,857
	$ 595,093	$ 356,222	**$ 238,871**	$ 280,085

6. Exploration and Evaluation Expenditures

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties are in good standing.

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

6. Exploration and Evaluation Expenditures (Contimued)

	Saskatchewan Property Total
Balance as at September 30, 2013	$ 58,980,807
Deferred Exploration and Evaluation Expenditures	
Feasibility	3,106,492
Balance as at September 30, 2014	$ 62,087,299
Deferred Exploration and Evaluation Expenditures	
Feasibility	4,920,762
Reallocation to intangible asset (Note 7)	(67,008,061)
Balance as at September 30, 2015	$ -

Saskatchewan Potash Property

On December 11, 2007, the Company filed three potash exploration license applications in the Province of Saskatchewan. Application file numbers WP1 KP407, WP2 KP408 and WP3 KP409 cover an area of 253,440 acres in size. On May 27, 2008, the Company was granted these three potash permits in south eastern Saskatchewan. The 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. Each of the permits grants the Company the exclusive rights to explore and prospect for subsurface minerals for a term of five years. During 2009, the Company did not renew permit KP 407 and concentrated on properties covered under permits KP 408 and KP 409. During the year ended September 30, 2015, the Company completed its Pilot Study on its Saskatchewan Potash property.

7. Intangible Asset

On September 17, 2015, the Company completed a non-brokered private placement giving it sufficient funds to proceed with its business plan for 2015-2016. The Company is at the development stage in its development, and is no longer in the exploration stage as at September 30, 2015. Therefore, all the exploration and evaluation expenditures (Note 6) were reallocated as an intangible asset of development costs:

Balance as at September 30, 2014	$ -
Reallocation of Exploration and Evaluation Expenditures	67,008,061
Development costs incurred in 2015	1,750,000
Balance as at September 30, 2015	$ 68,758,061

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

8. Investments

		2015		2014
Fair Value Through Profit or Loss				
Arctic Star Exploration Corp. – shares - cost (a)	$	71,721	$	116,275
Arctic Star Exploration Corp. – unrealized loss (a)		(54,911)		(81,493)
Discovery Harbour Resources Corp. – shares - cost (b)		338,380		449,565
Discovery Harbour Resources Corp. – unrealized gain (loss) (b)		(140,467)		(151,743)
Equitorial Exploration Corp. – shares - cost (c)		450,000		450,000
Equitorial Exploration Corp. – unrealized gain (c)		(210,000)		165,000
True Claim Exploration Inc. – shares - cost (d)		192,305		192,305
True Claim Exploration Inc. – unrealized loss (d)		(184,705)		(165,705)
Red Oak Mining Corp. shares and warrants (e)		50,000		-
Red Oak Mining Corp. – unrealized loss (e)		(9,186)		-
Sennen Potash Corp – shares – cost (f)		417,411		-
Sennen Potash Corp – shares – unrealized gain (loss) (f)		(243,203)		-
	$	677,345	$	974,204

a) Arctic Star Exploration Corp.

During the year ended September 30, 2011, the Company participated in a private placement of Arctic Star Exploration Corp., which is a public company listed on TSX Venture Exchange and a company related to the Company by a common director. The Company acquired 540,000 units at $0.25 per unit, with each unit made up of one share and one half of one common share purchase warrant, exercisable at $0.50 per share until August 26, 2012. Shares of Arctic Star Exploration Corp. were financial assets at fair value through profit or loss, and were measured at their quoted fair market value. The fair value of warrants was established by using the valuation technique, the Black-Scholes Option Pricing Model. Assumptions used in the option pricing model were as follows: average risk-free interest rate – 0.91% to 1.04%; expected life – 0.91 year to 1 year; expected volatility – 167.69% to 168.04%; and expected dividends – nil. Unrealized loss of $20,800 was recognized in net loss for the year ended September 30, 2011. All of warrants with an exercise price of $0.50 per share expired unexercised during the year ended September 30, 2012. 510,000 shares were re-measured at their quoted fair market value of $108,000 with unrealized gain of $10,800 recognized in net loss for the year ended September 30, 2012. During the year ended September 30, 2013, all of shares were disposed of for cash proceeds of $114,914 and gain of $6,914 recognized in net loss for the year ended September 30, 2013.

