(Formerly: Western Potash Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended

September 30, 2017

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FOR THE YEAR ENDED SEPTEMBER 30, 2017

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations for Western Resources Corp. ("the Company" or "WRX", formerly "Western Potash Corp.") for the year ended September 30, 2017. It has been prepared as of December 8, 2017 and includes financial and other information up to the date of this report. The MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company for the year ended September 30, 2017. All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS"), and all dollar amounts are expressed in Canadian dollars.
For additional information, readers should also refer to Company information filed on www.sedar.com.

Forward Looking Statements

The following MD&A contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding mineral resource estimates, exploration results, potential mineral resources, potential mineralization and future plans and objectives of the Company are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, risks related to the exploration stage of the Company's mineral properties, uncertainties relating to the availability and costs of financing needed in the future, the possibility that future exploration results will not be consistent with the Company's expectations, changes in equity markets, changes in commodity prices, failure to establish estimated mineral resources (the Company's mineral resource figures are estimates and no assurances can be given that the indicated levels of potash will be produced), fluctuations in currency exchange rates, inflation, political developments, changes to regulations affecting the Company's activities, delays in obtaining or failure to obtain required project approvals, the uncertainties involved in interpreting geological data , the other risks involved in the mineral exploration business, and uncertainties and market price fluctuation of real estate investment industry. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Description of Business

Western Resources Corp. ("the Company") was incorporated on January 16, 2017 by Western Potash Corp. ("Western Potash") under the British Columbia Business Corporations Act.

On March 31, 2017, Western Potash completed a corporate reorganization by way of a court approved plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") with the

Company, pursuant to which the Company has acquired all of the issued and outstanding common shares of Western Potash and Western Potash has become a wholly-owned subsidiary of the Company.

Under the terms of the Arrangement, all security holders of Western Potash (common shares and stock options) received 0.2 common shares or 0.2 stock options of the Company respectively for each one (1) Western Potash common share or stock option held. The Arrangement was approved by the Western Potash shareholders at its annual general and special shareholder's meeting on March 9, 2017.

Upon completion of the Arrangement, the Company owns 100% of the outstanding shares of Western Potash which is a development stage potash company focused on building a mine at its 100% owned Milestone property (the "Milestone Project"). On April 5, 2017, the common shares of Western Potash were delisted by the Toronto Stock Exchange and the common shares of the Company commenced trading under the symbol WRX.

As there was no change in ownership in the assets and liabilities of Western Potash resulting from the reorganization, the Company has accounted for the corporate reorganization as a common control transaction and used a continuity of interests basis for accounting for the transaction, where the assets, liabilities and equity of Western Potash have been carried over to the Company based on their respective book values at the time of the reorganization. Accordingly, the Company's consolidated financial statements include the financial position, results of operations, changes in equity and cash flows based on the historical accounting records of the Western Potash for periods prior to April 1, 2017 and the actual results of the Company from April 1, 2017 to September 30, 2017. Comparative figures for 2016 have been presented which represent Western Potash's financial amounts prior to the reorganization. All stock options, common share and per share amounts in this MD&A have been adjusted to give retroactive effect to the effective 5 to 1 share consolidation resulting from the Arrangement.

The Company is primarily a mineral exploration company engaged in the acquisition, evaluation, exploration and development of potash mineral properties in Western Canada. Its potash properties are located in Southern Saskatchewan. The Company's objectives are to discover, define and develop a world-class potash deposit. The Company currently has no mineral production that yields any revenues.

In fiscal year ended September 30, 2017, to increase the return on cash assets before cash assets are used to advance Phase I of the Milestone Project, the Company invested excess funds in real estate development in the greater Vancouver area.

Overview

The global demand for potash is still expected to increase as potash is one of three basic nutrients which is essential for crop yield and quality. As the global population grows and the amount of arable land decreases, the use of fertilizers is also expected to increase correspondingly. The average annual demand for potash in the past three years was more than 60 million tons. In the past decade, the annual compound fertilizer growth rate has been approximately 1.5%. According to Integer market research report, in addition to current annual demand of more than 60 million tons, the new annual incremental demand is estimated to be about 1.6 million tons, and continuous positive compound growth trend is expected into the next decade. Per Integer 2017 potash industry analysis, with the added demand from fast economic growing areas such as Brazil, China, Southeast Asia etc., the potash demand by 2026 is expected to exceed 75 million tons annually.

On the supply side potash production capacities are still growing and those with low production cost still have a relatively large competitive advantage. Currently there are many potash brownfield expansion projects and proposed greenfield projects. Expansion projects from existing potash suppliers will maintain and increase market share, but it is expected this will result in the replacement of some high cost producers. For example, the K+S Potash Canada Legacy project in Saskatchewan started operation on June 12, 2017, and Mosaic's K3 expansion will increase production. In the next few years, more greenfield projects may come online, including Eurochem's two new potash projects and potentially BHP's Jansen project. These large-scale greenfield and brownfield potash projects could lead to further overcapacity for a period of time. Industry concentration will decrease and product prices are not expected to increase in the short term.

However, the potash market history over the past few decades has shown that global potash excess capacity is normal. By taking advantage of the industry's high concentration of the potash producers, the main potash suppliers can manage supply and demand, and ease the potash market competitive pressure. In the future, the industry's self-discipline might also be affected by new investors, but we believe that competition will primarily occur among high-cost potash suppliers. In addition to differences in potash resources and the differences in national taxes, the cost of production varies widely among suppliers and Saskatchewan is one of the best regions to operate in. Thus, the Company believes even in this competitive market there is an opportunity for an innovative potash producer, as long as the operating costs are low and the right marketing strategy is adopted.

The Company is a development stage potash company focused on building Canada's most efficient potash solution mine at its 100% owned Milestone property located 35 kilometers southeast of Regina, and 75km southeast of Mosaic's Belle Plaine Mine, one of the largest producing potash solution mines in the world. The Company intends to develop a world-class potash deposit in an ecologically sustainable, economically efficient and socially responsible manner.

The Company has significantly de-risked and advanced the full scale 2.8 million tonnes per year ("Mtpy") of muriate of potash ("MOP") Milestone Project by completing multiple Resource and Reserve Estimates (2010, 2011, 2012, and 2013), a Scoping Study (2011), a Prefeasibility Study (2011), and a Feasibility Study (2012) on the Milestone Project. The Company received Environmental Assessment Approval from the Government of Saskatchewan (2013).

