



# NEWSLETTER

## Stock Price Change from October 31<sup>st</sup>, 2017 to December 31<sup>st</sup>, 2017



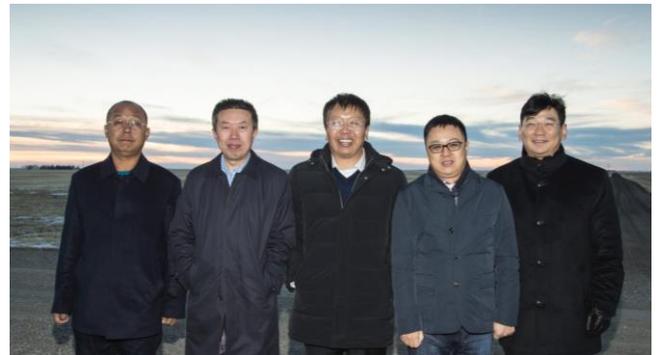
## SECTION ONE - CORPORATE UPDATE

### CORPORATE ACTIVITY

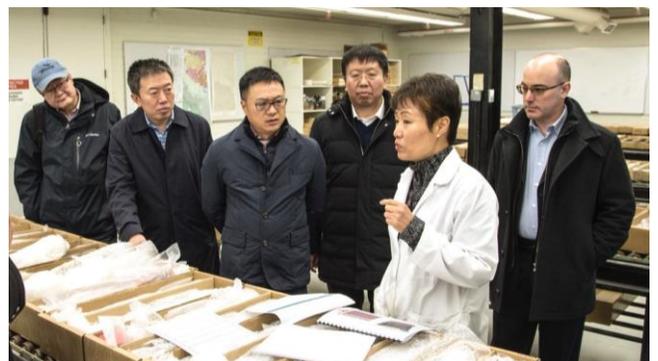
The management team has been working on both the investment and execution plans. In early December a Chinese investor group visited Western Resources Corp. and the Milestone Project in Vancouver and in Regina. The delegation was accompanied by Western Resources' President & CEO, Bill Xue, and visited the Saskatchewan CORE laboratory, the Western Potash land and other locations of interest.

At the SK CORE lab, Senior Research Geologist, Dr. Yang Chao, presented a detailed and comprehensive introduction to the investor group on Saskatchewan's unique advantages for potash mining and the abundant resources. Dr. Yang also showed visitors the drilling cores of Western Potash Corp. and the 3D model of the province's potash belt. The investors were greatly impressed with both the high grade and the vast volumes of the Company's potash resources.

Upon returning to Vancouver from the site visit, investors and the Company's management went directly from the airport to Western Resources' meeting room for discussions on the potential collaboration in the Company's future development and its Milestone Project. Bill Xue presented a very comprehensive and detailed introduction on the Company and the projects, including the 10-year history, highlights of every major historical period, benefits of the innovative technology to be applied to the Phase I Project, unique advantages of the project's reserves and infrastructure, the Company strategy, as well as major