During the year ended September 30, 2013, the Company acquired 521,818 units at $0.22 per unit, with each unit made up of one share and one common share purchase warrant, exercisable at $0.37 per share until April 12, 2015. Shares of Arctic Star Exploration Corp. were financial assets at fair value through profit or loss, and were measured at their quoted fair market value. The fair value of 521,818 warrants was established by using the valuation technique, the Black-Scholes Option Pricing Model. Assumptions used in the option pricing model were as follows: average risk-free interest rate – 0.95% to 1.19%; expected life – 1.53 years to 2 years; expected volatility – 117.65% to 138.33%; and expected dividends – nil.

8. Investments (Continued)

a) Arctic Star Exploration Corp. (Continued)

During the year ended September 30, 2014, the Company acquired 329,000 shares at $0.12 per share, and disposed of 290,500 shares for cash proceeds of $36,227 and a loss of $964.

As at September 30, 2015, 560,318 shares were re-measured at their quoted fair market value of $16,810 (September 30, 2014 - $33,619) and 521,818 warrants expired April 12, 2015 with a unrealized loss of $1,163 recognized in net loss for the year ended September 30, 2015.

b) Discovery Harbour Resources Corp. ("Discovery")

During the year ended September 30, 2013, the Company acquired 2,166,667 units at $0.30 per unit, with each unit made up of one share and one half of one common share purchase warrant, exercisable at $0.45 per share until March 28, 2015. The fair value of $538,816 of 2,166,667 shares was recorded to investment in associate. The fair value of 1,083,333 warrants was established by using the valuation technique, the Black Scholes Option Pricing Model.

Assumptions used in the option pricing model were as follows: average risk free interest rate – 1.00% to 1.10%; expected life – 1.49 years to 2 years; expected volatility – 118.82% to 166.46%; and expected dividends – nil. As at September 30, 2014, 1,083,333 warrants were re-measured at a fair value of $952 (September 30, 2013 - $34,198) by using the valuation technique, the Black Scholes Option Pricing Model, with unrealized loss of $33,246 recognized in net loss for the period ended September 30, 2014.

The Company as at April 23, 2014 no longer had a significant influence in Discovery as a result of the issuance of shares of Discovery to outside interests decreasing the Company's ownership percentage to 18.53%. Therefore, the investment in associate was reclassified as a financial instrument fair valued through profit or loss ("FVPL") at a fair value of $338,380 on April 23, 2014.

As at September 30, 2015, 9,895,674 shares were re-measured at their quoted fair market value of $197,913 (September 30, 2014 - $296,870) and 1,083,333 warrants expired March 28, 2015 with a unrealized loss of $952 recognized in net loss for the year ended September 30, 2015.

c) Equitorial Exploration Corp.

During the year ended September 30, 2014, the Company acquired 3,000,000 shares at $0.15 per share for a cost of $450,000. As at September 30, 2015, 3,000,000 shares were re-measured at their quoted fair value of $240,000 (September 30, 2014 - $615,000)

d) True Claim Exploration Inc.

During the year ended September 30, 2014, the Company acquired 380,000 shares at $0.51 per share for a cost of $192,305. As at September 30, 2015, 380,000 shares were re-measured at their quoted fair value of $7,600 (September 30, 2014 - $26,600).

8. Investments (Continued)

e) Red Oak Mining Corp.

On November 7, 2014, the Company acquired 1,000,000 units at $0.05 per unit with each unit made up of one share and one common share purchase warrant, exercisable at $0.10/$0.20 per share until November 7, 2016. $34,680 was allocated to a fair value of 1,000,000 shares and $15,320 was allocated to a fair value of 1,000,000 warrants. The fair value of warrants was established by using the valuation technique, the Black Scholes Option Pricing Model. Assumptions used in the option pricing model were as follows: average risk free interest rate – 1.02%; expected life – 2 years; expected volatility – 138.93%; and expected dividends – nil. As at September 30, 2015, 1,000,000 shares were re-measured at their quoted fair value of $30,000, and 1,000,000 warrants were re-measured at a fair value of $10,814 by using the valuation technique, the Black Scholes Option Pricing Model.

f) Sennen Potash Corp.