Given the current downturn in the global potash sector, the Company refocused on a Pilot Plant Scale Selective Solution Mining Operation ("Phase I Project") on the Milestone Project with a planned capacity of 146,000 Mtpy of MOP. The Phase I Project allows the Company to effectively exploit the Milestone asset through reduced targeted levels of potential production, using innovative selective potash solution mining techniques, while projecting reduced capital expenditures ("CAPEX") and competitive operating expenditures ("OPEX"). The Company has completed a Scoping Study (2015), Resource and Reserve Estimates (2015), and and received approval to an initial amendment to the Environmental Assessment (2015) for the Phase I Project. Detailed engineering with AMEC Foster Wheeler ("AMEC") and AGAPITO Associates ("AGAPITO") for a 'Pilot Project' Selective Potash Solution Mining facility was completed at the end of 2016. The report provides a full scope of engineering and procurement services as well as a Class 3 (+/- 10%) Capital Cost Estimate and Operating Cost Estimate in advance of the Company's construction decision for the Phase I Project. The Company received an additional approval on June 6, 2017 from the Saskatchewan Ministry of Environment for the changes arising from the detailed engineering for the Phase I Project

CAPEX to design, construct and commission the Phase I Project as described in the AMEC report is $88.3 million (estimate date December 2016); which equals to a competitive unit Capital Intensity per tonne of $604. The $88.3 million CAPEX represents the costs associated with constructing the project under an

EPCM contract and satisfies American Association of Cost Engineering ('AACE') Class 3 requirements at an accuracy of +/- 10%. In the EPCM scenario, the Company would assume all risk (Owners Cost Risk) for cost increases beyond contingency allocation. The Pilot Plant is designed to produce standard potash. Given the small annual production capacity of 146,000 tons for the Phase I Project, the Company has completed market research, consulted with stakeholders and decided to add a compacting facility to produce granular potash and sell the products in the North American Market to earn a higher gross margin. The addition of the compacting facility will increase estimated CAPEX by another $10 million.

The OPEX estimate for the Phase I Project was developed by AMEC in conjunction with the Company. The plant site OPEX is estimated to be $82.39 per tonne of product (2016 estimate). This estimate does not include costs associated with product transportation and delivery from the site to the customers. The OPEX will increase slightly due to the addition of the compacting facility.

The majority shareholders of the Company are confident in stable sale of the pilot project's production, and believe that the low-cost competitive advantage will be maintained. If this can be demonstrated at a Pilot Plant scale, then the management is confident economies of scale will position Phase II and III (expansion of 1.4 million tonnes per year each phase) very favorably in comparison to other producers. China BlueChemical ("CBC") is one of the four potash importers in China and a strategic shareholder in the Company. The Company has a non-exclusive off-take agreement for one-third (1/3) of the Phase II and III (2.8 million tonnes per year "Mtpy") production with CBC, and a signed letter of intent to purchase all of the production from the Phase I Project. While this backstops the Phase I Pilot plant sales, the Company is also actively developing the potash market in Southeast Asia and North America to improve future profitability of the Phase I Project. The Company has been in discussion with a local Saskatchewan logistic company and a US based fertilizer distributor about an off-take agreement to sell the Company's future granular products in Canada and US.

The Company is working towards optimizing the project execution plan and continuing to minimize potential risks associated with the Phase I Project. In November 2012, the City of Regina ("the City") and Western Potash entered into an agreement that allowed the City to provide Western Potash with access to recycled wastewater for the original 2.8 Mtpy primary and secondary potash solution mining project. The revised project plan utilizes the Selective Solution Mining methodology and requires substantially less water than the original plan. Therefore, the City and Western Potash renegotiated the key commercial terms of the original agreement. The renegotiated terms better reflect the amount of water that Western Potash requires for the Selective Solution Mining methodology. For the Phase I Project, Western Potash proposes to use brackish groundwater. Recycled wastewater from the City is proposed for the 1.4 Mtyp and 1.4 Mtpy Phase II and Phase III projects. The renegotiated terms of the agreement were approved at the City's council meeting on October 30, 2017.

In May 2015, the Rural Municipality of Lajord ("RM of Lajord") and Western Potash entered into a "Development Agreement" for the construction and operation of the original 2.8 Mtpy Primary and Secondary potash solution mining project. Given the revised technology and rescoped project, an amendment to the Development Agreement with the RM of Lajord was undertaken. The amended agreement covers the construction and operation of the Phase I Project and usage of RM of Lajord roads. The amended agreement was signed in August 2017 and compliments the existing Development Agreement.

The Company continues to actively engage the community and Saskatchewan government, including community newsletters, sponsorships and is very encouraged by the continued broad support for the project. During the year, the Company has actively looked to invest excess cash funds to earn a higher rate of return. The Company has identified several partners in the real-estate development business, in Vancouver and

Toronto. The Company has partnered with Formwerks Boutique Investments Ltd.(Formwerks), an award-winning firm with a portfolio of over 600 custom single-family homes and townhouses in the Greater Vancouver area. The Company has set up three limited partnerships with Formwerks to develop real estate projects in Greater Vancouver area. So far, the Company has invested approximately $10.6 million in real estate projects. This new initiative is an expanding of investment portfolio into other areas following the recent corporate restructuring in order to increase the return on the cash assets before it is used to fund the full construction of the Phase I Project.

Selected Annual Information

The following table presents financial information for the years ended September 30, 2017, September 30, 2016 and September 30, 2015.

	For the Year Ended September 30, 2017	For the Year Ended September 30, 2016	For Year Ended September 30, 2015
Total revenues	$ -	$ -	$ -
Interest income	1,169,748	1,206,723	266,131
Net loss and comprehensive loss	1,198,565	5,386,663	6,007,822
Basic and diluted loss per share	0.01	0.06	0.06
Total assets	148,441,474	149,777,324	158,133,263
Total current liabilities	161,691	298,976	2,505,732
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

For the year ended September 30, 2017, the Company had net loss and comprehensive loss of $1,198,565 compared to a net loss and comprehensive loss of $5,386,663 for the year ended September 30, 2016. The Company's operating expenses decreased $3,739,467 for the year ended September 30, 2017 primarily due to decreases in consulting and rent expenses which decreased $3,552,777 and $169,248 respectively. The significant decrease in consulting and rent expenses is due to significant severance payments made in the year ended September 30, 2016 and more sublease income in the year ended September 30, 2017, respectively. Accounting fees, investor relations expenses, telephone and travel expenses decreased slightly for the year ended September 30, 2017. Since the completion of the pilot study, the Company has continued to decrease most of its discretionary spending as the Company transitions from the exploration stage to the development stage of its mining operations and it focuses spending on the development of its Milestone Project. However legal fees and filing and regulatory fees increased as result of the corporate reorganization and the investment activities in real estate industry. Other income and expenses improved for the year ended September 30, 2017 to income of $1,037,277 compared to an income of $588,646, an improvement of $448,631 primarily due to less losses on disposal of financial investments and impairment losses on accounts and loans receivable.

