

# THE NORTHERN MINER

THE GLOBAL  
MINING  
NEWSPAPER

www.northernminer.com

JUNE 22-28, 2009 VOL. 95, NO. 18 • SINCE 1915

## Western Potash on the upswing

Analysts at Wellington West Capital Markets believe investors in junior explorer **Western Potash Corp.** (WPX-V) will do well over the next 12 months.

In a research note to clients in late May, entitled: "Helping Secure a Seat at Future (Consolidation) Negotiation Table," analysts Robert Winslow and Eric Winmill said the company with mineral properties in Western Canada should climb from its trading price of 50¢ per share to \$1. At presstime, the stock had climbed to 74¢ apiece.

Certainly if location is any guide, Western Potash has quite a bit going for it. Its 500-sq.-km Milestone property 30 km southeast of Regina lies southeast of **Mosaic Co.**'s (MOS-N) Belle Plaine mine, one of the largest producing potash solution mines in the world, the company says. Milestone is also adjacent to potash permits held by **BHP Billiton** (BHP-N, BLT-L), **Vale** (VALE-N) (it acquired the Regina potash property from Kennecott Canada Exploration) and **Potash One** (KCL-T, KCLOF-O).

Seismic data has confirmed the presence of potash prospective salt beds on the eastern portion of the Milestone property, within 15 km of the potash wells drilled by Kennecott last year and covering an area of 185 sq. km, according to Western Potash.

In late May, the company announced that it had completed its first potash exploration well on the property. The well was drilled to a depth of 1.8 km and visual interpretation of the gamma ray logs from the zone suggested "moderate to strong potash grade," the company reported.

The logs also demonstrated a minimum formation temperature of 62°C, confirming a strong heat anomaly underlying the property. Samples have been submitted for analysis with results due back in four to six weeks.

Western Potash says the results so far suggest the geological setting and mineralization "are consistent with characteristics of other potash deposits in Saskatchewan."

The company plans to drill two other wells targeting the Prairie Evaporite formation. The drill program is aimed at defining the extent, grade, thickness and type of potash mineralization.

The Milestone deposit is about 1,600 metres below surface and the company argues it is amenable to solution mining techniques.

Wellington analysts Winslow and Winmill argue in their research note that proving out Milestone's prospects gives Western Potash leverage and ensures that the company could be part

of potential merger and acquisition talks in the sector.

Phase one of the Milestone project — consisting of three permits covering 500 sq. km — is well funded, Winslow and Winmill argued.

Should the drill results prove positive, Western Potash says, the company should be able to complete a National Instrument 43-101-compliant resource on the Milestone property before the end of the year.

In addition to Milestone, Western Potash has the Russell-Miniota and Russell-South properties in Manitoba, lying in the southwestern corner of Manitoba along the province's border with Saskatchewan and about 55 km from the U.S. border.

During the first quarter of 2009, Western Potash completed an additional four exploratory wells on its Russell-South properties totalling 4,566 metres. The company believes that grades determined by drill testing so far in the Russell South area compare well with those are being mined at the neighbouring Rocanville mine, owned by **Potash Corp. of Saskatchewan** (POT-T, POT-N).

Western Potash shares have traded in 52-week trading range of 15.5¢-\$2.20 per share; the company has 103 million shares outstanding.