During the period of January 27 to March 23, 2015, the Company acquired 2,675,000 shares for $251,441 on the open market. On March 23, 2015, a reverse split of 1:10 was applied, leaving the Company with a balance of 267,500 shares. In March, 2015 and June, 2015, 50,000 shares were purchased for $15,970. On May 4, 2015, the Company acquired 625,000 units at $0.24 per unit with each unit made up of one share and one common share purchase warrant, exercisable at $0.32 per share until May 4, 2020. $77,000 was allocated to a fair value of 625,000 shares and $73,000 was allocated to a fair value of 625,000 warrants. The fair value of warrants was established by using the valuation technique, the Black Scholes Option Pricing Model. Assumptions used in the option pricing model were as follows: average risk free interest rate – 1.08%; expected life – 5 years; expected volatility – 167.72%; and expected dividends – nil.

As at September 30, 2015, 942,500 shares were re-measured at their quoted fair value of $113,100 and 625,000 warrants were re-measured at a fair value of $61,108 by using the valuation technique, the Black Scholes Option Pricing Model

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

9. Loans Receivable

	2015	2014
Red Oak Mining Corp. (a)	$ 300,000	$ 255,000
Unamortized discount	(5,651)	(18,519)
Accrued interest	22,412	7,625
	316,761	244,106
Mighty Ventures Holdings Corp. (b)	-	85,000
Accrued interest	-	18,418
	-	103,418
Nkwazi Resource Management Inc.	-	8,500
Amarillo Gold Corp., accrued interest (c)	28,465	28,465
	$ 345,226	$ 384,489

Current	$ 345,226	$ 140,383
Long-term	-	244,106
	$ 345,226	$ 384,489

a) Red Oak Mining Corp.

On February 19, 2014, the Company advanced a loan of $240,000 bearing an interest rate of 5% per annum to Red Oak Mining Corp. (formerly Universal Wing Technologies Inc.) (“Red Oak”), a public company trading on the TSX-V. The loan is unsecured and matures on February 19, 2016. The loan receivable was accounted for at amortized cost using the effective interest rate method with the effective interest rate of 11% per annum. During the year ended September 30, 2014, the loan discount of $25,738 was debited to contributed surplus, credited to loan receivable and amortized over the term of the loan. On August 14, 2014, the Company advanced a loan of $15,000 to Red Oak. The loan is unsecured, non-interest bearing and repayable within 45 days from the date written notice is delivered to Red Oak. In October and November, 2014, the Company advanced loans of $45,000 to Red Oak. The loans are unsecured, 5 % interest bearing and repayable within 45 days from the date written notice is delivered to Red Oak.

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

9. Loans Receivable (Continued)

b) Mighty Venture Holdings Corp.

During the year ended September 30, 2013, the Company advanced a loan of $85,000 bearing an interest rate of 11% per annum to Mighty Venture Holding Corp., a private company. The loan is due on demand and unsecured. As at September 30, 2015 the full amount of loan and accrued interest of $112,765 was written off to the consolidated statement of loss.

c) Amarillo Gold Corp.

During the year ended September 30, 2014, the Company advanced a loan of $500,000 bearing an interest rate of 12% per annum to Amarillo Gold Corp., a public related company trading on the TSX-V. The principal portion of the loan was repaid during the year ended September 30, 2014.

10. Share Capital

a) Authorized - unlimited Common shares without par value.

b) Issued and Fully Paid -

	Number	**Amount**
Balance, September 30, 2013	226,336,059	$ 140,943,956
Exercise of options at $0.45 per share	50,000	22,500
Exercise of options at $0.50 per share	190,000	95,000
Fair value of options transferred from contributed surplus	-	88,100
Exercise of warrantsat $0.58 per share	200,000	116,000
Balance, September 30, 2014	226,776,059	141,265,556
Non-brokered private placement at $0.3358 per share [1]	240,409,500	80,729,510
Share issuance cost	-	(2,009,265)
Balance, September 30, 2015	467,185,559	$ 219,985,801

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

10. Share Capital (Continued)

b) Issued and Fully Paid (Continued) -

[1] On September 17, 2015, the Company sold 240,409,500 shares at a price of $0.3358 per share, for aggregate gross proceeds to the Company of $80,729,510. The Company paid $2,009,265 legal and filing fees related to this non-brokered private placement.

c) Share Purchase Warrants -

(i) As at September 30, 2015, the Company had warrants outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price per Share	Expiry Date
19,800,000*	0.58	October 24, 2015