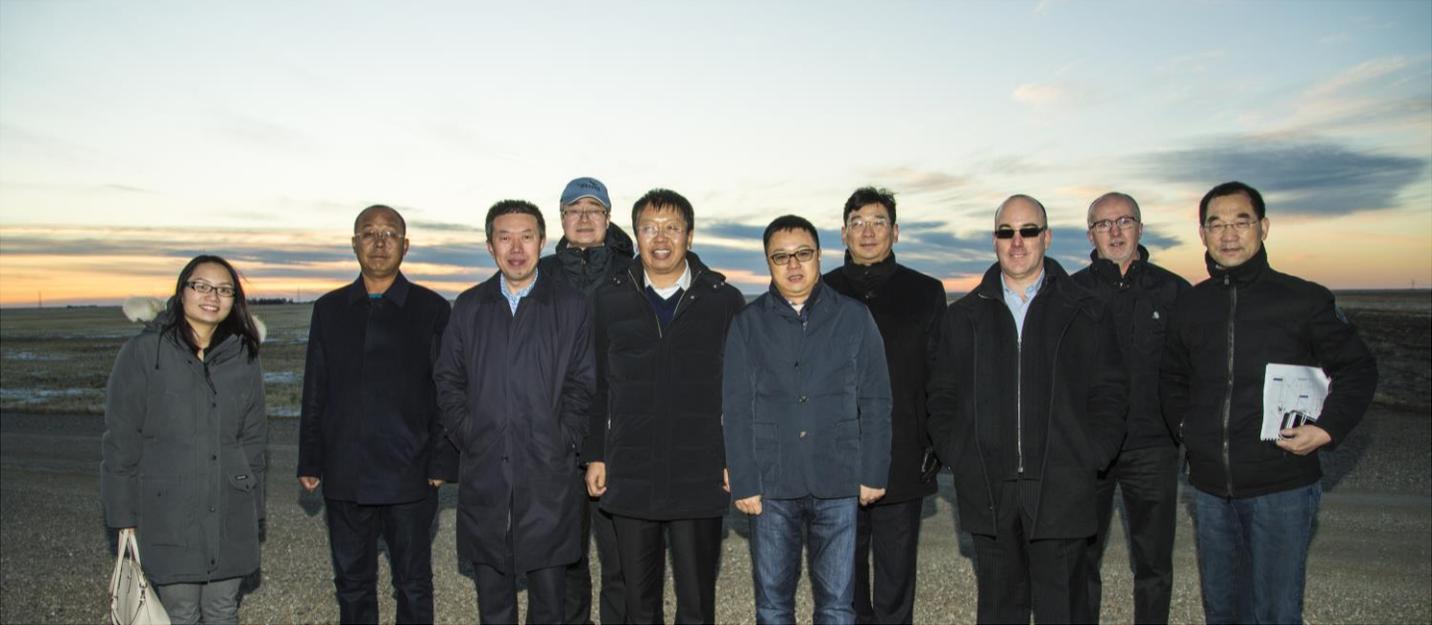


MPC Chairman Bill Xue with Investors on mine site



MPC Chairman Bill Xue and Investors at SK CORE Lab with Dr. Yang

achievements made over the last two years in advancing the project, etc. The investors were pleased with management continuously moving the project to its current stage, and confident in the development of the Milestone Project.



## SECTION TWO - WESTERN POTASH CORP & MILESTONE PHASE I PROJECT

### ENGINEERING

Preparations are underway for the final engineering of the compaction circuit, geotechnical update and plant site optimization, refreshing the vendor equipment bids and the inclusion of the vendor engineering into a final “Issued for Construction” (IFC) plant design and drawings.



### SOLUTION MINING

We are collaboratively working with an industry expert to leverage their knowledge to improve our selective solution mining plans, preparing schedule for the development of final solution mining procedures and operation manuals. And technically reviewing plans to optimize solution mining and processing to reduce Capex and improve operations.

### INFRASTRUCTURE

Western Potash continues to work with crown and utility companies to secure all the essential infrastructure for the project.

#### SaskPower/ Electricity

SaskPower has provided a preliminary interconnection plan for the Phase I Project. Western Potash will update SaskPower and provide additional design details when they become available. SaskPower will then finalize costs and design for the electrical connections, with the plan to start the rights of way acquisition for the powerline which is required for the final permitting to be started as soon as the project is sanctioned.

#### SaskEnergy – Natural Gas

SaskEnergy will supply natural gas to the site. Western Potash has had several meetings with SaskEnergy to discuss gas connection logistics and costs. SaskEnergy has provided a Construction Schedule of Service (CSOS) for the connection. Western Potash will meet with SaskEnergy as soon as possible to provide a project update and receive updated costs, if necessary, with the aim to start the rights of way and permitting with project sanction.

#### Water – Phase I Project

For the Phase I Project, several options for water supply have been evaluated. Given the relatively small amount of water required for the Phase I Project, the most feasible water supply option is a deep (700m) groundwater well located about 8 km from the project site. The preferred location has been determined from extensive examination of geophysical data from the exploration holes drilled in 2009-2011. A location has been secured and an agreement reached with the landowner. This location has been predicted to supply more than enough water for the pilot, but a test well is required to confirm this. The well design and costs have been completed and the aim will be to drill in the first half of the year, after the road bans are lifted.