For the year ended September 30, 2016, the Company had net loss and comprehensive loss of $5,386,663 compared to a net loss and comprehensive loss of $6,007,822 for the year ended September 30, 2015. Although the Company's operating expenses increased $775,696 for the year ended September 30, 2016, this was due to increases in consulting and rent expenses which increased $2,018,713 and $281,329 respectively. The increase in consulting expenses is the result of significant severance payments made during the year ended September 30, 2016. All other components of operating expenses decreased for the year ended September 30, 2016. Since the completion of the pilot study, the Company has continued to decrease most of its discretionary spending as the Company transitions from the exploration stage to the development stage of its mining operations and it focuses spending on the development of its Milestone Project. Other income and expenses improved for the year ended September 30, 2016 to income of $588,646 compared to a loss of $808,239, an improvement of $1,396,885 primarily due to the increase in interest income of $940,592 resulting from higher cash and term deposit positions from the September 17, 2015 issuance of 48,081,900 common shares for aggregate gross proceeds to the Company of $80,729,510.

Review of Annual Financial Results

Net Loss and Comprehensive Loss

During the year ended September 30, 2017 the Company incurred a net loss and comprehensive loss of $1,198,565 ($0.01 per common share) as compared to a net loss and comprehensive loss of $5,386,663 ($0.06 per common share) for the year ended September 30, 2016.

Operating expenses

Operating expenses decreased by $3,739,467 to $2,235,842 for the year ended September 30, 2017 from $5,975,309 for the year ended September 30, 2016 primarily due to decreases in consulting and rent expenses which decreased $3,552,777 and $169,248 respectively. Accounting fees, investor relations expenses, telephone expense, and travel expenses also decreased for the year ended September 30, 2017.

Consulting fees decreased by $3,552,777 to $960,423 for the year ended September 30, 2017 from $4,513,200 for the year ended September 30, 2016 as there were no significant severance payments in the year ended September 30, 2017.The restructuring of key management staff in the year ended September 30, 2016 resulted in several significant severance payments.

Rent expense decreased by $169,248 to $431,362 for the year ended September 30, 2017 from $600,610 for the year ended September 30, 2016 due to more office space available for sublease after the termination of senior management positions in 2016, and hence more sublease rent recoveries.

Accounting fees decreased by $17,122 to $76,038 for the year ended September 30, 2017 from $93,160 for the year ended September 30, 2016 due to reduction in the use of external accounting services.

Filing and regulatory fees increased $33,103 to $101,750 for the year ended September 30, 2017 from $68,647 for the year ended September 30, 2016 due to corporate reorganization in April 2017. Legal fees increased $66,849 to $192,723 for the year ended September 30, 2017 from $125,874 for the year ended September 30, 2016. These expenses increased due to the corporate reorganization activities and the Company's investment in real estate industry.

Salaries wages and benefits increased by $9,567 to $132,517 for the year ended September 30, 2017 from $122,950 for the year ended September 30, 2016 due to increased wage cost of one newly hired employee exceeding the saved wage cost of one terminated employee. Investor relations decreased by $18,063 to $43,996 for the year ended September 30, 2017 from $62,059 for the year ended September 30, 2016 due to more strict control on investor relations expenses.

Office and miscellaneous expenses decreased by $39,008 to $142,079 for the year ended September 30, 2017 from $181,087 for the year ended September 30, 2016. Travel expenses decreased by $48,630 to $63,659 for the year ended September 30, 2017 from $112,289 for the year ended September 30, 2016. Telephone expense decreased by $5,412 to $26,917 for the year ended September 30, 2017 from $32,329 for the year ended September 30, 2016. Those expenses decreased because the management implemented more effective budget control over discretionary expenditures.

Other Income and Loss

Interest income decreased by $36,975 to $1,169,748 for the year ended September 30, 2017 from $1,206,723 for the year ended September 30, 2016 due to the decrease of its cash and term deposits resulting from project development expenditures and investments in real estate projects.

Losses on financial investments decreased by $242,855 to $26,785 for the year ended September 30, 2017 from $269,640 for the year ended September 30, 2016. The decrease is attributed to the Company's disposal of most of its investments in 2016. During the year ended September 30, 2017, the losses represent the fair market value decrease of remaining financial investments, which were valued at $67,510 as at September 30, 2017 compared to $94,295 as at September 30, 2016.

Impairment of accounts and loans receivable decreased by $242,751 to $105,686 for the year ended September 30, 2017 from $348,437 for the year ended September 30, 2016 due to large write-down of accounts and loans receivable during prior year.

Summary of Quarterly Results

The following table reports selected financial information for the 8 most recent quarters.

	Three months ended September 30, 2017	Three months ended June 30, 2017	Three months ended March 31, 2017	Three months ended December 31, 2016
Other income (expense)	$ 183,342	$ 279,640	$ 288,804	$ 285,491
Operating Expenses	649,797	703,346	466,695	416,004
Net Loss & Comprehensive Loss	(466,455)	(423,706)	(177,891)	(130,513)
Loss per share – basic and diluted	(0.005)	(0.005)	(0.002)	(0.001)

	Three months ended September 30, 2016	Three months ended June 30, 2016	Three months ended March 31, 2016	Three months ended December 31, 2015
Other income (expense)	$ (138,439)	$ 283,431	$ 404,904	$ 38,750
Operating Expenses	1,673,743	1,241,743	1,731,575	1,328,248
Net Loss & Comprehensive Loss	(1,812,182)	(958,312)	(1,326,671)	(1,289,498)
Loss per share – basic and diluted	(0.02)	(0.01)	(0.01)	(0.01)

The Company's net loss and comprehensive loss for the fourth quarter of fiscal 2017 increased to $466,455 from a net loss and comprehensive loss of $423,706 for the third quarter of fiscal 2017. Operating expenses decreased to $649,797 during the fourth quarter from $ 703,346 for the third quarter of fiscal 2017. The decrease in operating expenses is primarily attributed to a decrease in legal fees due to less required legal services in the fourth quarter. Increase in net loss and comprehensive loss is primarily due to a recognition of impairment loss of accounts and loans receivable in the fourth quarter. Other income (expense) for the fourth quarter of fiscal 2017 decreased to an income of $183,342 compared to an income of $279,640 for the third quarter of fiscal 2017 due to the recognition of impairment of accounts and loans receivables from Amarillo Gold Corp and Roundtable Resources Ltd. of $100,102 in the fourth quarter of 2017.