*Expired unexercised on October 24, 2015

(ii) A summary of the Company's issued and outstanding share purchase warrants as at September 30, 2015, 2014 and 2013 and changes during those periods is presented below:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, September 30, 2013	20,000,000	$ 0.58
Exercised	(200,000)	(0.58)
Balance, September 30, 2014 and 2015	19,800,000	$ 0.58

d) Share-Based Compensation Plan -

(i) As at September 30, 2015, the Company had compensation and stock options outstanding and exercisable enabling holders to acquire the following:

Number of Shares	Exercise Price per Share	Expiry Date
2,300,000	0.50	December 29, 2015
75,000	0.50	February 3, 2016
2,295,000	0.50	May 20, 2016
250,000	0.50	February 15, 2017
225,000	0.50	March 30, 2017
1,595,000	0.45	November 30, 2017
10,390,000	0.45	September 12, 2018
17,130,000		

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

10. Share Capital (Continued)

d) Share-Based Compensation Plan – (Continued)

(ii) A summary of the status of the Company's stock options as at September 30, 2015, 2014 and 2013 and changes during those years is presented below:

	Options Outstanding	**Weighted Average Exercise Price**
Balance, September 30, 2013	21,609,000	$ 0.47
Exercised	(240,000)	(0.49)
Cancelled/expired/forfeited	(470,000)	(0.50)
Balance, September 30, 2014	20,899,000	$ 0.47
Cancelled/expired/forfeited	(3,769,000)	(0.48)
Balance, September 30, 2015	17,130,000	$ 0.47

11. Contributed Surplus

Balance, September 30, 2013	$ 21,275,328
Discount on loan receivable (Note 8(a))	(25,738)
Fair value of options transferred from contributed surplus	(88,100)
Balance, September 30, 2014 and 2015	$ 21,161,490

12. Related Party Transactions

Related parties and related party transactions not otherwise disclosed elsewhere in the consolidated financial statements for the year ended September 30, 2015 and 2014 are as follows:

	2015	2014
Amounts paid and accrued to directors and companies in which directors are shareholders		
Management and consulting	$3,728,621	$ 1,146,040
Amounts paid and accrued to an accounting firm in which a director is a consultant		
Accounting and legal	$69,875	$62,645
Rental income charged to companies, related by common directors, for sharing office		
Rent	$237,242	$ 139,961

12. Related Party Transactions (Continued)

Accounts payable balances at September 30, 2015 were outstanding to directors, companies in which directors are shareholders and an accounting firm in which a director is a consultant in the amount of $175,614 (2014 - $78,429).

Accounts receivable balances at September 30, 2015 were outstanding from companies with common directors in the amount of $157,723 (2014 - $75,977)

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties. Note 8 and 14 also provide information on related party transactions.

13. Capital Disclosures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its potash properties and to maintain a flexible capital structure which optimises the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes cash, debt and the components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, and acquire or dispose of assets. As at September 30, 2015, the Company had not entered into any debt financing.

The Company is dependent on the capital markets as its sole source of operating capital. The Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to those markets, and by its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. However, it is subject to any regulations and rules imposed by the Toronto Stock Exchange in issuing and/or maintaining debt or equity financings. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

14. Commitments and Contractual Agreements

a) On August 1, 2007, as amended January 1, 2011 and August 1, 2013, 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 $31,667 per month plus some other 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 36 months of monthly fees plus a certain amount calculated based on bonus paid within a 12 month period at the time of termination.

b) On November 1, 2011, the Company subleased a premise located at 2010 – 11th Avenue, Regina, Saskatchewan, commencing November 1, 2011 and expiring October 31, 2016. The premise consists of 2,318 square feet of rentable area and has a minimum monthly rental fee of $3,477 plus applicable taxes.

c) The Company leased new premises located at Suite 1400 - 1111 West Georgia St., Vancouver, B.C., commencing July 1, 2014 and expiring June 30, 2019. The premise consists of 2,318 square feet of rentable area and has a minimum monthly rental fee of $34,542 plus applicable taxes. The minimum lease payments for the fiscal years ended September 30 are $414,510 per year until June 30, 2017 and $442,144 per year until June 30, 2019.