#### Water – City of Regina Agreement

In 2012, Western Potash and the City of Regina completed an agreement that allowed the City to supply Western Potash with recycled water for the original 2.8 million tonne per year Primary and Secondary solution mining project until 2019. However, with the decision to move to Selective Solution Mining, water requirements are about 50% of the original required amount. With the reduced demand for water, the original agreement was renegotiated and extended until 2025 with a reduced water allocation and standby fees payable to the City of Regina.

## Construction Preparation

Preparation for construction is proceeding on a number of fronts. The construction strategy was finalized, and a number of equipment vendors, suppliers and constructors were visited during the quarter. These included visits in Regina, Saskatoon and Calgary. As the final engineering is completed, early vendor engagement will help ensure that what we plan can actually be built, safely and on schedule.



## Government and Community

On December 5, 2017, Western Potash Corp.'s management met with elected representatives of the Government of Saskatchewan in the province's Legislative Building to provide an update on the Milestone Project. Present at the meeting were the Honorable Brad Wall, Premier of Saskatchewan, the Honorable Nancy Heppner, Minister of Energy and Resources, the Honorable Steven Bonk, Minister of the Economy as well as other government officials. Attending from Western Potash Corp. was Bill Xue, George Gao, Arthur Ma, Matthew Wood, Jerry Zhang and Greg Vogelsang, with Honorable James Moore, Chairman of Western Potash's parent company, Western Resources Corp, attending via telephone.



SK Premier, Hon. Brad Wall is talking to Western Potash team

On behalf of the Company, Western Potash's CEO, Mr. George Gao, provided a detailed update and outlined recent progress on the Milestone Phase I Project, including advancing the engineering, financing and offtake arrangements, amended agreements with the Rural Municipality of Lajord and the water supply agreement with

the City of Regina. Western Potash emphasized the importance of working collaboratively with the Government and local communities as it continues to advance the Milestone Project to construction and operations.

Premier Brad Wall welcomed Western Potash Corp.'s move of its head office to Regina and expressed the government's support to the Milestone Project. Minister Heppner and Minister Bonk described the government of Saskatchewan's support for innovative projects such as the Milestone Phase I Project and committed to continued support through the government's existing tax credit programs which provide companies with incentives to invest in the potash industry.

Western Potash will continue to work with the government and communities of Saskatchewan to move the Milestone Project to construction and production and make it the newest greenfield potash development in the province.



WPC Chairman Bill Xue with Hon. Nancy Heppner & Hon. Steven Bonk

Sponsorship activities were undertaken this past quarter with the Kronau Heritage Museum and Sedley Spray Park. And there is ongoing discussion with both the Rural Municipality of Lajord and Edenwold this quarter. The Western Potash and Western Resource websites will be updated early in 2018 to make it easier to access information and stay updated on the project.

## CORPORATE ACTIVITIES

Western Potash Corp celebrated this year's Christmas holiday season in the Regina Chop Steakhouse, and wishes everyone a happy, safe and prosperous 2018.



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## SECTION THREE- WESTERN GARDEN PROPERTIES

Since its establishment, Western Garden Properties team has worked very hard in order to secure promising development projects to contribute cash return to the Company. Western Garden Properties (WGP) has made new progress on Real Estate Investments in the past three months. The three projects that were partnered with Formwerks went smoothly, and two more potential partners are now in negotiations with WGP for cooperation. WGP has also successfully launched short-term first mortgage land loans in several projects, which will bring full profit and principal receivable in 2018.



### **Contributors:**

Matthew Wood, Greg Vogelsang and Caitlin Knaus for Western Potash Corp. section

Jerry Zhang for Western Resources Corp. section

Arthur Ma for Chinese Vendor Visit & Photographs

Simon Guo for Western Garden Properties Corp. section

News Letter Editor: Simon Guo

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