The operating expenses in the four quarters of fiscal year 2016 are basically consistent in the range of approximate $1.24 million to $1.73 million. However, the operating expenses of the four quarters for the year ended September 30 ,2017 are much lower in the range of approximate $416,000 to $703,000 primarily due to much smaller size of employee and consultant team in the year ended for September 30, 2017 as a result of management position restructuring. Similarly, net loss and comprehensive loss for the four quarters of the year ended September 30, 2017 is much lower than those of four quarters of previous fiscal year. Accordingly, the loss per share – basic and diluted for the four quarters of the year ended September 30, 2017 ranging from $0.001 to $0.005 per share is significantly lower than those of the four quarters of the year ended September 30, 2016 ranging from 0.01 to 0.02 per share.

Review of Fourth Quarter Financial Results

Net Loss and Comprehensive Loss

Net loss and comprehensive loss for the three months ended September 30, 2017 was $ 466,455 compared to a net loss and comprehensive loss of $1,812,182 for the three months ended September 30, 2016, a decrease of $1,345,727.

Operating expenses

Operating expenses decreased by $1,023,946 to $649,797 for the three months ended September 30, 2017 from $1,673,743 for the three months ended September 30, 2016 due to significant decreases in consulting fees as there were more consultants working for the Company and significant severance payments for the three months ended September 30, 2016 compared to fewer consultants working for the Company and $84,000 severance pay for the three months ended September 30, 2017. Most of the other significant components of operating expenses decreased in comparison to the prior year. However, investor relations expense, salaries, wages and benefits and travel expenses increased.

Consulting fees decreased by $407,462 to $960,423 for the three months ended September 30, 2017 from $1,367,885 for the three months ended September 30, 2016 as there were more consultants working for the Company and significant severance payments as a result of restructuring of key management positions for the three months ended September 30, 2016 compared to fewer consultants working for the Company and $84,000 severance pay for the three months ended September 30, 2017.

Rent expense decreased by $50,358 to $96,363 for the three months ended September 30, 2017 from $146,721 for the three months ended September 30, 2016 due to the termination of a few key management positions in 2016 resulting in more vacant office space and thus more sublease rent recoveries.

Accounting expense decreased by $5,702 to $13,908 for the three months ended September 30, 2017 from $19,610 for the three months ended September 30, 2016 due to a reduction of external accounting services.

Filing and regulatory fees expense decreased by $573 to $3,111 for the three months ended September 30, 2017 from $3,684 for the three months ended September 30, 2016. Legal expense decreased by $680 to $32,752 for the three months ended September 30, 2017 from $33,432 for the three months ended September 30, 2016. The changes in the filing and legal expenses are insignificant and normal fluctuation.

Salaries, wages and benefits increased by $24,423 to $52,741 for the three months ended September 30, 2017 from $28,318 for the three months ended September 30, 2016. Investor relations increased by $6,041 to $7,313 for the three months ended September 30, 2017 from $6,041 for the three months ended September

30, 2016. These expenses increased due to the newly hired project manager for the real estate investments and more financing activities to attract potential investors for Phase I Project.

Office and miscellaneous expenses decreased by $10,773 to $27,152 for the three months ended September 30, 2017 from $37,925 for the three months ended September 30, 2016 due to fewer employees and consultants as a result of the termination of key management positions in 2016. Travel expenses increased by $26,436 to $31,517 for the three months ended September 30, 2017 from $5,081 for the three months ended September 30, 2016 due to more activities in financing, real estate investment and advancing Phase I project.

Other Income and Loss

Interest income increased by $87,121 to $284,746 for the three months ended September 30, 2017 from $197,625 for the three months ended September 30, 2016 primarily due to the increased rate on term deposit and much higher rate on a land acquisition loan to a real estate limited partnership where the Company is a limited partner.

Unrealized loss on investments increased by $85,934 to a loss of $1,302 for the three months ended September 30, 2017 compared to an unrealized gain of $84,632 for the three months ended September 30, 2016. The increase in unrealized loss on investments is due to the fact most of the investments had been gone in current fiscal year and a positive adjustment of fair market value of investment was recorded for the 3 months ended September 30, 2016.

Impairment of accounts and loan receivable decreased by $320,594 to $100,102 for the three months ended September 30, 2017 from $420,696 for the three months ended September 30, 2016 due to the significant impairment of 90% of its loan and rent receivables from Red Oak Mining Corp in previous fiscal year.

Liquidity and Capital Resources

Cash Resources and Liquidity

As at September 30, 2017, the Company had cash and cash equivalents of $1,606,813, term deposits of $54,724,469 and working capital (current assets less current liabilities) of $60,408,708 compared to cash and cash equivalents of $ 1,759,558, term deposits of $69,006,441 and working capital of $71,494,835 as at September 30, 2016. The Company has no debt or other long term obligations outstanding impacting liquidity or future cash flows. The Company is in the development stage of a potash mine as at September 30, 2017.

Future cash requirements depend primarily on the stage and the extent of development the Company is planning to implement and the short term investment opportunities in real estate industry as well. Subsequent development programs will depend on the cost and duration of work planned and on the results from previous programs. As of the date of this report, the Company is sufficiently funded to develop and maintain its current properties and fund its operating expenses for the next year.

The recoverability of amounts shown for mineral property and development costs is dependent upon the ability of the Company to obtain necessary financing to complete the development and upon future profitable production from the Milestone Projects. At September 30, 2017, the Company had no other sources of revenues except for interest income. The Company has incurred operating losses since its inception and expects to incur further losses during the development and construction of the Milestone Project. Although the Company believes that its current cash and working capital position is sufficient to fund mine development costs, real estate investments, and general and administrative expenses in the next twelve months, the Company may require additional equity or debt financing beyond that to fund the completion of the construction of a pilot plant at the Milestone Phase I Project and general and administrative expenses and other obligations until commissioning of the plant. In the longer term, additional financing may be required to expand the mining operation at the Milestone Project if the cash flows of the Phase I Project are not sufficient to fund such expansion. Furthermore, as the Company has not yet commenced construction or commissioning of the pilot plant, there are no guarantees that the pilot plant will operate as expected, if at all, or that the Company will be able to complete construction of the plant on time and on budget. Material cost overruns may also require additional financing. 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.

Financing Activities

The Company has raised approximately $220 million since its inception, net of issuance costs, through non-brokered private placements of common shares, exercise of warrants, exercise of compensation options and its Initial Public Offering.

In the year ended September 30, 2017, the Company signed four Finder's Fee Agreements with four experienced professional financial advisors (two of which are directors of the Company) to seek out and attract potential investors to finance Phase I Project. Successful advisors will receive a finder fee. There are no guarantees that any of them will be successful.

The Company also discussed with a Chinese bank and a Chinese construction company for a possible construction loan for the Phase I project. On November 17, 2017, the Chinese bank issued a Letter of Intent to the Company indicating that the Chinese bank will consider providing financing for the Milestone Potash Phase I project under certain conditions. There is no guarantee that the Chinese Bank will finance the Phase I Project.