15. Financial Instruments and Risk Factors

a) Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

At September 30, 2015, certain financial instruments were recorded at fair value on the statement of financial position with changes to fair value being reported in the statement of loss, except for those investments that do not have a quoted market price in an active market, which are measured at cost. The fair value measurement of these instruments is classified according to the following hierarchy based on the amount of observable inputs available to value the instrument.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The Company's cash and cash equivalents, term deposit, and investments valued at fair value through profit or loss have been valued using Level 1 inputs. Investment in warrants has been valued using Level 3 inputs. The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at September 30, 2015 as follows:

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

15. Financial Instruments and Risk Factors (Continued)

a) Fair values (Continued)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	$ 87,235,606	$ -	$ -	$ 87,235,606
Term deposit	100,000	-	-	100,000
Investments	605,423	-	71,922	677,345
	$ 87,941,029	$ -	$ 71,922	$ 88,012,951

b) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, term deposits, accounts and other receivables, loan receivable and investment. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents and term deposits are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Management believes that the credit risk concentration with respect to financial instruments above is remote.

c) 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 September 30, 2015, the Company had cash and cash equivalents balance of $87,235,606 to settle current liabilities of $2,505,732. 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 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.

d) 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.

i) 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.

15. Financial Instruments and Risk Factors (Continued)

a) Market risk (Continued)

ii) Foreign currency risk

The Company's functional currency for the parent company and its subsidiaries is the Canadian dollar and major expenditures are transacted in Canadian dollars.

iii) Commodity price risk

The Company is exposed to commodity price risk. 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. 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 if commercial quantities of potash are produced in the future, a profitable market will exist for them. A decline in the market price of potash may also result in the Company reducing 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 September 30, 2015. 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.

16. Segmented Information:

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

17. Income Taxes:

A reconciliation of income taxes computed at the statutory rate with the reported income taxes is as follows:

	2015	2014
Statutory tax rate	**26.0%**	26.0 %
Loss for the year	**$ (6,007,852)**	$ (6,253,652)
Income tax recovery at statutory rates	**(1,562,042)**	(1,625,950)
Net adjustments for amortization and other non-deductible items	**(396,295)**	187,312
Expected income taxes recovery	**(1,958,337)**	(1,438,638)
Effect of tax rate changes and estimates	**-**	(483,821)
Current and prior tax attributes not recognized	**1,958,337**	1,922,459
	$ -	$ -

WESTERN POTASH CORP.
Notes to Consolidated Financial Statements
September 30, 2015

17. Income Taxes: (Continued)

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2015	2014
Non-capital and capital losses carried forward	**$ 12,156,162**	$ 10,624,637
Cumulative exploration and development expenditures	**2,228,084**	2,228,107
Others	**730,018**	303,184
Unrecognized deferred tax assets	**(15,114,264)**	(13,155,928)
Total Deferred Tax Assets	$ -	$ -

At September 30, 2015, the Company has non-capital losses carried forward for Canadian income tax purposes totalling approximately $46,000,000, which will expire through to 2035 and may be applied against future taxable income. The Company also has approximately $76,000,000 of exploration and development costs which are available for deduction against future income for tax purposes.

At September 30, 2015, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

18. Contingencies

By an agreement dated January 14, 2013, the Company retained UBS Securities Canada Inc. ("UBS") to provide certain services. That agreement provided for various potential payments from the Company to UBS if specific triggering events occurred. It was the position of the Company that none of the triggering events has occurred and that no amount was payable to UBS. However, by letter dated September 10, 2013 counsel for UBS asserted that a fee of $2,500,000 was due to UBS. On May 25, 2015, UBS filed a lawsuit against the Company before the Ontario Superior Court of Justice claiming fees, disbursements and damages in connection with this agreement. On November 19, 2015, the Company and UBS resolved this matter.

By an agreement dated September 1, 2010, the Company retained Lockwood Financial Ltd. ("Lockwood") to provide certain services. That agreement provided for various potential payments from the Company to Lockwood if specific triggering events occurred. Notice of civil claim was filed by Lockwood on June 2, 2015, but it was not served as at September 30, 2015. Lockwood seeks a payment in an amount of $1,439,056 for a success fee and additional service fee owing in relation to an initial investment of $31,979,022. It is the position of the Company that none of the triggering events has occurred and that no amount is currently payable to Lockwood. The Company, in consultation with legal counsel, assesses the claim of Lockwood to be weak. Whether any future entitlement will arise in favour of Lockwood will depend upon whether future events occur which might trigger a fee entitlement for Lockwood. Any settlement will be reflected as a charge to operations in the year occurred. No provision for possible loss has been included in these consolidated financial statements.