Investment Activities

Mineral properties and mine development costs totaled $81,387,736 as at September 30, 2017, compared to $77,303,565 as at September 30, 2016. The increase reflects the Company's development activities at its Milestone property in Saskatchewan, where $4,084,171 in development costs were incurred during the fiscal year ended September 30, 2017.

Investments in common shares and warrants had a fair value of $67,510 and $94,295 as at September 30, 2017 and September 30, 2016 respectively. During the fiscal year ended September 30, 2017, there were no purchases or disposals of common shares and warrants.

During the year ended September 30, 2017, to increase return on its excess cash and cash equivalents and term deposits, the Company entered into a number of arrangements with Formwerks Boutique Investments Ltd. (Formwerks), a Vancouver based real estate development company, to develop real estate projects.
The Company's newly incorporated, wholly owned subsidiary Western Garden Properties Corp. ("Western Garden"), signed a shareholder agreement with Formwerks to set up FB Burrard Development Ltd. ("FB Burrard"). Western Garden and Formwerks each own a 50% voting interest in FB Burrard. Amongst other things, the shareholder agreement requires unanimous consent by Western Garden and Formwerks for

decisions related to all relevant activities of FB Burrard. Accordingly, the Company has concluded that it jointly controls FB Burrard with Formwerks.

FB Burrard is the general partner of FB Burrard Development Limited Partnership ("FB Burrard LP"). The Company's wholly owned subsidiary Western Potash and Formwerks are the limited partners of FB Burrard LP with Western Potash initially contributing 80% of the equity contributions to FB Burrard LP. FB Burrard LP is in the business of developing a real estate project on 16th Avenue in Vancouver, British Columbia. Pursuant to the limited partnership agreement between FB Burrard, Western Potash and Formwerks, FB Burrard controls decisions related to all relevant activities of FB Burrard LP. Cash flow from FB Burrard LP will be distributed to the Partners initially according to their respective capital contributions until the initial capital contribution has been recovered and a specified rate of return on funds invested has been achieved. Subsequent distributions to Western Potash are limited to 60% of the profit, as defined in the agreement. Western Potash has made capital contributions of $4,800,000 to September 30, 2017. On November 6, 2017, Western Potash made an additional capital contribution of $120,000.

Western Potash and Formwerks are obligated to fund 80% and 20%, respectively, of FB Burrard LP's development and construction costs not financed by bank financing obtained by FB Burrard LP's and any cost over runs. However, the aggregate amount which the limited partners are required to contribute to the Partnership in the form of capital contributions will not exceed $6,500,000. If FB Burrard LP needs further funding, the limited partners, have the right but not the obligation to loan funds to FB Burrard LP.

Western Garden and Western Potash entered into a similar arrangement with Formwerks to develop a real estate project in New Westminster, British Columbia. Western Garden and Formwerks jointly control FB Eighth Development Limited ("FB Eighth"), the general partner of FB Eighth Development Limited Partnership ("FB Eighth LP") in which Western Potash and Formwerks have an 80% and 20% interest, respectively.. FB Eighth controls decisions related to all relevant activities of FB Eighth LP. Cash flows from FB Eighth LP will be allocated similar to that of FB Burrard LP as described above. Western Potash and Formwerks are obligated to fund 80% and 20%, respectively, of FB Eighth LP's development and construction costs not financed by bank financing obtained by FB Eighth LP and any cost over runs. The aggregate amount which the limited partners are required to contribute to FB Eighth LP in the form of capital contributions will not exceed $5,500,000. If FB Eighth LP needs further funding, the limited partners, have the right but not the obligation to loan funds to FB Eighth LP. Western Potash has made capital contributions of $1,059,391 to September 30, 2017. On November 2, 2017, Western Potash made additional capital contribution of $250,000.

Subsequent to September 30, 2017, Western Garden and Western Potash entered into a third similar arrangement with Formwerks to develop a real estate project in Coquitlam, British Columbia. The Company invested a total of $4,772,817 for its 80% interest in FB Robinson Development Limited Partnership ("FB Robinson LP") in which FB Robinson Development Limited ("FB Robinson") is the general partner, and Western Potash and Formwerks are the limited partners. Western Gardens and Formwerk jointly control FB Robinson. Cash flows from FB Robinson LP will be allocated similar to that of FB Burrard LP as described above. The aggregate amount which the limited partners are required to contribute to FB Robinson LP in the form of capital contributions will not exceed $8,500,000. If FB Robinson LP needs further funding, the limited partners, have the right but not the obligation to loan funds to FB Robinson LP.

Additional Disclosures

Segmented Information:

The Company operates in two reportable operating segments, being the acquisition, exploration and development of mineral properties in Canada and the investment in real estate projects in Canada. Segmented information is as follows:

September 30, 2017	Mineral Properties	Real Estate	Total
Interest income	$ 1,131,938	$ 37,810	$ 1,169,748
Operating expenses	2,186,966	48,876	2,235,842
Net income (loss)	(1,187,499)	(11,066)	(1,198,565)
Investment in associates	-	5,859,391	5,859,391
Total assets	138,589,999	9,851,475	148,441,474
Total liabilities	161,691	-	(161,691)
Additions to non-current assets	4,028,171	5,859,391	9,887,562

For the year ended September 30, 2016, the Company only had one operating segment, the mineral properties segment.

Related Party Transactions

(a) Payments to key management personnel

The Company's key management personnel include the Company Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and members of the Board of Directors. Payments to key management personnel are included in consulting fees on the consolidated statement of loss and comprehensive loss and mineral property and development costs as follows:

	2017	2016
Consulting fees:		
Compensation	**$ 620,750**	$ 774,000
Bonus	**3,500**	160,500
Contract re-negotiation and termination fees	**84,000**	2,380,000
	708,250	3,314,500
Capitalized payments:		
Compensation	**346,250**	741,000
Bonus	**10,500**	549,500
	356,750	1,290,500
	$ 1,065,000	$ 4,605,000

(b) Other related party transactions

The Company also charged rent totaling $50,775 (2016 - $60,433) to Companies related by common directors for shared office space.

Accounts payable at September 30, 2017 include amounts outstanding to directors and companies in which directors are shareholders in the amount of $20,000 (2016 - $57,000).

Accounts receivable at September 30, 2017 include amounts outstanding from companies with common directors in the amount of $69,892 (2016 - $70,006).

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

Commitments and Contractual Obligations

The Company leased 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 13,817 square feet of rentable area and has a minimum monthly rental fee of $34,542 plus applicable taxes. The minimum annual lease payments are $414,510 per year until June 30, 2017 and $442,144 per year thereafter until June 30, 2019.

The Company entered into a water supply agreement dated November 15, 2012 with the City of Regina with a term of 44 years and which would have required fixed payment for water usage at a rate of $0.25/cubic meter (increasing by 1% annually) multiplied by a fixed annual volume as prescribed in the agreement. Upon signing of the agreement, the Company paid $500,000 which was creditable against future usage charges should usage have begun by January 1, 2017. If usage had not commenced by that date, the Company would have been required to pay an additional $200,000 annually until usage commenced. On October 30, 2017, the Regina City Council approved amendments to the agreement. The amended agreement stipulates that the City of Regina will provide Western Potash a preferential right to access a maximum of up to 25,000 cubic meters of water at a rate of $0.2628/cubic meter (increasing by a multiplier every year) per day of recycled water for an agreed term of 40 years from the start of water flow. Also, the Company is required to pay a one-time Commitment fee of $200,000 upon signing of the agreement and pay an annual standby fee of $100,000 commencing in 2018 until the earlier of December 31, 2025 or the date water usage commences. Half of the commitment fee and standby fee will be credited against the annual water usage fees if water usage commences on or before December 31, 2025. All standby fee payments and credits will be inflated annually by a multiplier. If the Company does not commence usage on or before December 31, 2025, all credits accrued until that date will no longer be creditable against the annual usage fees. Furthermore, the Company will be required to pay a standby fee of $500,000 annually after December 31, 2025 until the earlier of the date water usage commences and the term of the agreement which is defined in the agreement as 40 years after connection to the Regina water system is completed. Both the City of Regina and the Company have the option to terminate the contract on or after December 3, 2025 if usage has not commenced by that date.

The Company has entered into four separate financial advisory agreements, two of which are with directors of the Company, to seek out and introduce potential investors to the Company. Pursuant to each of these agreements, the Company is required to pay a success fee upon the completion of an equity financing equal to 4% of the amount raised up to $100,000,000 and 2% of any amounts in excess of $100,000,000. In the event the financing is in the form of debt that is subsequently converted to equity, the Company is required to pay a success fee of 1% of the amount raised up to $100,000,000 and 2% on amounts in excess of $100,000,000. The maximum amount of success fee payable is $4.2 million under each agreement.

Contingencies

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. A Notice of civil claim has been filed by Lockwood seeking a payment in an amount of $1,439,056 for a success fee and additional service fee owing. It is the position of the Company that none of the triggering events occurred and that no amount is currently payable to Lockwood. The Company, in consultation with legal counsel, assesses that it is not probable at September 30, 2017 that the claim of Lockwood will be successful and that the Company will be required to pay any amounts and no provision for possible loss has been included in the consolidated financial statements.

Off-Balance Sheet Arrangements

The Company has no off - balance sheet arrangements.

Subsequent Event

In addition to the amendment to the Water Supply Agreement with the City of Regina discussed in the section “Commitments and Contractual Obligations”, subsequent to September 30, 2017, Western Garden and Western Potash entered into an arrangement with Formwerks to develop a real estate project in Coquitlam, British Columbia. The Company invested a total of $4,772,817 in FB Robinson Development Limited Partnership (“FB Robinson LP”) in which FB Robinson Development Limited (“FB Robinson”) is the general partner, and Western Potash and Formwerks are the limited partners. Western Gardens and Formwerk jointly control FB Robinson. Cash flow from FB Robinson LP will be distributed to the Partners initially according to their respective capital contributions until the initial capital contribution has been recovered and a specified rate of return on funds invested has been achieved. Subsequent distributions to Western Potash are limited to 60% of the profit, as defined in the agreement.

The aggregate amount which the limited partners are required to contribute to FB Robinson LP in the form of capital contributions will not exceed $8,500,000. If FB Robinson LP needs further funding, the limited partners, have the right but not the obligation to loan funds to FB Robinson LP.

Critical 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 are as follows:

Valuation of loan receivable

The valuation of loan receivable is based on the discounted estimated future cash flows expected to be received. Such estimates are based on an evaluation of the financial condition of the counter party and the Company's expectations about the timing of repayment. Changes in these assumptions may result in changes to the amount of impairment loss recognized.

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

In assessing whether indicators of impairment exist, management uses judgment in assessing the impact of changes in commodity prices, discount rates and other economic factors related to the project. Management has determined that mineral properties and mine 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. Changes in these assumptions could result in an impairment loss.

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 and discount rate. In addition, the Company estimates forfeiture rates in determining the amount of share-based compensation to be recognized. Changes to these assumptions affect the fair value on the grant date and the amount of share-based payment expense in profit or loss.

Valuation of investment in associates

The Company is required to assess whether there are indicators of impairment associated with investments in associates at the end of each reporting period and if such indicators exist, recognize an impairment loss. The assessment of these indicators is based on an evaluation of the business underlying the investment. Judgments and estimates are required with respect to whether there will be a sufficient return from real estate sales in order to recover the Company's investment. An impairment charge would be based on discounted estimated future cash flows expected to be received from the investments. Such estimates are based on an evaluation of the financial condition and operation results of invested associates. Changes in these assumptions may result in an impairment charge being recognized or in changes to the amount of impairment loss recognized.

Accounting Standards Issued But Not Yet Effective

IFRS 9 - Financial Instruments ("IFRS 9").

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities and also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment. IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. The mandatory effective date of IFRS 9 for the Company is for the annual period beginning on October 1, 2018 and must be applied retrospectively with some exemptions. The Company does not intend to adopt IFRS 9 until its mandatory adoption date. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 supersedes the following standards: IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue- Barter Transactions Involving Advertising Services. IFRS 15 contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. This standard is effective for the Company for the annual period beginning on October 1, 2018. The Company does not intend to adopt IFRS 15 until its mandatory adoption date. The Company does not expect that this standard will have any impact on adoption. However, it will affect how the Company accounts for future revenue contracts when the property commences operations.

IFRS 16 - Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16 which replaces IAS 17 – Leases and its associated interpretative guidance. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The standard is effective for the Company for the annual period beginning on October 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements. The Company does not intend to adopt IFRS 16 until its mandatory adoption date. The extent of the impact of adoption of the standard has not yet been determined.

Mineral Properties

The Milestone Project is located 35 kilometers southeast of Regina, and 75 Kilometers southeast of Mosaic's Belle Plaine Mine, one of the largest producing potash solution mines in the world. The leases are adjacent to potash permits held by BHP-Billiton, Vale and the CanPacific (North Atlantic Potash- Rio Tinto JV). The Milestone Project includes more than 87,500 acres of Crown held Mineral Leases, and more than 62,000 acres of acquired Freehold Leases. The renewable, 21year Crown lease was granted by ministerial order and provides the Company with full and exclusive power and right to mine Crown owned subsurface minerals, including potash, subject to the provisions outlined by The Saskatchewan Subsurface Mineral Regulations, (1960) and The Subsurface Mineral Tenure Regulations (2015). The Company has completed the drilling of eleven potash exploration wells on the property, and purchased and acquired several-hundred line kilometers of 2D, and conducted a 3D seismic study during the exploration program.

The Company has significantly de-risked and advanced the full-scale Phase II and III 2.8 million tonnes per year Milestone Project by completing multiple Resource and Reserve Estimates (2010, 2011, 2012, and 2013), a Scoping Study (2011), a Prefeasibility Study (2011), and a Feasibility Study (2012) on the Milestone Project. The Company received Environmental Assessment Approval for the Milestone Project from the Government of Saskatchewan (2013).

The initial Milestone Feasibility Studies were designed with a specific strategic perspective: one that focused on financing and project risk reduction while maximizing value, resulting in a large tonnage, long life, mining methodology similar to that used for over forty years at Mosaic's Belle Plaine Potash Solution Mine. Finding a financial solution for the Milestone project, utilizing the 2012 feasibility work has proven to be challenging given the current potash pricing environment and the broad commodity pricing cycles inherent to the market.

Consequently, a new paradigm was required to move the Milestone Project forward to effectively exploit the Milestone asset while projecting a significantly reduced CAPEX and competitive OPEX, and potentially insulating the Company from these broad commodity and market cycles.

Thus, the project was refocused on the Phase I Pilot Plant using selective mining of the Milestone deposit, starting with a smaller, low capital cost pilot project. Included in the study is an analysis of a selective mining method relying on horizontally drilled wells selectively mining initially the Esterhazy potash member. The method of selective solution mining has been proven in industry; however, the exact mining method proposed in the Pilot Study has not to date been utilized in Saskatchewan. Other examples of producing operations employ some key aspects of the Pilot Study. Selective solution mining method include Intrepid Potash, Moab, and Utah (Potash), who employ solution mining of potash from flooded underground workings and horizontally drilled caverns.

The Phase I Pilot Study is based on a Mineral Resource (2015) in the Esterhazy member (the target mining horizon) in the study area, consisting of a Measured Resource of 7.17 million tonnes (Mt) grading 39.5% KCl, an Indicated Resource of 11.56 Mt grading 39% KCl and an Inferred Resource of 1.77 Mt grading 39% KCl. A cutoff grade of 15.8% KCl (10% K2O) was used to define the top and bottom of the target member.

The Phase I Pilot Study envisions the simultaneous operation of three pilot production caverns. The horizontally drilled wells inject a Sodium Chloride (NaCl) saturated brine having a temperature higher than the in-situ rock formation temperatures. Potassium Chloride (KCl) is then selectively dissolved within the potash formation, leaving a lattice of NaCl behind. KCl rich brines are then brought to surface through each production well. KCl recovery is achieved through delivery of the resultant KCl rich brine to a surface crystallization facility. It is estimated that such a production facility would deliver 146,000 tonnes of standard grade MOP per year with a 3 cavern layout.

Some of the advantages of the proposed methodology are:

- the capital cost will be less than for conventional solution mining;
- lower energy and greenhouse gas emissions (compared to convention solution mining);
- improved environmental benefits (no underground oil injection, less subsidence);
- the surface foot print will be reduced due to the absence of a salt tailings facility; and
- the Project will provide a scalable production facility that has the potential to be expanded to meet future market requirements and changing investment appetites.

On November 30, 2016, the Company received the final engineering report from AMEC Foster Wheeler ("AMEC") and AGAPITO Associates ("AGAPITO") for a 'Pilot Project' Selective Potash Solution Mining facility. The report provides a full scope of engineering and procurement services as well as a Class 3 (+/-10%) Capital Cost Estimate and Operating Cost Estimate in advance of the company's construction decision for the Pilot Project. Deliverables include process flow diagrams, site plans, specifications, data sheets and detailed drawings.

For the underground well and cavern design, AGAPITO provided engineering and design work following on from its involvement in the delivery of the Scoping Study for a Pilot Plant Scale Selective Solution Mining Operation dated July 2015. Agapito's design work included well trajectory, well structure, cavern layout and a production schedule for a twelve-year life of mine.

Key Highlights of the Pilot Study:

Projected Production Capacity -	146,000 tonnes per year
Capital Cost -	\$88.3 million CAD
Operating Cost -	\$82.39 CAD per tonne (excluding logistics and royalties and resource surcharges)

The AMEC Phase I Pilot Study concludes that the Milestone Project is economically viable. Successful operation of the pilot plant would support potential future feasibility studies of a larger commercial scale facility.

In September, 2015, the Company received Environmental Assessment Approval from the Saskatchewan Ministry of Environment ("SMoE") for the Phase I Project . The change in mining methodology and design proposed for the pilot plant required review under the EAA as it represented a change from the original 2013 approval. A Project Description outlining the pilot plant was submitted to SMoE in July, 2015. Following review of the Project Description, Saskatchewan Ministry of Environment concluded that the proposed change will not result in significant environmental impacts different from those identified in the original EIS and is satisfied that the requirements of the EAA have been met. Following the conclusion of the AMEC Phase I Pilot Study, a second EAA amendment was submitted on March 17, 2017 to the SMoE detailing the final engineering and seeking approval for the minor relocation of the pilot plant 1.6 kilometers to the East of the original location, and the design of the crystallizer pon. Approval was received June 6, 2017.

In November 2012, the City of Regina and Western Potash entered into an agreement that allowed the City of Regia to provide Western Potash with access to recycled wastewater for a 2.8 million tonne per year ("Mtpy") conventional potash solution mine. Following the conclusion of the Pilot project engineering, renegotiation of the Water Access Agreement with the city of Regina was initiated. The selective solution mining technology uses substantially less water than conventional solution mining techniques, and the renegotiated agreement therefore reduces the volume of water correspondingly. Included in the terms of the new agreement, Western Potash will pay a commitment fee of $200,000 when the final agreement is signed, and an annual 'standby' fee of $100,000 for every year that water is not drawn. When Western Potash begins to draw water, 50% of the standby and commitment fees paid to the City will be refunded in the form of a credit against water usage charges.

In May 2015, the Rural Municipality of Lajord ("RM of Lajord") and Western Potash entered into a "Development Agreement" for the construction and Operation of the original 2.8 Mtpy Primary and Secondary potash solution mining project. Given the revised technology and rescoped project, an amendment to the Development Agreement with the RM of Lajord was undertaken. The amended agreement covers the construction and operation of the Phase I Project and usage of RM of Lajord roads. The amended agreement was signed in August 2017 and compliments the existing Development Agreement. In support of the Development Agreement a study of the access road options was completed and used in negotiations with the RM of Lajord. The Development Agreement allows a framework for the construction and operations logistics, as well as product transportation.

In February 2017, Western Potash purchased 160 acres for the Phase I plant site. The purchase of this land allows the Phase I processing plant to be situated near the site of the caverns, thereby resulting in significant cost savings. The Phase II and Phase III processing plant will be situated in the original land purchased by Western Potash in 2011. A detailed geotechnical study of the newly acquired Phase I land was completed in 2017. The geotechnical study provides important information regarding the civil engineering design for the Phase I Project.

In early 2017, Western Potash began investigating North American and Asian options for the sale of potash from the Milestone Phase I project. Substantial savings could be realized thorough reduced transportation costs compared to shipping the product to overseas markets. The North American market generally requires a potash that has granular specifications instead of standard specifications. Therefore, there will be approximately $10 million of additional CAPEX required to purchase, integrate and install a compaction circuit in the process plant. The $10 million estimate is a preliminary order of magnitude estimate and the engineering of the process, equipment, building, electrical, control and ventilation modifications needed to accommodate a compaction circuit will be commenced when any offtake agreement is finalized.

In September 2017 Agapito completed a dynamic solution mining test to simulate the selective potash dissolution using a synthetic potash sample. The testing investigated the effect of flowrate and brine saturation and will assist in further optimization of the mine engineering and modeling of the Phase I cavern development. Western Potash has had ongoing discussions with utility providers (SaskPower, SaskEnergy) for provision of power and natural gas.

Readers are cautioned that the projected mining method, potential production profile as well as plan and mine plan referred to in the Pilot Study are conceptual in nature and additional technical studies will be required in order to fully assess their viability. There is no certainty that a potential mine will be realized or that a production decision will be made. A mine production decision that is made without a feasibility study carries additional potential risks that include, but are not limited to, the inclusion of inferred mineral resources, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mine design and mining schedules, metallurgical flow sheets and process plant designs will require additional detailed work and economic analysis and internal studies to ensure satisfactory operational conditions and decisions regarding future targeted production. The Pilot Study is a preliminary economic assessment, is preliminary in nature and includes inferred mineral resources, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that inferred resources will be converted to the measured and indicated categories, that the measured and indicated resources will be converted to the proven and probable mineral reserve categories and there is no certainty that the Pilot Study will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability; the estimate of mineral resources in the Pilot Study may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Qualified Persons

The in-house qualified person who has reviewed and approved the disclosure of technical and scientific information included in this MD&A is Greg Vogelsang, P.Eng., P.Geo., FGC.

Outstanding Share Data

The following details the share capital structure as at the date of this MD&A :

Authorized -

Unlimited Common shares without par value.

Issued and Fully Paid

	Number	Amount
Balance, September 30, 2017 and as of the date of this MD&A	93,437,110	$ 219,985,801

Stock Based Compensation Plan

As at the date of this MD&A, the Company had compensation and stock options outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price per Share	Expiry Date
930,000	2.25	September 12, 2018
930,000		

Treasury Shares

On October 30, 2015, the Company (Formerly Western Potash Corp.) received approval from the Toronto Stock Exchange to make a “normal course issuer bid” (the “Bid”) to purchase up to 2.73 million of the Company’s issued and outstanding common shares. The bid commenced on November 4, 2015 and terminated on November 3, 2016. As of September 30, 2017 and 2016, the Company had purchased 777,400 common shares at a cost of $762,520. These shares will not be retired and are classified as treasury shares in shareholders’ equity.

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 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 and loans receivable, the carrying value of which represents the Company’s maximum exposure to credit risk. 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. Loan receivable from FB Burrard LP has a first charge security on the land acquired by FB Burrard LP. Management believes that the credit risk of loan receivable from FB Burrard LP receivable is moderate.

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, 2017, the Company had a cash and cash equivalents balance of $1,606,813 and term deposits of $54,724,469 to settle current liabilities of $161,691. 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, changes in commodity prices, cost overruns on capital projects and changes to government regulations relating to prices, taxes, royalties, land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The market price of real estate projects is uncertain and could drop significantly over the project development period.

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. The loan receivable to real estate limited partnership is subject to interest rate risk as the rate is defined by Western Prime rate plus 1.5%.

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. There is no significant foreign currency risk.

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, 2017. 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.

Project risks

The Milestone Phase I Project is a demonstration plant, and as such there are a number of technical and economic risks. The most significant risk is lower than expected potash price, which has the largest effect on project economics. Although China Blue Chemical Ltd., one of Western's major shareholders, has expressed its willingness to enter into negotiations for a purchase agreement under certain terms for all the Pilot Plant's products, the Company is continuing to explore other options for product sales outside of the Chinese market.

Plans for the Phase I Project water supply have not been verified. Western has a previously negotiated agreement with the City of Regina to use treated effluent for a 2.8 million tonnes per year ("Mtpy") conventional solution mine. Although the Company has amended this agreement for the Milestone Phase II and Phase III project, the Phase I Project requires substantially less water volumes and construction of a pipeline to transport effluent to the site is not cost effective. The Company therefore intends to secure groundwater from a local deep well for the Phase I Project, which is below any potable or agriculture ground sources, and will not affect domestic or agricultural water safety. The site for the deep water well has been identified, and drilling and testing is being planned.

There are a number of technical risks associated with the innovative use of selective horizontal solution mining. In particular, the risks include the long term potash recovery rates, and sustaining CAPEX costs. To maintain potash recovery rates, additional well drilling is planned and drilling costs have been updated in the sustaining CAPEX. However, actual hydrodynamic conditions in the caverns may be underestimated in the cavern production model. Currently, further experimental investigations of the mechanisms of dissolution by NaCl-saturated solvents are being undertaken by AGAPITO in an attempt to simulate actual mining conditions.

Weather conditions (including snow and flooding) may affect both the construction schedule and operations (in particular road restrictions may reduce the ability to ship product off-site). The Company is developing contingency plans to minimize the risk associated with weather events, including flexibility in construction schedules, contingencies, appropriate productivity factors, and product shipping plans. These include on-site storage and conducting an annual plant maintenance shutdown during spring road bans.

Disclosures Controls and Procedures and Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company have assessed or caused to be assessed the effectiveness of the Company's disclosure control procedures ("DC&P") and internal control over financial reporting ("ICFR") which has been designed or caused to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has relied upon certain informal procedures and communication to maintain the effectiveness of disclosure controls and procedures and to continually improve and upgrade the design and evaluation of its DC&P and ICFR. However, there can be no assurance that the risk of a material misstatement in the annual financial statements can be reduced to less than a remote likelihood.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of ICFR as at September 30, 2017. In conducting this evaluation, the Company used the criteria set forth by the Committee of Sponsoring Organization of the Treadway Commission (COSO) in *Internal Control – Integrated Framework (2013*). Based on its evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's ICFR is effective as at September 30, 2017.

Because of inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.